

An Act to Incorporate The Northern Loan Company

being a Private Act

Chapter 47 of the *Statutes of Saskatchewan, 1909*
(effective December 18, 1909).

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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1909

CHAPTER 47

An Act to incorporate The Northern Loan Company

(Assented to December 18, 1909)

Preamble

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:

Incorporation

1 The Honourable Thomas Horace McGuire, barrister; Frederick C. McGuire, clerk, and Benjamin C. Seale, insurance agent, all of the city or Prince Albert in the province of Saskatchewan together with such other persons as shall become shareholders in the company are hereby incorporated under the name of "The Northern Loan Company" (hereinafter called "the company") and by that name shall have perpetual succession and may sue and be sued and may have and use a common seal and be capable by law of making, delivering, accepting and receiving all deeds, conveyances, mortgages and transfers, assignments and contracts necessary to carry into effect the provisions of this Act and to promote the objects and designs of the company.

1909, c. 47, s. 1.

Provisional directors

2 The persons named in section 1 shall be the provisional directors of the company.

1909, c. 47, s. 2.

Capital stock

3 The capital stock of the company shall be twenty thousand dollars and shall be divided into two hundred shares of one hundred dollars each.

1909, c. 47, s. 3.

Head office

4 The head office of the company shall be at the city of Prince Albert or at such other place in the province of Saskatchewan as the directors may from time to time by bylaw determine.

1909, c. 47, s. 4.

Election of directors

5(1) At each annual meeting the shareholders of the capital stock present or represented by proxy who have paid all calls due on their shares shall choose not less than three nor more than eight persons to be directors of the company.

Number may be changed

(2) The number of directors may within the limits aforesaid be changed from time to time by vote of the shareholders at any general meeting of the company.

Votes

(3) Every shareholder who has paid all calls due on his shares shall be entitled to one vote for each share held by him.

Qualification of directors

(4) No person shall be a director unless he holds in his own name and for his own benefit at least five shares of the capital stock of the company and has paid all calls due thereon and all obligations and liabilities incurred by him to the company.

Vacancy through death, etc

(5) In case of any director ceasing through death, resignation or other cause except removal by vote of shareholders to hold office the remaining directors may within two months thereafter choose another person to fill the vacancy until the next annual meeting but until such vacancy is filled the remaining directors may continue to carry on the business of the company notwithstanding that their number be less than three and the continuance of the company shall not be affected by the number of directors being less than three during such two months.

1909, c. 47, s. 5.

Powers as to loans

6(1) The company may carry on the business of lending money on the security of or purchasing or investing in:

Mortgages

(a) Mortgages or hypothecs upon freehold or leasehold real estate and other interests in land; and

Debentures, bonds, etc.

(b) The debentures, bonds, fully paid up stocks and other securities of any government or of any municipality or school corporation or of any municipality or school corporation or of any chartered bank or company incorporated by Canada or any province of Canada but not including bills of exchange or promissory notes:

Provided that the loan upon the security of or the purchase of or investment in the debentures, bonds, stock or other securities of any company so incorporated shall not exceed one-fifth of the paid up capital of any such company nor one-fifth of the paid up capital of the company.

Personal security

(2) The company may take personal security as collateral for any advance made or to be made or contracted to be made by or for any debt due to the company.

1909, c. 47, s. 6.

Agency association

7(1) The company may act as an agency association for the interest and on behalf of others who may intrust it with money for that purpose and may either in its own name or of such others lend and advance money to any person or municipal or other authority or any board of trustees or commissioners upon such securities as are mentioned in the next preceding section and may purchase and acquire any securities on which they are authorised to advance money and again resell the same.

Enforcement of agreements

(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 persons or corporations for whom such money has been lent and advanced or such purchase or resale made and the company shall have the same power in respect of such advances, purchases and sales as are conferred upon it in respect of loans, advances, purchases and sales made from its own capital.

