

The Loan Companies Act

being

Chapter 115 of *The Revised Statutes of Saskatchewan, 1940*
(effective February 1, 1941).

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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SCHEDULE A
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CHAPTER 115

An Act respecting Loan Companies

SHORT TITLE

Short title

- 1 This Act may be cited as *The Loan Companies Act*.

R.S.S. 1930, c.95, s.1; R.S.S. 1940, c.115, s.1.

INTERPRETATION

Interpretation

- 2 In this Act, unless the context otherwise requires, the expression:

“Minister”

1. “**Minister**” means the member of the Executive Council under whose direction this Act is administered;

“Loan company”

- 2 “**Loan company**” means a company incorporated for the purpose of:

- (a) exercising the powers set forth in sections 61 and 62; or
- (b) lending money on the security of mortgages of freehold real estate, with or without other powers or objects;

“Real estate”

3. “**Real estate**” or “**land**” includes messuages, lands, tenements and hereditaments, whether freehold or of any other tenure, and whether corporeal or incorporeal, and any undivided share thereof, and any estate, right or interest therein;

“Shareholder”

4. “**Shareholder**” means a subscriber to or holder of stock in the company and includes the personal representatives of a shareholder.

R.S.S. 1930, c.95, s.2; R.S.S. 1940, c.115, s.2.

APPLICATION OF ACT

Application

- 3 The provisions of this Act shall apply to every loan company incorporated after the thirty-first day of December, 1917, hereafter incorporated, by Act of the Legislature.

R.S.S. 1930, c.95, s.3; R.S.S. 1940, c.115, s.3.

Application of sections

4 The provisions of sections 43, 59, 60, 69, and 85 to 89 shall apply to every loan company incorporated prior to the first day of January, 1918, by Act of the Legislature and, in so far as there are provisions in such Act or in any Act applicable to such company inconsistent with the provisions of these sections, the provisions of these sections shall apply, and the provisions which are inconsistent shall not apply.

R.S.S. 1930, c.95, s.4; R.S.S. 1940, c.115, s.4.

INCORPORATION AND ORGANIZATION**Declarations in Act of incorporation**

5 The capital stock of every loan company hereafter incorporated, the name of the company, the place in Saskatchewan where its head office is to be situated and the name, place of residence and description of each of the provisional directors, shall be declared in the Act of incorporation.

R.S.S. 1930, c. 95, s.5; R.S.S. 1940, c.115, s.5.

Model bill

6 Every loan company incorporated by Act in the form set forth in schedule A shall be a body corporate by the name contained in its Act of incorporation, capable forthwith of exercising all the functions of an incorporated company, and shall be invested with all the powers, privileges and immunities and subject to all the liabilities and provisions set forth in this Act.

R.S.S. 1930, c.95, s.6; R.S.S. 1940, c.115, s.6.

Provisional directors

7 The number of provisional directors shall be not less than five, a majority of whom shall be a quorum.

R.S.S. 1930, c.95, s.7; R.S.S. 1940, c.115, s.7.

Organization

8(1) The provisional directors may, after giving notice thereof by advertisement in one or more newspapers published at the place where the head office of the company is situate and in *The Saskatchewan Gazette*, open stock books, procure subscriptions of stock, make calls on stock subscribed and do generally what is necessary to organize the company.

Calls

(2) The first of such calls shall not exceed twenty-five per cent. of the amount subscribed and no subsequent call shall exceed ten per cent. thereof, and such calls shall be made at intervals of not less than thirty days.

Notice

(3) Not less than thirty days' notice shall be given of a call, and any notice of call may be effectually given by sending the notice by registered letter to the last known address of each shareholder as contained in the books of the company.

Advances

(4) The provisional directors may receive from a shareholder willing to advance the same all or any part of the money due upon the shares held by him beyond the sums actually called for; and upon the money so paid in advance, or so much thereof as from time to time exceeds the amount of the calls then due upon the shares in respect of which such advance has been made, the company may pay interest at such rate as the shareholder paying such sum in advance and the directors may agree upon.

Disposal of moneys

(5) The provisional directors shall deposit to the credit of the company in a chartered bank all moneys received by them on account of stock subscribed or otherwise on account of the company, and may withdraw the moneys so deposited for the purposes of the company only.

R.S.S. 1930, c.95, s.8; R.S.S. 1940, c.115, s.8.

Tenure of office

9 The provisional directors shall hold office until directors are elected by the shareholders qualified as hereinafter provided.

R.S.S. 1930, c.95, s.9; R.S.S. 1940, c.115, s.9.

General meeting

10(1) As soon as not less than \$25,000 of the capital stock has been *bona fide* subscribed, and not less than \$10,000 has been paid thereon in cash, the provisional directors may call a general meeting of the shareholders to be held at the place named in the Act of incorporation as the head office of the company.

Limitations as to subscriptions

(2) For the purpose of the organization of the company under the provisions of this Act:

(a) stock upon which less than ten per cent. has been paid in cash by the subscriber shall not be deemed to have been *bona fide* subscribed;

(b) any sum paid by any subscriber less than ten per cent. of the amount subscribed by him shall not be taken into account as part of the sums paid in on account of subscriptions of stock.

R.S.S. 1930, c.95, s.10; R.S.S. 1940, c.115, s.10.

Voting

11 At such meeting only the shareholders who have paid in cash at least ten per cent. of the amount of the shares subscribed for by them shall be qualified to vote.

R.S.S. 1930, c.95, s.11; R.S.S. 1940, c.115, s.11.

Proceedings

12(1) The shareholders so qualified shall at a meeting:

(a) determine the day upon which the annual general meeting of the company is to be held;

(b) elect such number of directors duly qualified under this Act as they think necessary, not less than five nor more than fifteen, a majority of whom shall be a quorum.

(2) Upon the election of directors the functions of the provisional directors shall cease.

R.S.S. 1930, c.95, s.12; R.S.S. 1940, c.115, s.12.

Certificate before commencement of business

13(1) The company shall not borrow or lend money or otherwise carry on business by exercising any of the powers set forth in sections 61 and 62 until it has obtained from the minister a certificate permitting it to do so, and no application for such certificate shall be made and no certificate shall be given until it has been shown to the satisfaction of the minister by affidavit or otherwise that:

- (a) the board of directors has been duly elected;
 - (b) not less than \$75,000 of capital stock has been *bona fide* subscribed;
 - (c) the company has at its credit in a chartered bank a sum not less than \$25,000 paid in by subscribers on account of their subscriptions in excess of any and all liabilities of the company in connection with or arising out of the incorporation, procuring of subscriptions, organization or otherwise howsoever;
 - (d) all other requirements of this Act antecedent to the granting of a certificate have been complied with; and
 - (e) the expenses of incorporation and organization are reasonable.
- (2) The particulars of all liabilities of the company shall be disclosed to the minister at the time the application is made.
- (3) No certificate under this section shall be given unless application therefor is made within two years after the passing of the company's Act of incorporation, or within such extended period not exceeding one year as the Lieutenant Governor in Council before the expiration of such two years allows.
- (4) If a certificate has not been obtained as in this section provided, the company's Act of incorporation shall thereupon cease to be in force, except for the purpose of winding up the affairs of the company and returning to subscribers the amounts paid by them upon the stock subscribed or so much thereof as they may be entitled to.

R.S.S. 1930, c.95, s.13; R.S.S. 1940, c.115, s.13.

Publication

14 Notice of the issue of a certificate of the minister permitting the company to commence business shall be published by the company in two issues of the *Gazette* and once a week for four successive weeks in at least one newspaper in the city or place where the head office of the company is situate.

R.S.S. 1930, c.95, s.14; R.S.S. 1940, c.115, s.14.

