



## CHAPTER 49.

An Act to Incorporate The British Columbia  
Permanent Loan Company.

[12th March, 1909.]

**W**HEREAS The British Columbia Permanent Loan and Savings Preamble.

Company, having its head office at the City of Vancouver, in the Province of British Columbia, has, by its petition, represented that it is incorporated under the provisions of chapter 22 of the Revised Statutes of British Columbia, 1897, and has 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 the Province of British Columbia, enacts as follows:—

1. The shareholders of the said The British Columbia Permanent Incorporation.  
Loan and Savings Company, hereinafter called “the Old Company,”  
together with such persons as become shareholders in the Company,  
are hereby incorporated under the name of “The British Columbia Corporate name.  
Permanent Loan Company,” hereinafter called “the Company.”

2. The President, Vice-President and Directors of the Old Officers.  
Company shall respectively be the President, Vice-President and  
Directors of the Company until their successors are appointed.

3. The affairs of the Company shall be managed by a Board of Directors.  
not less than seven Directors. A majority of the Directors of the  
Company shall be elected from those shareholders of the Company  
who are not employees thereof. No officer, employee of the Com-  
pany, or other person, shall be disqualified to be a Director by

reason of his receiving any salary or remuneration for attending to the business or affairs of the Company. The Directors shall apportion profits to the various classes of terminating stock, and declare such dividends out of profits as they may from time to time deem proper: Provided that such dividends shall not exceed ten per centum per annum upon any share or stock in the Company, and no dividend shall be declared excepting out of profits.

Capital stock.

4. The capital of the Company shall be five million dollars, divided into shares of one hundred and one hundred and fifty dollars each. Twenty-five thousand shares of one hundred dollars each shall be fixed and permanent stock, and the remaining shares may be issued and re-issued as terminating shares repayable to the holders thereof, on such terms and conditions as may be provided in the application and share certificate, and in each class of such shares the share certificate shall be numbered in arithmetical progression, beginning with number one; and every such share certificate shall be distinguished by its appropriate number. The Company shall keep one or more books in which shall be entered from time to time the names and addresses, so far as known to the Company, of the several corporations and persons entitled to shares in the Company, showing the number of shares and the class of stock or shares to which such shareholder shall be respectively entitled.

Shares in old company converted.

5. Save as hereinafter otherwise provided, the shareholders of the Old Company holding shares of fixed and permanent capital stock therein are hereby declared to be holders respectively of shares in the fixed and permanent stock of the Company, to the same extent and with the same amounts paid up thereon as they are holders respectively of such shares in the Old Company. The shareholders of the Old Company holding shares of terminating capital stock therein are hereby declared to be the holders respectively of shares in the terminating shares of the Company, to the same extent and with the same amounts paid up thereon, and with the same rights and privileges in respect thereof as they are holders respectively of such shares in the Old Company.

Head office.

6. The head office of the Company shall be at the City of Vancouver, in the Province of British Columbia.

Agencies.

7. So far as the Province of British Columbia has jurisdiction to confer the power, the Company may establish agencies in any or all of the Provinces or Territories of the Dominion of Canada, or in any foreign country or place, and transact its business therein, the Directors having obtained the necessary licence legalising the extension and transaction of such business therein.

8. The by-laws, rules and regulations of the Old Company, law- By-laws.  
fully enacted, shall be the by-laws, rules and regulations of the  
Company, subject to repeal, amendment, or other change lawfully  
made.

9. The Company shall acquire all the assets, rights, credits, Acquisition of old  
effects and property, real, personal and mixed, of whatever kind company's assets.  
and wheresoever situated, belonging to the Old Company, or to  
which it is or may be or become entitled, and a conveyance and Form of conveyance.  
assignment thereof, in the form of the schedule to this Act, or to the  
like effect, shall be sufficient.

10. The Company shall be liable for and subject to, and shall Liability for  
pay, discharge, carry out and perform, all the debts, liabilities, obligations of old  
obligations, contracts and duties of the Old Company; and any company.  
person having any claim, demand, right, cause of action or complaint  
against the Old Company, or to whom the Old Company is under  
any liability, obligation, contract or duty, shall have the same rights,  
and powers with respect thereto, and to the collection and enforce-  
ment thereof from and against the Company, its Directors and  
shareholders, as such person has against the Old Company, its  
Directors and shareholders.