Guarantee of payments

(3) The company may also guarantee the repayment of the principal or the payment of the interest or both of any moneys entrusted to the company for investment and of any money secured by any mortgage or other security given to or purchased by the company and assigned by it as security or sold by the company.

Employment of capital

(4) The company may for any or all of the foregoing purposes lay out and employ the capital and property for the time being of the company or any part of the money authorised to be raised by the company in addition to its capital for the time being or any money so entrusted to it as aforesaid; and may do and assent to and exercise all acts whatsoever which in the opinion of the directors of the company for the time being are requisite or expedient to be done in regard thereto.

Money guaranteed to be deemed borrowed

(5) All moneys of which the repayment of the principal or the payment of the interest is guaranteed by the company shall for the purposes of this Act be deemed to be money borrowed by the company.

1909, c. 47, s. 7.

Company may act as trustee, executor, etc.

8(1) The company may also take, receive and hold all estates and property (real and personal) which may be granted, committed, transferred, delivered or conveyed to it with its consent upon any trust or trusts whatsoever not contrary to law at any time by any person or persons, body or bodies corporate or by any court of the province and may administer, fulfil and discharge the duties of such trusts for such remuneration as may be agreed or as may be directed by the court and may also accept and execute the offices of executor and administrator, *administrator de bonis non*, trustee, receiver, curator, assignee, liquidator, sequestrator, receiver or guardian or may perform any of the duties appertaining to any such office in respect of any estate, matter or proceeding under the authority of a court or judge; and in all cases where application shall be made to any court in the province having jurisdiction for that purpose or for the appointment of any executor, trustee, receiver, guardian, administrator or *administrator de bonis non* it shall be lawful for any such court to appoint the company subject as is hereinafter provided with its consent to hold such office or offices and the accounts of the company as such executor, administrator, *administrator de bonis non*,

trustee, receiver or assignee shall be regularly settled and adjusted by the proper officers or tribunals; and all proper, legal, usual and customary charges, costs and expenses shall be allowed to company for the care and management of the estate committed to it.

Investing moneys

(2) The company shall have power to invest all moneys which it may receive or have for investment as executor, administrator or trustee upon such securities and in the manner provided by *The Trustee Ordinance*.

1909, c. 47, s. 8.

Borrowing and deposits

9 The company may borrow money and receive money on deposit upon such terms as to interest, security, time of payment and otherwise as may be agreed on and may issue its bonds, debentures and other securities and may give mortgages on its real estate and assign any mortgages or other securities given to the company as security for money borrowed by it as herein provided.

1909, c. 47, s. 9.

Increase of capital stock

10 The directors may at any time if authorised thereto by a vote of the shareholders increase the capital stock of the company to a sum not exceeding two hundred thousand dollars and in the event of such increase the shareholders at the time of such increase shall during such period as may be prescribed by the directors be entitled to a *pro rata* allotment of such increase.

1909, c. 47, s. 10.

Creation of debenture stock

11 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 amount and manner on such terms as to redemption or payment thereof and otherwise and bearing such rate of interest as the directors from time to time think proper; but such debenture stock shall be treated and considered as part of the ordinary debenture debt of the company and such debenture stock shall rank after any ordinary debentures already issued and the 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.

1909, c. 47, s. 11.

Entry in register

12 The debenture stock aforesaid shall be entered by the company in register to be kept for that purpose in the head office of the company wherein shall be set forth the names and addresses of those from time to time entitled thereto with the respective amounts of the said stock to which they are respectively entitled and the register shall be accessible for inspection and perusal at all times to every debenture holder, mortgagee, bondholder, debenture stock holder and shareholder of the company without charge; such stock shall be transferable in such amounts and in such manner as the directors may determine.

1909, c. 47, s. 12.

Exchange of debenture stock

13 The holders of the ordinary debentures of the company may with the consent of the directors at any time exchange such debentures for debenture stock.

1909, c. 47, s. 13.