INTERNAL REGULATIONS

Regulations

15 The shareholders may at any annual general meeting or at any special general meeting duly called for the purpose fix and regulate by bylaw the following matters incident to the management and administration of the affairs of the company, that is to say:

- (a) the day on which the annual general meeting shall be held;
- (b) the notice to be given to shareholders of special general meetings;
- (c) the requirements as to proxies, the record to be kept of them and the time, not exceeding ten days, within which proxies must be produced and recorded prior to a meeting in order to entitle the holder to vote thereon;
- (d) the number of directors, which shall be not less than five nor more than fifteen, a majority of whom shall be a quorum;
- (e) subject to the provisions hereinafter contained, the qualifications of directors;
- (f) the remuneration of the president, vice presidents and other directors;
- (g) the exercise of the borrowing powers of the company; and
- (h) such matters as may be deemed expedient and as are not otherwise provided for by this Act.

R.S.S. 1930, c.95, s.15; R.S.S. 1940, c.115, s.15.

Election of directors

16(1) The election of directors shall be by ballot of the shareholders and shall take place each year at the annual general meeting of the company.

(2) The persons to the number authorized to be elected who have the greatest number of votes at any election shall be directors.

(3) If it happens at any election that two or more persons have an equal number of votes and the election or non-election of one or more of such persons as a director or directors depends on such equality, then the directors who have a greater number of votes or a majority of them shall, in order to complete the full number of directors, determine which of the said persons so having an equal number of votes shall be a director or directors.

(4) If an election of directors is not made or does not take effect at the proper time, the company shall not be held to be thereby dissolved; but such election may take place at any general meeting of the company, duly called for that purpose, and the retiring directors shall continue in office until their successors are elected.

R.S.S. 1930, c.95, s.16; R.S.S. 1940, c.115, s.16.

Re-election

17 Directors shall hold office until the annual general meeting in the year succeeding their election and shall, if otherwise qualified, be eligible for re-election.

R.S.S. 1930, c.95, s.17; R.S.S. 1940, c.115, s.17.

Qualification of directors

18 No shareholder shall be eligible for election as a director unless he holds in his own name and for his own use at least twenty-five shares of capital stock of the company and has paid in cash all calls due thereon and all liabilities incurred by him to the company, and a director who makes an assignment for the benefit of creditors or comes within the operation of the *Bankruptcy Act*, or ceases to hold at least twenty-five shares as aforesaid, shall *ipso facto* cease to be a director.

R.S.S. 1930, c.95, s.18; R.S.S. 1940, c.115, s.18.

Vacancies in board

19 Vacancies occurring in the board of directors may be filled for the remainder of the term by the directors from among the qualified shareholders of the company:

Provided that if the vacancies are not filled, the acts of a quorum of the remaining directors shall not be thereby invalidated.

R.S.S. 1930, c.95, s.19; R.S.S. 1940, c.115, s.19.

President and vice presidents

20(1) The directors, as soon as may be after their election, shall proceed to elect by ballot from their number a president and one or more than one vice president.

(2) No general manager or manager of the company shall act in the capacity of president or vice president of the company.

R.S.S. 1930, c.95, s.20; R.S.S. 1940, c.115, s.20.

Chairman

21 The president, or in his absence a vice president shall preside at all meetings of the directors and of the shareholders. In the absence of both the president and vice presidents at any meeting, a chairman shall be selected by the directors or shareholders present at such meeting. The presiding chairman may vote as a director at all meetings of directors and as a shareholder at all general meetings of the company, and in case of an equality of votes at any meeting he shall have a second or casting vote.

R.S.S. 1930, c.95, s.21; R.S.S. 1940, c.115, s.21.

Vacancies among officers

22 If a vacancy occurs in the office of president or vice president, the directors shall from themselves elect a president or vice president who shall continue in office until the next election of directors.

R.S.S. 1930, c.95, s.22; R.S.S. 1940, c.115, s.22.

Extension of business beyond Saskatchewan

23 The company may, in general meeting of its members called for the purpose by notice duly given, pass a bylaw authorizing the directors to extend its business beyond Saskatchewan but in compliance with the law of the country to which the business may be so extended; and the directors may give effect to such bylaw without being liable or responsible as for a breach of trust in so doing.

R.S.S. 1930, c.95, s.23; R.S.S. 1940, c.115, s.23.

Purchase of buildings

24 Where, as provided in section 23, a provincial company carries on business outside Saskatchewan, the company may, in general meeting of its members called for the purpose by notice duly given, pass a bylaw authorizing the directors to invest the company's money in the erection or purchase of buildings required for the occupation of the corporation in any place where it is so carrying on business and in conformity with the law of the country in which such place is situated.

R.S.S. 1930, c.95, s.24; R.S.S. 1940, c.115, s.24.

Powers

25 The directors may in all things administer the affairs of the company and may make or cause to be made for the company any description of contract which the company may by law enter into.

R.S.S. 1930, c.95, s.25; R.S.S. 1940, c.115, s.25.

BYLAWS**Bylaws**

26(1) The directors may make bylaws not contrary to law or to this Act or to any bylaw duly passed by the shareholders for:

- (a) regulating the allotment of stock, making calls thereon, payment thereof, the issue and registration of certificates of stock, the issue of share warrants, the forfeiture of stock for non-payment, the disposal of forfeited stock and of the proceeds thereof, and the transfer of stock;
 - (b) the declaration and payment of dividends;
 - (c) regulating the appointment, functions, duties and removal of agents, officers and servants of the company, the security to be given by them to the company and their remuneration;
 - (d) the time and place for holding meetings of the board of directors, and the procedure at such meetings;
 - (e) the imposition and recovery of penalties and forfeitures admitting of regulation by bylaw; and
 - (f) the conduct in all other particulars of the affairs of the company.
- (2) Bylaws made under the authority of this section shall, unless confirmed at the next annual general meeting, only have force until such meeting and in default of confirmation thereat shall from the time of such default cease to have force or effect.

R.S.S. 1930, c.95, s.26; R.S.S. 1940, c.115, s.26.

CAPITAL STOCK AND CALLS THEREON**Capital stock**

27 The capital stock of a loan company hereafter incorporated shall be not less than \$250,000 and shall be divided into shares of \$100 each.

R.S.S. 1930, c.95, s.27; R.S.S. 1940, c.115, s.27.

Personal estate

28 The stock of the company shall be personal estate, and shall be transferable in such manner only, and subject to such conditions and restrictions as are prescribed by this Act, or the bylaws of the company.

R.S.S. 1930, c.95, s.28; R.S.S. 1940, c.115, s.28.

Calls

29(1) The directors may make calls upon the several shareholders in respect of the amount of capital subscribed by them respectively at such times and places and in such payments as this Act and the bylaws, if any, made under its provisions require or allow.

(2) The first of such calls shall not in respect of shares subscribed after the organization of the company exceed twenty-five per cent., and no subsequent call in respect of shares subscribed before or after organization shall exceed ten per cent. and not less than thirty days' notice shall be given of a call, and any notice of call may be effectually given by sending the notice by registered letter to the last known address of each shareholder as contained in the books of the company.

(3) There shall be an interval of not less than thirty days between the times at which successive calls are payable.

(4) Interest shall accrue and fall due, at the rate of five per cent. per annum, upon the amount of any unpaid call, from the day appointed for payment of such call.

(5) The directors may receive from a shareholder willing to advance the same all or any part of the money due upon the shares held by him beyond the sums actually called for; and upon the money so paid in advance or so much thereof as from time to time exceeds the amount of the calls then due upon the shares in respect of which such advance has been made, the company may pay interest at such rate as the shareholder paying such sum in advance and the directors may agree upon.

R.S.S. 1930, c.95, s.29; R.S.S. 1940, c.115, s.29.

Forfeiture

30(1) If a shareholder fails to pay a call or instalment on or before the day appointed for the payment of the same, the directors may, at any time thereafter while the call or instalment remains unpaid, send a notice to the shareholder by registered post, addressed to him at his last known post office address as shown by the books of the company, requesting him to pay the same together with any interest that may have accrued.

(2) The notice shall name a day not less than thirty days from the date of mailing the notice and a place or places on and at which the call or instalment and interest are to be paid. The notice shall also state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

(3) If the requisitions of any such notice are not complied with, any shares in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments and interest due in respect thereof, be forfeited by resolution of the directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. Notwithstanding such forfeiture, the holder of such shares at the time of forfeiture shall continue liable to the creditors of the company at such time for the full amount unpaid on such shares at the time of forfeiture, less any sums which are subsequently received by the company in respect thereof.

(4) When any share has been so forfeited, notice by registered post as aforesaid of the resolution shall be given to the shareholder in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof shall forthwith be made in the proper books of the company.

(5) Any share so forfeited shall be deemed to be the property of the company, and the directors may sell, allot and otherwise dispose of the same in such manner as they think fit.

(6) The directors may, at any time before any share so forfeited has been sold, allotted or otherwise disposed of, annul the forfeiture upon such conditions as they think fit.

R.S.S 1930, c.95, s.30; R.S.S. 1940, c.115, s.30.

Transfer

31(1) No share shall be transferable, until all calls due thereon up to the date of transfer have been fully paid, or until it is declared forfeited for non-payment of a call or calls thereon.

(2) No transfer of shares, in respect of which the whole amount subscribed has not been paid in, shall be made without the consent of the directors.

R.S.S. 1930, c.95, s.31; R.S.S. 1940, c.115, s.31.

PREFERENCE STOCK

Creating and issuing preference stock

32(1) The directors may make bylaws for creating and issuing any part of the capital stock of the company as preference stock, which preference stock may be preferred in any respect and deferred in any other respect, and without limiting the generality of the foregoing, such preference stock may be either preferred or deferred in matters of the division of profits, payment of dividends and bonuses, election of directors, voting at meetings, rank as regards capital, and in winding up proceedings and in such other matters and respects as may be deemed advisable and as any such bylaw may provide.

(2) No such bylaw shall have any force or effect until unanimously sanctioned by a vote of the shareholders present in person or by proxy at a general meeting of the company duly called for considering the same, and representing two-thirds of the subscribed and issued stock of the company; or unanimously sanctioned in writing by the shareholders of the company:

Provided that if the bylaw be sanctioned by not less than three-fourths in value of the shareholders of the company, the company may through the minister petition the Lieutenant Governor in Council for an order approving the said bylaw, and the Lieutenant Governor in Council may, if he sees fit, approve thereof, and from the date of such approval the bylaw shall be valid and may be acted upon.

(3) Holders of shares of preference stock shall be shareholders within the meaning of this Act, and shall in all respects possess the rights and be subject to the liabilities of shareholders within the meaning of this Act:

Provided that in respect of dividends and otherwise they shall, as against the ordinary shareholders, be entitled to the preferences and rights given by such bylaw.

(4) Nothing in this section contained, or done in pursuance thereof, shall affect or impair the rights of creditors of the company.

R.S.S. 1930, c.95, s.32; R.S.S. 1940, c.115, s.32.

PROCEDURE

Enforcement of payment of calls

33 The company may enforce payment of calls and interest thereon, by action in any court of competent jurisdiction.

R.S.S. 1930, c.95, s.33; R.S.S. 1940, c.115, s.33.

Declaration in action

34 In such action it shall not be necessary to set forth the special matter, but it shall be sufficient to declare that the defendant is a holder of one share or more, stating the number of shares, and is indebted to the company in the sum of money to which the calls in arrears amount, in respect of one call or more, stating the number of calls and the amount of each, whereby an action has accrued to the company under this Act.

R.S.S. 1930, c.95, s.34; R.S.S. 1940, c.115, s.34.

Service on company

35(1) Service of any process or notice upon the company may be made by leaving a copy thereof at the head office of the company, with any adult person in charge thereof, or elsewhere with the president or secretary of the company.

(2) If the company has no known office and has no known president or secretary, the court may order such publication as it deems requisite to be made in the premises, for at least one month, in at least one newspaper.

(3) Such publication shall be deemed to be due service upon the company.

R.S.S. 1930, c.95, s.35; R.S.S. 1940, c.115, s.35.

Actions

36 Any description of action may be prosecuted and maintained between the company and any shareholder thereof.

R.S.S. 1930, c.95, s.36; R.S.S. 1940, c.115, s.36.

INCREASE OF CAPITAL STOCK**Limitation on capital stock increase**

37 The directors may, after the whole authorized capital stock of the company has been subscribed and fifty per cent. paid thereon in cash, increase the capital stock to an amount not exceeding the sum named for that purpose in the company's Act of incorporation; but the stock shall not be increased until a resolution of the board of directors authorizing such increase has been first submitted to and confirmed by the shareholders present in person or by proxy at a special general meeting of the shareholders of the company duly called for that purpose, the vote in favour of such resolution being that of shareholders holding not less than two-thirds of the subscribed capital stock of the company.

R.S.S. 1930, c.95, s.37; R.S.S. 1940, c.115, s.37.

DECREASE OF CAPITAL STOCK**Decrease of capital stock**

38 The directors may by bylaw provide for the decrease of the capital stock of the company to any amount not less than \$250,000 which they consider sufficient.

R.S.S. 1930, c.95, s.38; R.S.S. 1940, c.115, s.38.

Contents of bylaws

39 Such bylaw shall declare the number of the shares of the stock so decreased and the allotment thereof, or the rules by which the same is to be made.

R.S.S. 1930, c.95, s.39; R.S.S. 1940, c.115, s.39.

Liabilities of shareholders

40 The liability of shareholders to persons who are, at the time the stock is decreased, creditors of the company, shall remain as though the stock had not been decreased.

R.S.S. 1930, c.95, s.40; R.S.S. 1940, c.115, s.40.

Confirmation

41 No bylaw for decreasing the capital stock of the company shall have any force or effect unless and until it has been sanctioned by a vote of the shareholders present in person or by proxy at a general meeting of the company duly called for considering such bylaw, such vote being that of shareholders holding not less than two-thirds of the subscribed and issued capital stock of the company, and provided that such bylaw has afterwards been confirmed by a certificate of the minister given under the authority of the Treasury Board.

R.S.S. 1930, c.95, s.41; R.S.S. 1940, c.115, s.41.

Certificate by minister

42 Upon the application to the minister for a certificate confirming such a bylaw, the company shall satisfy him of the *bona fide* character of the decrease of the capital thereby provided for; and, unless it appears that the granting of such certificate would not be in the public interest, the minister, with the approval of the Treasury Board, may grant the same:

Provided that with the consent of the directors the amount of such decrease of capital may, by the said certificate, be changed, and the decrease made subject to such conditions as the Treasury Board thinks proper.

R.S.S. 1930, c.95, s.42; R.S.S. 1940, c.115, s.42.

SHARE WARRANTS**Issue and effect**

43(1) The company may, if so provided by bylaw with respect to any shares which are fully paid up, issue under its common seal a warrant stating that the bearer of the warrant is entitled to the shares therein specified, and may provide by coupons or otherwise for the payment of the future dividends on the shares included in the warrant, hereinafter referred to as a “**share warrant**”.

(2) A share warrant shall entitle the bearer to the shares specified in it, and such shares may be transferred by delivery of the share warrant.