Cancellation of stock

14 The directors having issued debenture stock may from time to time as they think fit and for the interest of the company buy up and cancel the debenture stock or any portion thereof.

1909, c. 47, s. 14.

Preference stock

15(1) The directors of the company may make a bylaw for creating and issuing any part of the capital stock as preference stock giving the same such preference and priority as respects dividends and otherwise over ordinary stock as may be declared by the bylaw.

Bylaw to be sanctioned

(2) No such bylaw shall have any effect or force until it has been sanctioned either by the shareholders in writing or by a vote of the shareholders present or represented by proxy at a general meeting duly called for considering it, such shareholders holding not less than one-half of the amount paid up on the capital stock of the company.

To be deemed shareholders

(3) Holders of shares of such 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.

Rights of creditors

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

1909, c. 47, s. 15.

Reserve fund

16 The directors may set aside out of the profits of the company such sum as they think proper as a reserve fund to meet contingencies or for equalising dividends or for repairing any part of the property of the company and for such other purposes as the directors shall in their discretion think conducive to the interests of the company and may invest the several sums so set aside upon such investments, other than shares of the company, as they may think fit and may from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the company and may divide the reserve fund into such special funds as they think fit with full power to employ the assets constituting the reserve fund in the business of the company and that without being bound to keep the same separate from other assets:

Provided always that the investment of the reserve fund shall be subject to the limitation contained in section 6 of this Act.

1909, c. 47, s. 16.

Powers of directors

17 The business of the company shall be managed by the directors who shall pay all expenses incurred in promoting and incorporating the company and selling the stock thereof and may affix the seal of the company and may make or cause to be made for the company any description of contract which the company may by bylaw enter into and may exercise all such powers of the company as are not by this Act required to be exercised by the company in general meeting and amongst other things may from time to time exercise the following powers the same being specifically referred to for greater certainty but not so as to restrict the generality of the foregoing terms of this section:

Issue debentures, etc.

(a) Issue debenture, bonds, deposit receipts and stocks and regulate the allotment of stock, the making of calls thereon, the payment thereof, the issue and registration of certificates of stock, the forfeiture of stock for nonpayment, the disposal of forfeited stock and of the proceeds thereof and the transfer of stock;

Dividends

(b) Declare and pay dividends;

Number of directors

(c) Determine the number of directors, their term of service, the amount of their stock qualification and their remuneration, if any;

Committees

(d) Delegate any of their powers to committees consisting of such member or members of their body as they think fit; and any committee so formed shall in the exercise of the powers so delegate conform to any regulations that may be imposed on them by the directors;

Appoint officers

(e) Appoint and remove all agents, officers and servants of the company and provide for and determine their functions and duties the security to be given by them to the company and their remuneration;

Arrange meetings

(f) Determine the time and place for the holding of the annual or any other meeting of the company, the calling of meetings (regular and special) of the board of directors and of the company, the requirement as to votes and proxies and the procedure in all things at such meetings;

Fix fines

(g) Provide for the imposition and recovery of all fines and forfeitures admitting of regulation by bylaw;

Conduct business

(h) Conduct in all other particulars the affairs of the company;

Make bylaws

(i) Make bylaws for the regulation of the company, its officers and servants or of the members of the company;

Other powers

(j) Any other powers not contrary to the provisions of this Act conferred upon the directors by a bylaw passed at a meeting of the company.

Defective appointments

18 The acts of the directors or of any committee thereof shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any such director or member of committee or that they or any of them were or was disqualified be as valid as if such person had been duly appointed and qualified to be a director.

1909, c. 47, s. 18.

Paying debts with shares

19 The company may by resolution authorise the issue of paid up shares in payment of any of its obligations:

Provided that the amount of the paid up stock as issued shall not exceed the amount of its authorised capital.

1909, c. 47, s. 19.

Register to be evidence

20 The register of shareholders shall be *prima facie* evidence of any matter by this Act authorised to be entered therein.