(3) The bearer of a share warrant shall, subject to the bylaws of the company, be entitled, on surrendering it for cancellation, to have his name entered as a shareholder in the books of the company, and the company shall be responsible for any loss incurred by any person by reason of the company entering in its books the name of any bearer of a share warrant in respect of the shares specified therein without the share warrant being surrendered and cancelled.

(4) The bearer of a share warrant may, if the bylaws so provide, be deemed to be a shareholder of the company within the meaning of this Act either to the full extent or for such purposes as are prescribed by the bylaws:

Provided that the bearer of a share warrant shall not be qualified in respect of the shares specified therein to become a director of the company.

(5) On the issue of a share warrant in respect of any shares, the company shall strike out of its books the name of the shareholder then entered therein as holding such shares as if he had ceased to be a shareholder, and shall enter in the books the following particulars:

- (a) the fact of the issue of the share warrant;
- (b) a statement of the number of shares included in the share warrant;
- (c) the date of issue of the share warrant.

Until the share warrant is surrendered the above particulars shall be deemed to be the particulars which are required by section 51 to be entered in the books of the company in respect of the shares, and on the surrender being made the date of the surrender shall be entered as if it were the date at which a person ceased to be a shareholder.

(6) The bylaws may determine the conditions upon which share warrants shall be issued, and in particular upon which a new share warrant or coupon will be issued in the place of one worn out, defaced, lost or destroyed, and the conditions upon which the bearer of a share warrant shall be entitled to attend and vote at general meetings, and upon which a share warrant may be surrendered and the name of the holder entered in the books of the company in respect of the shares therein specified.

(7) Unless the bearer of a share warrant is entitled to attend and vote at general meetings, the shares represented thereby shall not be counted as part of the stock of the company for the purposes of a general meeting. The holder of a share warrant shall be subject to the bylaws for the time being in force, whether made before or after the issue of the warrant.

R.S.S. 1930, c.95, s.43; R.S.S. 1940, c.115, s.43.

SHAREHOLDERS' LIABILITY

Liability of shareholders

44 Every shareholder shall, until the whole amount of his stock has been paid, be individually liable to the company to an amount equal to that not paid up thereon.

R.S.S. 1930, c.95, s.44; R.S.S. 1940, c.115, s.44.

Limited liability

45 The shareholders of the company shall not, as such, be held responsible for any act, default or liability whatsoever of the company, or for any engagement, claim, payment, loss, injury, transaction, matter or thing whatsoever relating to or connected with the company, beyond the amount unpaid on their respective shares in the capital stock thereof.

R.S.S. 1930, c.95, s.45; R.S.S. 1940, c.115, s.45.

Exemptions

46 No person holding stock in the company as an executor, administrator, guardian or trustee, shall be personally subject to liability as a shareholder; but the estate and funds in the hands of such persons shall be liable in like manner and to the same extent as the testator, or intestate if living, or the minor, ward or other person interested in such trust fund if competent to act and holding such stock in his own name, would be liable.

R.S.S. 1930, c.95, s.46; R.S.S. 1940, c.115, s.46.

Collaterals

47 No person holding stock in the company as collateral security shall be personally subject to liability as a shareholder; but the person pledging such stock shall be considered as holding the same and shall be liable as a shareholder accordingly.

R.S.S. 1930, c.95, s.47; R.S.S. 1940, c.115, s.47.

TRANSMISSION OF INTEREST IN SHARES, DEBENTURE STOCK, ETC.

Declaration of transmission

48(1) If the interest of any person in a share in the capital stock or debenture stock, or in a bond, debenture or obligation of the company, such bond, debenture or obligation not being payable to bearer, or in any money in the hands of the company, is transmitted in consequence of the death, bankruptcy, or insolvency of the holder thereof, or by any lawful means other than a transfer upon the books of the company, the directors shall not be bound to allow any transfer pursuant to such transmission to be entered upon the books of the company, or to recognize such transmission in any manner until a declaration in writing, showing the nature of the transmission and signed and executed by the person claiming by virtue thereof, and also executed by the former shareholder, or holder, if living and having power to execute the same, has been filed with the manager or secretary of the company and approved by the directors.

(2) If the declaration purporting to be signed and executed also purports to be made or acknowledged in the presence of a notary public, or of a judge of a court of record or of a mayor of any city, town or borough, or other place, or a British consul, or vice consul or other accredited representative of the British Government in any foreign country, the directors may, in the absence of direct actual notice of a contrary claim, give full credit to the declaration and, unless the directors are not satisfied with the responsibility of the transferee, shall allow the name of the party claiming by virtue of the transmission to be entered in the books of the company.

R.S.S. 1930, c.95, s.48; R.S.S. 1940, c.115, s.48.

Transmission by will or intestacy

49 If the transmission takes place by virtue of any testamentary act or instrument, or in consequence of an intestacy, and if the probate of the will or letters of administration or testamentary documents, or other judicial or official instrument under which the title, whether beneficial or as a trustee, or the administration or control of the personal estate of the deceased is claimed to vest, purports to be granted by any court or authority in Canada or elsewhere, and if the probate of the said will or the said letters of administration or the said document testamentary or the said other judicial or official instrument or an authenticated copy thereof or official extract therefrom, together with the declaration mentioned in section 48, is produced and deposited with the manager, secretary, treasurer or other officer named by the directors for the purpose of receiving it, such production and deposit shall be sufficient justification and authority to the directors for paying the amount or value of any dividend, coupon, bond, debenture or obligation or share, or any other moneys payable by or in the hands of the company, or transferring or consenting to the transfer of any bond, debenture, obligation or share, or any other moneys payable by or in the hands of the company, in pursuance of, and in conformity to, such probate, letters of administration or such other document as aforesaid.

R.S.S. 1930, c.95, s.49; R.S.S. 1940, c.115, s.49.

Judicial order in case of doubt

50(1) Whenever the directors entertain reasonable doubts as to the legality of any claim to or upon such shares, bonds, debentures, obligations, dividends or coupons, or the proceeds thereof, or any other moneys payable by or in the hands of the company, they may file in any court of competent jurisdiction in the province a petition stating such doubts, and praying for an order or judgment adjudicating and awarding the said shares, bonds, debentures, obligations, dividends, coupons, or proceeds thereof, or any other moneys payable by or in the hands of the company, to the parties legally entitled thereto.

(2) Such court shall have authority to restrain any action, suit or proceedings against the company, the directors and officers thereof, for the same subject matter, pending the determination of the petition, and the company and the directors and officers thereof shall be fully protected and indemnified by obedience to such order or judgment against all actions, suits, claims and demands in respect of the matters which have been in question in such petition, and the proceedings thereupon.

(3) If the court adjudges that such doubts were reasonable, the costs, charges and expenses of the company in and about such petition and proceedings shall form a lien upon such shares, bonds, debentures, obligations, dividends, coupons or proceeds thereof or any other moneys payable by or in the hands of the company, and shall be paid to the company before the directors shall be obliged to transfer, or assent to the transfer of or to pay such shares, bonds, debentures, obligations, dividends, coupons or proceeds thereof or any other moneys payable by or in the hands of the company to the parties found entitled thereto.

R.S.S. 1930, c.95, s.50; R.S.S. 1940, c.115, s.50.

BOOKS OF THE COMPANY**Books and contents**

51 The company shall cause a book or books to be kept by the secretary, or by some other officer specially charged with that duty, wherein shall be kept recorded:

- (a) the names, alphabetically arranged, of all persons who are or have been shareholders;
- (b) the address and description of every such person, while such shareholder;
- (c) the number of shares of stock held by each shareholder;
- (d) the amounts paid in, and remaining unpaid, respectively, on the shares of stock of each shareholder;
- (e) all transfers of stock, in their order as presented to the company for entry, with the date and other particulars of each transfer, and the date of the entry thereof;
- (f) particulars of outstanding share warrants;
- (g) the names, addresses and description of all persons who are or have been directors of the company, with the several dates at which each became or ceased to be a director;

- (h) where debentures of the company are payable to registered holders, a register wherein shall be set forth the names and addresses of persons holding such debentures, with the respective amounts thereof to which they are respectively entitled and the numbers by which the debenture certificates are distinguished;
- (i) all transfers of registered debentures in their order as presented to the company for entry, with the date and other particulars of each transfer, and the date of entry thereof;
- (j) a similar register and transfer book for debenture stock;
- (k) books of account from which shall be made up the annual statement required by section 69 to be made to the minister, such books of account as regards liabilities to the public to be kept separate and distinct from other books of account of the company.

R.S.S. 1930, c.95, s.51; R.S.S. 1940, c.115, s.51.

Validity of transfers of stock

52 No transfer of stock of the company, unless made by sale under execution or under the decree, order or judgment of a court of competent jurisdiction, or unless the stock is represented by an outstanding share warrant, shall be valid for any purpose whatsoever until entry thereof has been duly made in such book or books, except for the purpose of exhibiting the rights of the parties thereto towards each other, and of rendering the transferee liable, in the meantime, jointly and severally with the transferor to the company and its creditors.

R.S.S. 1930, c.95, s.52; R.S.S. 1940, c.115, s.52.

Inspection of books

53 Such books shall, during reasonable business hours of every juridical day, be kept open at the head office of the company, for the inspection of shareholders and creditors of the company, and their attorneys, agents or other representatives without the payment of any fee or charge, and every shareholder, creditor or his representative may make extracts therefrom.

R.S.S. 1930, c.95, s.53; R.S.S. 1940, c.115, s.53.

MEETINGS AND VOTING

Annual and special general meetings

54(1) An annual general meeting of the company shall be called at its head office once in each year after the organization of the company and the commencement of business, and at such meeting a statement of the affairs of the company shall be submitted, and special general meetings may be called by any three of the directors, or the directors shall, upon a written requisition signed by any twenty-five shareholders, specifying in the requisition the object of the meeting, call such special general meeting and notice thereof shall be given as provided in the bylaws of the company.

Notice

(2) The directors shall, at least ten days before the date on which the annual general meeting is to be held, forward through the post a copy of the statement called for by subsection (1) to each shareholder at his last known address as shown by the records of the company, together with a notice of the time and place at which the meeting will be held and the names of the auditors eligible for appointment at the meeting under the provisions hereinafter set out.

Certificate of financial condition

(3) A certificate forming part of the statement shall be appended thereto and shall be signed by the manager, general manager or other chief executive officer of the company and not less than two of the directors, and shall state that to the best of their knowledge and belief the statement is correct and shows truly and clearly the financial condition of the company's affairs.

R.S.S. 1930, c.95, s.54; R.S.S. 1940, c.115, s.54.

Forfeiture of vote

55 No shareholder who is in arrears in respect of a call upon any share shall be entitled to vote in respect of such share at any meeting of the company.

R.S.S. 1930, c.95, s.55; R.S.S. 1940, c.115, s.55.

Publication of notices

56 In the absence of other provisions in that behalf in the bylaws of the company, notice of the time and place for holding general meetings of the company shall be given, at least ten days previously thereto, in some newspaper published at the place in which the head office of the company is situated, or if there is no newspaper there published, then in the newspaper published nearest thereto.

R.S.S. 1930, c.95, s.56; R.S.S. 1940, c.115, s.56.

Number of votes

57(1) Subject to the provisions of this Act and the bylaws made thereunder, every shareholder shall be entitled to as many votes at all general meetings of the company as he owns shares in the company and may vote by proxy, but the holder of a proxy must himself be a shareholder and entitled to vote.

Ballot

(2) In all cases where the votes of the shareholders are taken the voting shall be by ballot.

R.S.S. 1930, c.95, s.57; R.S.S. 1940, c.115, s.57.

Executors, etc., may vote

58 Every executor, administrator, guardian or trustee shall represent the stock in his possession in his fiduciary capacity at all meetings of the company, and may vote as a shareholder.

R.S.S. 1930, c.95, s.58; R.S.S. 1940, c.115, s.58.

AUDIT

Auditors: appointment

- 59**(1) The shareholders shall at each annual general meeting appoint an auditor or auditors to hold office until the next annual general meeting.
- (2) If an appointment of auditors is not made at an annual general meeting, the minister may, on the application of any shareholder, appoint an auditor of the company for the current year and fix the remuneration to be paid to him by the company for his services.
- (3) A director or officer of the company shall not be capable of being appointed auditor of the company.
- (4) A person other than a retiring auditor shall not be capable of being appointed auditor at an annual general meeting, unless notice of an intention to nominate that person to the office of auditor has been given by a shareholder to the company not less than fifteen days before the annual general meeting, and the company shall send a copy of such notice to the retiring auditor and shall give notice thereof to the shareholders as in this Act provided.
- (5) The first auditors of the company may be appointed by the directors before the first annual general meeting, but shall hold office by virtue of such appointment only until the time of such meeting.
- (6) The directors may fill any casual vacancy in the office of auditor, but while the vacancy continues the surviving or continuing auditor, if any, may act.
- (7) The remuneration of the auditors of the company shall be fixed by the shareholders at each annual general meeting, except that the remuneration of any auditors appointed before the first annual general meeting or to fill any casual vacancy may be fixed by the directors.

R.S.S. 1930, c.95, s.59; R.S.S. 1940, c.115, s.59.

Powers and duties of auditor

- 60**(1) Every auditor of a company shall have a right of access at all times to the books and accounts and vouchers of the company, and shall be entitled to require from the directors and officers of the company such information and explanation as may be necessary for the performance of the duties of an auditor.
- (2) The auditors shall make a report:
- (a) to the shareholders on the statement submitted to the company at the annual general meeting; and
 - (b) to the minister on the annual statement to be prepared and transmitted to him in pursuance of this Act.
- (3) The report in each case shall state:
- (a) whether they have obtained all the information and explanations they have required; and
 - (b) whether in their opinion the respective statements are properly drawn up so as to exhibit a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them and as shown by the books of the company.

(4) A copy of the auditors' report to the shareholders shall be attached to and sent to each shareholder with the statement to be forwarded to him through the post under the provisions of this Act.

R.S.S. 1930, c.95, s.60; R.S.S. 1940, c.115, s.60.

POWERS OF THE COMPANY

Powers

61(1) The company may lend money on the security of or purchase or invest in:

Mortgages, etc.

(a) mortgages, charges or hypothecs upon real estate in Saskatchewan or in any other province of Canada to which the corporation is authorized to extend its business under the provisions of section 23;

Investing in securities

(b) the stock, funds or Government securities of Canada or of any province of Canada, or guaranteed thereby respectively, or the public stock, funds or Government securities of or securities guaranteed by the United Kingdom or the United States of America, or the bonds or debentures of any municipal corporation, school corporation, rural telephone company or drainage district in Canada or the bonds, debentures or fully paid up stock of any chartered bank in Canada, or of any company incorporated under the laws of Canada or of any province of Canada or of any former province now forming part of Canada:

Provided that not more than twenty-five per cent. of the company's assets may be lent on the security or purchase of or investment in the bonds, debentures and fully paid up stocks of such chartered banks and companies.