1909, c. 47, s. 20.

Limit of liability

21 No shareholder of the company shall be liable for or charged with the payment of any debt or demand due by the company beyond the extent of the amount unpaid on his shares in the capital stock of the company.

1909, c. 47, s. 21.

Office

22 The company shall at all times have an office in Prince Albert in the province of Saskatchewan and in such other parts of the province as the directors shall determine.

1909, c. 47, s. 22.

Not bound to execute trusts

23 The company shall not be bound to see the execution of any trust whether express, implied or constructive to which any share or shares of its stock or debentures or debenture stock or any deposit or any money payable by or in the hands of the company may be subject and the receipt of the persons in whose name such share or shares, debentures, debenture stock, deposit or moneys stands in the books of the company shall from time to time be sufficient discharge to the company for any payment made in respect of such share or shares, debentures, debenture stock, deposit or moneys notwithstanding any trust to which the same may then be subject and whether or not the company has had notice of such trust and the company shall not be bound to see to the application of the money paid upon such receipt.

1909, c. 47, s. 23.

Transmission through death, etc.

24 The directors may be bylaw prescribe the conditions governing the transmission of any interest in shares, stocks, bonds, debentures or other obligations of the company and the entering on the books of the company of any transfer pursuant to or in consequence of such transmission or its recognition by the company where such transmission is in consequence of the death, bankruptcy or insolvency of the holder of such interest or by any other lawful means and may by such bylaw authorise the directors to apply by petition to the supreme court of Saskatchewan or a judge thereof in case of reasonable doubt as to the legality of any claim to or upon such shares, stocks, bonds, debentures or other obligation of the company praying for an order or judgment awarding or adjudicating the said shares, stocks, bonds, debentures or other obligations and proceeds to the parties legally entitled thereto; and such court or judge shall have authority and jurisdiction to restrain actions or proceedings against the company, its directors and officers in respect of the matters in said petition pending the determination thereof and to make such order or judgment as may be just and the company, its directors or officers shall be indemnified and protected by obedience thereto against all actions and claims in respect of said matters:

Costs

Provided that if the court or judge adjudges that the 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, stock, debentures, obligations and proceeds and shall be paid to the company before the directors shall be obliged to transfer or assent to the transfer thereof or to pay such shares, stocks, bonds, debentures or other obligations or any dividends, coupons or proceeds thereof to the parties found entitled thereto.

1909, c. 47, s. 24.

Removal of directors

25 At any meeting of the company on the written demand of shareholders holding or representing by proxy not less than twenty-five per cent of the capital stock issued of the company there shall be submitted to the same meeting the question of the removal from the board of directors of any member thereof such question to be decided by the vote of a majority of the shareholders present or represented by proxy at such meeting and holding not less than a majority of the capital stock issued of the company:

Filling vacancy

Provided that the removal of any such director from the board of directors shall take effect at the expiration of fourteen days after his removal has been so decided upon and a meeting of the shareholders shall be called for the last of such fourteen days to elect a director to fill the vacancy caused by such removal and the member so removed shall be eligible for re-election to said board.

1909, c. 47, s. 25.

Subject to *Loan Companies Act*

26 The powers granted by this Act shall be subject to the provisions of any Act respecting loan companies which may at any time hereafter be in force in Saskatchewan.

1909, c. 47, s. 26.

***The Companies Ordinance* to apply**

27 Subject to the provisions of this Act the provisions of *The Companies Ordinance* shall in so far as the same may be applicable thereto apply to the corporation.

1909, c. 47, s. 27.

Returns

28 The corporation shall furnish all such returns as may be required from time to time by the provincial secretary.

1909, c. 47, s. 28.

Commencement of business

29 The corporation shall not be entitled to commence business until at least fifty per cent of the authorised capital stock of the corporation has been subscribed and ten per cent of the stock so subscribed has been fully paid up.

1909, c. 47, s. 29.