Amount of investments

(2) The amount of the company's investment under the authority of this section in or upon the security of the stock of a chartered bank, or the debentures, bonds, stock and other securities of a company incorporated as aforesaid, shall not respectively exceed ten per cent. of the paid up capital of such bank or ten per cent. of the debentures, bonds, stock or other securities issued by such company.

Personal security

(3) The company may take personal security as collateral for any advance made, or for any debt due to the company.

R.S.S. 1930, c.95, s.61; R.S.S. 1940, c.115, s.61.

Power to act as agency association, guarantor or liquidator

62(1) The company may act as an agency association for the interest and on behalf of others who intrust it with money for that purpose, and may, either in the name of the company or of such others, lend and advance money to any person, upon such securities as are mentioned in section 61, and may purchase and acquire any securities on which it is authorized to advance money, and resell the same.

(2) The conditions and terms of such loans and advances and of such purchases and resales may be enforced by the company for its benefit and for the benefit of the person for whom such money has been lent and advanced, or such purchase and resale made; and the company shall have the same power in respect of such loans, advances, purchases and sales as are conferred upon it in respect of loans, advances, purchases and sales made from its own capital.

(3) The company may act as an agency association for the interest and on the behalf of persons who become purchasers in whole or in part of mortgages or other securities taken by the company in the exercise of its powers, and may hold the same in its own name and have the same powers in respect thereof as if no sale had been made.

(4) The company may guarantee the repayment of the principal, or the payment of the interest, or both, of any moneys intrusted to it for investment, and of any investments held by it for others.

(5) The company may liquidate and carry on for the purposes of such liquidation the business of any other company carrying on any business which the company is authorized to carry on, upon such terms as may be agreed upon.

R.S.S. 1930, c.95, s.62; R.S.S. 1940, c.115, s.62.

USE OF FUNDS

Limitations

63 The company shall not:

- (a) lend or advance money upon the security of its own stock;
- (b) invest in or lend money upon the security of the stock of any other loan company;
- (c) lend upon the security of or purchase or invest in bills of exchange or promissory notes.

R.S.S. 1930, c.95, s.63; R.S.S. 1940, c.115, s.63.

BORROWING POWERS

Bonds and debentures

64(1) The company may borrow money and may issue its bonds, debentures or other securities for moneys borrowed.

(2) Bonds and debentures so issued may be made payable to order or to bearer or to registered holder or otherwise as the company deems advisable.

R.S.S. 1930, c.95, s.64; R.S.S. 1940, c.115, s.64.

Deposits excluded

65 The company shall not receive money on deposit.

R.S.S. 1930, c.95, s.65; R.S.S. 1940, c.115, s.65.

Moneys deemed borrowed

66 All moneys of which the repayment of the principal or payment of interest is guaranteed by the company shall be deemed to be money borrowed by the company.

R.S.S. 1930, c.95, s.66; R.S.S. 1940, c.115, s.66.

Debenture stock

67(1) The directors of the company may, with the consent of the shareholders at a special general meeting duly called for the purpose, create and issue debenture stock in sterling or currency, in such amounts and manner, on such terms and bearing such rate of interest as the directors from time to time think proper.

(2) Debenture stock shall be treated and considered as part of the ordinary debenture debt of the company.

(3) Debenture stock shall rank equally with the ordinary debenture and deposit debt of the company, and no greater rights or privileges shall be conferred upon holders of debenture stock in respect thereof than are held or enjoyed by depositors or holders of ordinary debentures of the company.

(4) Debenture stock shall be transferable in such amounts and in such manner as the directors determine.

(5) Holders of ordinary debentures of the company may, with the consent of the directors, at any time exchange such debentures for debenture stock.

(6) The company having issued debenture stock may from time to time as it thinks fit for the interest of the company, but only with the consent of the holders' thereof, buy up and cancel the debenture stock or any portion thereof.

(7) All transfers of debenture stock of the company shall be registered at the head office of the company and not elsewhere, but the said transfers may be left with such agent or agents in the United Kingdom or elsewhere as the company appoints for that purpose, for transmission to the company's head office for registration.

R.S.S. 1930, c.95, s.67; R.S.S. 1940, c.115, s.67.

LIABILITIES TO THE PUBLIC**Limitation of liabilities**

68(1) The aggregate of the sums of money borrowed by the company shall not exceed four times the combined amounts of its then actually paid up and unimpaired capital stock and reserve:

Provided that the amount of cash on hand or deposited in chartered banks in Canada, and the cash value of any bonds or other securities issued under any war loan Act of the Imperial Parliament or any war appropriation Act of the Dominion of Canada, belonging to the company, shall be deducted from such aggregate for the purposes of this section.

(2) Debenture stock issued by the company shall be included in such aggregate.

R.S.S. 1930, c.95, s.68; R.S.S. 1940, c.115, s.68.

ANNUAL STATEMENT

Annual statement to minister

69(1) The company shall, on or before the first day of March in each year, prepare and transmit by registered post to the minister a statement setting forth, as of the thirty-first day of December preceding, the capital stock of the company, the portion thereof paid up, the assets and liabilities of the company, the amount and nature of the investments made by the company both on its own behalf and on behalf of others, with the particulars (schedule B), and such other details as the minister requires.

(2) The statement shall be, as nearly as may be, in the form in schedule B, and shall be signed and declaration made by the president or a vice president and by the manager or secretary as in the form prescribed.

(3) The minister may make such changes in the form of statement, whether such changes are of general application or are in the opinion of the minister necessary to meet the circumstances of any particular case, as he may deem best adapted to elicit any information considered necessary or desirable, and the form as changed shall be signed and declared to as hereinbefore prescribed.

R.S.S. 1930, c.95, s.69; R.S.S. 1940, c.115, s.69.

REAL ESTATE

Limitations

70(1) The company may hold real estate which, having been mortgaged to it, is acquired by it for the protection of its investments, and may from time to time sell, mortgage, lease or otherwise dispose thereof.

(2) No parcel of land or interest therein at any time acquired by the company and not required for its actual use and occupation, or held by way of security, shall be held by the company or by any trustee on its behalf for a longer period than seven years after the acquisition thereof, but shall be sold so that the company shall no longer retain an interest therein unless by way of security.

(3) Any such parcel of land or interest therein not required for the actual use and occupation of the company or held by way of security, which has been held by the company for a longer period than seven years without being disposed of, shall be forfeited to His Majesty for the use of Saskatchewan:

Provided that the Lieutenant Governor in Council may extend the said period from time to time, not exceeding in the whole twelve years.

R.S.S. 1930, c.95, s.71; R.S.S. 1940, c.115, s.70.

Notice

71 No such forfeiture shall take effect or be enforced until the expiration of at least six calendar months after notice is given in writing to the company of the intention of His Majesty to claim such forfeiture.

R.S.S. 1930, c.95, s.72; R.S.S. 1940, c.115, s.71.

CHANGE OF HEAD OFFICE

Powers and duties

72(1) The company may by bylaw change the locality of its head office in Saskatchewan to any other place in Saskatchewan.

(2) No such bylaw shall have any force or effect until after it has been unanimously sanctioned by a vote of the shareholders present in person or by proxy at a general meeting of the company duly called for considering the same and representing two-thirds of the stock of the company; or until it is unanimously sanctioned in writing by the shareholders of the company, provided that if the bylaw is sanctioned in writing by not less than three-fourths in value of the shareholders of the company, the company may, through the minister, petition the Lieutenant Governor in Council for an order approving the said bylaw, and the Lieutenant Governor in Council may, on compliance with such terms and conditions, if any, as he directs, approve thereof, and upon such approval the bylaw shall be valid.

(3) No such bylaw shall be acted upon until two months after a copy thereof has been published by the company, once in the *Gazette* and once in a newspaper published in the city, town or village in or nearest to which the head office of the company is then already situate and in which a newspaper is published.

R.S.S. 1930, c.95, s.73; R.S.S. 1940, c.115, s.72.

CONTRACTS, ETC.

Effect of contracts etc.

73(1) Every contract, agreement, engagement or bargain made and every bill of exchange drawn, accepted or indorsed, and every promissory note and cheque made, drawn or indorsed on behalf of the company, by any agent, officer or servant of the company, in general accordance with his powers as such, shall be binding upon the company.

(2) In no case shall it be necessary to have the seal of the company affixed to any such contract, agreement, engagement, bargain, bill of exchange, promissory note or cheque, or to prove that the same was made, drawn, accepted or indorsed, as the case may be, in pursuance of any bylaw or special vote or order.

(3) The person so acting as agent, officer or servant of the company, shall not thereby be subjected individually to any liability to any third person therefor.

R.S.S. 1930, c.95, s.74; R.S.S. 1940, c.115, s.73.

TRUSTS

Company not bound to see to execution, etc.

74(1) The company shall not be bound to see to the execution of any trust, whether express, implied or constructive, to which any share of its stock or debentures or debenture stock or any other moneys payable by or in the hands of the company may be subject.

(2) The receipt of the parties in whose name such shares, debentures, debenture stock, or moneys stand in the books of the company, shall be a valid and binding discharge to the company for any payment of any kind to which they may then be subject in respect of such shares, debentures, debenture stock, or moneys, notwithstanding any trust and whether or not notice of such trust has been given to the company.

(3) The company shall not be bound to see to the application of the money paid upon such receipt.

R.S.S. 1930, c.95, s.75; R.S.S. 1940, c.115, s.74.

EVIDENCE

Evidence of bylaw

75(1) A copy of any bylaw of the company, under its seal, and purporting to be signed by an officer of the company, shall be received as *prima facie* evidence of the bylaw in all courts in Saskatchewan.

Books as evidence

(2) All books required by this Act to be kept by the secretary or by any other officer of the company charged with that duty shall, in any suit or proceeding against the company or against a shareholder, be *prima facie* evidence of all facts purporting to be therein stated.

Certificate *prima facie* evidence

(3) In any action by a company to enforce payment of a call or interest thereon, a certificate under the seal of the company and purporting to be signed by any officer of the company to the effect that the defendant is a shareholder, that the call or calls have been made to enforce payment of which or of any interest thereon such action has been brought, and that so much is due by him and unpaid thereon, shall be received in all courts as *prima facie* evidence of the matters therein stated.

R.S.S. 1930, c.95, s.76; R.S.S. 1940, c.115, s.75.

RESERVE FUND

Investment of reserve fund

76 The directors may set aside out of premiums on stock and out of the profits of the company such sums as they think proper as a reserve fund, in this Act referred to as reserve. The reserve, until distribution in dividends or other lawful application thereof is made, shall be kept invested in the securities and be subject to the limitations mentioned in section 61.

R.S.S. 1930, c.95, s.77; R.S.S. 1940, c.115, s.76.

LIABILITY OF DIRECTORS

Impairing capital by declaring dividends

77 If the directors of the company declare and pay any dividend which impairs or diminishes the paid up capital of the company, the directors who knowingly or negligently concur in the declaration or making payable of such dividend, whereby the paid up capital of the company is impaired or diminished, shall be jointly and severally liable for the amount of such dividend as a debt due by them to the company.

R.S.S. 1930, c.95, s.78; R.S.S. 1940, c.115, s.77.

Improvident transfers

78 Whenever entry is made in the company's books of any transfer of stock not fully paid up, to a person who is not apparently of sufficient means to fully pay up such shares, the directors present who consent to the transfer, and every director present who does not record his vote in opposition thereto, shall be jointly and severally liable to the company in the same manner and to the same extent as the transferring shareholder but for such entry would have been liable.

R.S.S. 1930, c.95, s.79; R.S.S. 1940, c.115, s.78.

Liability for salaries or wages

79(1) The directors of the company shall be jointly and severally liable to the clerks and servants thereof for all debts, not exceeding three months' salary or wages, due for services performed for the company whilst they are such directors respectively:

Provided that no director shall be liable to an action therefor, unless the company is sued therefor within one year after the debt became due, nor unless such director is sued therefor within one year from the time when he ceased to be a director, nor unless an execution against the company at the suit of such clerk or servant is returned unsatisfied in whole or in part.

(2) The amount unsatisfied on such execution shall be the amount recoverable with costs from all directors.

R.S.S. 1930, c.95, s.80; R.S.S. 1940, c.115, s.79.

PURCHASE AND SALE

Business of other companies

80(1) The company may purchase the whole or part of the business, assets, rights, credits, effects and property belonging to any other company, and may assume and undertake to pay in connection with such purchase the whole or any part of the liabilities of such other company, provided such other company is a loan company within the meaning of this Act.

Consideration for purchase

(2) The consideration for the business and property purchased may be cash or shares in the company's stock, either fully paid up or partly paid, or in part cash and in part shares, either fully paid up or partly paid, or such other consideration as may be agreed upon.

Agreements

(3) The respective companies may enter into an agreement for such purchase and sale and do all other acts not inconsistent herewith to carry the same into effect.

Approval of shareholders

(4) The agreement shall first be submitted to the share holders of each of the said companies at a meeting thereof duly called and held separately for the purpose of taking the same into consideration, and if at each such meeting the same is accepted and approved by resolution passed by shareholders present in person or by proxy, and holding not less than two-thirds of all the shares of the issued capital stock of the company, the said agreement may be executed under the corporate seal of the companies.

Approval and certificate of Treasury Board

(5) No such agreement shall become operative and effective until it has been submitted to and approved by the Treasury Board and, unless it appears that the approval of such agreement would not be in the public interest, the Treasury Board may grant the same and issue a certificate confirming said agreement.

Inconsistent rights

(6) Any rights so purchased by the company which are inconsistent with the provisions of this Act shall cease to have effect.

R.S.S. 1930, c.95, s.81; R.S.S. 1940, c.115, s.80.

Assets vested on date of certificates

81(1) On and after the date of such certificate the assets purchased and sold shall, in accordance with and subject to the terms of said agreement and without any further conveyance, become vested in the purchasing company.

Formal conveyances

(2) The selling company shall, subject to the terms of said agreement, execute such formal and separate conveyances, assignments and assurances for registration purposes or otherwise as may reasonably be required to confirm or evidence the vesting in the purchasing company of the full title and ownership of the assets purchased and sold.

R.S.S. 1930, c.95, s.82; R.S.S. 1940, c.115, s.81.

Outstanding debenture stock

82 In case any company whose assets are acquired by the company has issued debenture stock, and such debenture stock is outstanding at the date of the acquisition aforesaid, the directors of the company may, if and when they think fit, and either with or without the sanction of the shareholders, issue debenture stock to the extent of the nominal value of the debenture stock of such other company outstanding as aforesaid, and may, with the consent of any holder of debenture stock in such other company, give to him, in lieu of the debenture stock held by him, debenture stock of the company on such terms as may be agreed upon.

R.S.S. 1930, c.95, s.83; R.S.S. 1940, c.115, s.82.

Disposal of undertaking

83 The company shall have power to sell and dispose of the whole or any part of the business, rights, credits, effects and property of the company for such consideration as the company may think fit:

Provided that no such sale or disposal shall be made until it is approved at a meeting of shareholders duly called for that purpose, at which meeting two-thirds in value of the issued shares are represented by shareholders in person or by proxy, and provided further that no such sale or disposal shall take effect until it has been submitted to and approved of by the Treasury Board.

R.S.S. 1930, c.95, s.84; R.S.S. 1940, c.115, s.83.

PENALTIES**Payment of organization expenses after certificate**

84 Any director who authorizes payment of, or any manager or any other officer or servant of the company who pays or causes to be paid, any money for or on account of the incorporation or organization expenses of the company after the certificate permitting the company to commence business has been obtained from the minister, except and unless the liability so paid has been disclosed to the minister at the time of the application for such certificate shall be guilty of an offence and liable on summary conviction to imprisonment for any term not exceeding one year.

R.S.S. 1930, c.95, s.85; R.S.S. 1940, c.115, s.84.

Refusal to make entry

85 Every director, officer and servant of the company who refuses or wilfully neglects to make any proper entry in the books of the company shall be guilty of an offence and liable on summary conviction to imprisonment for any term not exceeding one year.

R.S.S. 1930, c.95, s.86; R.S.S. 1940, c.115, s.85.

Signing, etc., of false statement

86 Every director, auditor, manager or other officer of the company, and every auditor and inspector who negligently prepares, signs, approves or concurs in any account, statement, return, report or document respecting the affairs of the company containing any false or deceptive statement shall be guilty of an offence and liable on summary conviction to imprisonment for a term not exceeding three years.

R.S.S. 1930, c.95, s.87; R.S.S. 1940, c.115, s.86.

Refusal to produce books

87 Every director, officer and servant of the company who, on the application of any shareholder or creditor, his attorney or agent, refuses or neglects to produce the books of the company within his power or control containing the names of the persons who are or have been shareholders, or who refuses or neglects to produce the books of account of the company within his power or control, or who refuses or neglects to allow any such books to be inspected and extracts to be taken therefrom, during reasonable business hours of any juridical day, shall be guilty of an offence and liable on summary conviction to a fine not exceeding \$50 and costs.

R.S.S. 1930, c.95, s.88; R.S.S. 1940, c.115, s.87.

Neglect to send statement to minister

88 Every company which neglects to prepare and transmit to the minister on or before the first day of March in each year a statement verified as required by this Act and setting forth the particulars as to capital stock, assets and liabilities, and such other details as are by this Act required, shall incur a penalty of \$20 for each day during which such neglect continues.

R.S.S. 1930, c.95, s.90; R.S.S. 1940, c.115, s.88.

Penalties recoverable at suit of Crown

89(1) The amount of the penalties imposed upon a company or person for any violation of this Act shall, unless otherwise provided by this Act, be recoverable and enforceable with costs at the suit of His Majesty instituted by the Attorney General or by the minister.

(2) Such penalties shall, unless otherwise provided by this Act, belong to the Crown for the public uses of Saskatchewan, provided that the Lieutenant Governor in Council, on the report of the Treasury Board, may direct that any portion of a penalty be remitted.

R.S.S. 1930, c.95, s.91; R.S.S. 1940, c.115, s.89.

SCHEDULE A

(Section 6)

MODEL BILL

(For Incorporation of a Loan Company)

An Act to incorporate the *(state the name of the company)*. Whereas the persons hereinafter named have by their petition prayed that it be enacted as hereinafter set forth and it is expedient to grant the prayer of the said petition:

Therefore His Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows:

1. *(Insert names of the persons applying for incorporation)*, together with such persons as become shareholders in the company, are incorporated under the name of *(state name of company)* hereinafter called "the company".
2. The persons named in section 1 of this Act *(or as the case may be)* shall be the provisional directors of the company. *(The name, address and description of each director must be given.)*
3. The capital stock of the company shall be _____ dollars, which may be increased to _____ dollars.
4. The head office of the company shall be in the _____ of _____ in the Province of Saskatchewan.
5. The company shall have all the powers, privileges and immunities conferred by and be subject to all the limitations, liabilities and provisions of *The Loan Companies Act*.

SCHEDULE B

(Section 69)

This statement is to be filled up and returned in duplicate to the Provincial Secretary on or before the first day of March, 19 ____.

ANNUAL STATEMENT FOR THE YEAR ENDING DECEMBER 31, 19 ____.

Of the condition and affairs of

Head Office

President..... Secretary

Vice President..... Manager

Date of incorporation..... Date of commencement of
business.....

Statute under which incorporated.....

1. CAPITAL	\$
Amount of capital stock authorized—preferred stock
Amount of capital stock authorized—common stock.....
Amount subscribed for—preferred
Amount subscribed for—common.....
Amount paid up in cash—preferred
Amount paid up in cash—common.....
Reserve fund
Share warrants which may be converted into capital stock of.....

LIST OF DIRECTORS

As at, 19 ____.

(Date of filing statement.)

LIST OF SHAREHOLDERS AS AT DECEMBER 31, 19 ____.

Name	Residence	Amount of capital stock subscribed for	Amount paid thereon in cash
		\$	\$

(To be given in a separate schedule attached, and if the company has issued preferred stock, a list of shareholders of preferred and common stock is to be separately given.)

*N.B.—In the case of items 5, 6 and 7, schedule with particulars, market values, amount loaned upon or paid therefor to be attached.

LIABILITIES	\$	cts.
<i>Liabilities to Stockholders.</i>		
1. Capital stock fully paid up
2. Capital stock subscribed (\$.....), upon which has been paid
3. Reserve fund.....
4. Dividends declared and unpaid.....
5. Unappropriated profits.....
Total.....	\$
<i>Liabilities to the Public</i>		
6. Bonds and debentures issued payable in Canada.....
7. Bonds and debentures issued payable elsewhere
8. Debenture stock issued.....
9. Moneys guaranteed.....
10. Agency investments as <i>per contra</i>
11. Balances in hand as agency association as <i>per contra</i>
12. Interest due and accruing due to date of statement— (a) on bonds and debentures
(b) on debenture stock
(c) on other accounts.....
13. Due and accruing due for salaries
14. Due for miscellaneous expenses.....
15. Owing to banks
16. Other liabilities (details to be specified in a separate schedule)
Total liabilities	\$
GAIN OR LOSS EXHIBIT		
Surplus of assets over liabilities, December 31 last year.....
Interest earned during the year
Other income earned
Amount of appreciation on ledger value of assets or items written up
Total.....	\$
Expenses incurred during the year
Interest incurred during the year
Amount written off ledger assets during the year.....
Total.....	\$
Balance, surplus of assets over liabilities at December 31 this year.....	\$

MISCELLANEOUS STATEMENT	\$	cts.
1. Dividend declared during the year, at ... per cent.....
2. Amount loaned by the company during the year
3. Amount received from borrowers during the year
4. Moneys guaranteed.....
5. Amount borrowed for purposes of investment during the year.....
6. Bonds, debenture and debenture stock—		
(a) issued during the year
(b) repaid during the year
(c) maturing within one year
7. Average rate of interest paid for money borrowed—		
Debentures per cent.		
Bonds and debentures stock per cent.		
8. Total amount of interest paid and accrued during the year
9. Amount of mortgages overdue and in default
10. Number of mortgages upon which compulsory proceedings have been taken during the past year
11. Aggregate amount of mortgages upon which compulsory proceedings have been taken during the past year.....
12. Value of mortgaged property held for sale.....
13. Amount chargeable against such property
14. Average rate mortgages yield per cent.; yield of other securities per cent.
15. Real estate acquired by the company under foreclosure or otherwise and held for seven years or more but not required for the use of the company

We declare that the foregoing statement and the separate schedules therein referred to and hereunto attached and signed by us are made up from the books of the company and that to the best of our knowledge and belief they are correct and show truly and clearly the financial position of the company and the condition of the company's affairs.

(Place) this day of, 19

A. B.

President (or vice president, as the
case may be).

C. D.,

Manager (or secretary, as the case
may be).