11. Nothing in this Act contained, or done in pursuance hereof, Existing rights pre-  
shall take away or prejudice any claim, demand, right, security, served.  
cause of action or complaint, which any person has against the Old  
Company, or its Directors or shareholders, or shall relieve the Old  
Company, its Directors or shareholders, from the performance of  
any debt, liability, obligation, contract or duty.

12. (1.) The Company may lend money on the security of, or Investment powers.  
purchase or invest in,—

(a.) Mortgages or hypothecs upon freehold or leasehold real Mortgages.  
estates, or other immovable:

(b.) The debentures, bonds, stocks and other securities of any Debentures, etc.  
Government, or any municipal corporation, or school cor-  
poration, or of any chartered bank, life or fire insurance  
company, or of such other incorporated company or com-  
panies, as shall from time to time be approved by the  
Lieutenant-Governor in Council, and by resolution of the  
shareholders and stockholders of the Company: Provided  
that the Company shall not lend upon the security of, or  
purchase or invest in bills of exchange:

and may sell, mortgage, pledge, hypothecate, or otherwise dispose of  
such securities, or any of them.

Real property.

(2.) The Company may acquire, hold, improve, convey, mortgage, lease, or otherwise dispose of any real property in part or wholly for the purposes, use or occupation of the Company, and all other lands to which the Company may now be, or hereafter become, entitled in pursuance of section 9 and sub-section (1) of section 12 hereof.

Agency association.

**13.** (a.) The Company may act as an agency association for the interest and on behalf of others who entrust 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 the next preceding section, or to any body corporate, or to any municipal or other authority, or to any board or body of trustees or commissioners upon such terms and upon such security as to the Company appear satisfactory, and may purchase and acquire any securities on which they are authorised to advance money, and again re-sell the same:

Enforcement of agreements.

(b.) The conditions and terms of such loans and advances and of such purchases and re-sales, may be enforced by the Company for its benefit, and for the benefit of the person or corporation for whom such money has been lent and advanced, or such purchase and re-sale 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:

Guarantee of moneys.

(c.) The Company may also guarantee the repayment of the principal or the payment of the interest, or both, of any moneys entrusted to it for investment:

Employment of capital.

(d.) The Company may, for every or any of the foregoing purposes, lay out and employ the capital and property, for the time being, of the Company, or any part of the moneys authorised to be raised by it in addition to its capital for the time being, or any moneys so entrusted to it as aforesaid, and may do, 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.

(e.) All moneys of which the repayment of the principal or payment of interest is guaranteed by the Company, shall for the purpose of this Act, be deemed to be money borrowed by the Company.

Borrowing powers.

**14.** The Company may borrow money, and receive money on deposit, upon such terms as to interest, security and otherwise as may be agreed on, and may issue its bonds, debentures and other securities for moneys borrowed, and for all or any of the purposes aforesaid, may mortgage all or any of the assets of the Company: Provided always, that the total of the Company's liabilities to the

Limitations.

public outstanding from time to time shall not exceed four times the amount paid upon its fixed and permanent capital stock; but the amount of cash on hand or deposited in chartered banks and belonging to the Company shall be deducted from such total liabilities for the purpose of this section.

And provided, further, that the amount held on deposit shall not at any time exceed the aggregate amount of its then actually paid up and unimpaired, fixed and permanent capital and of its cash actually in hand or deposited in any chartered bank and belonging to the Company:

Deposits not to exceed paid up capital and cash.

And provided, further, that for the purpose of this section all moneys paid on terminating share or shares with accrued profits after deducting any advances made thereon shall be calculated as a liability of the Company.

Moneys on terminating shares.

**15.** The liabilities of the Old Company to the public assumed by the Company shall form part of the total liabilities of the Company to the public for the purposes of the last preceding section.

Liabilities assumed.

**16.** The Directors of the Company may, with the consent of the shareholders at an extraordinary general meeting duly called for the purpose, or at any annual general meeting, create and issue debenture stock in such amounts and manner, on such terms, 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 shall be included in estimating the Company's liabilities to the public under section 14 of this Act, and such debenture stock shall rank equally with such ordinary debenture debt not secured by debenture mortgage, and no greater rights or privileges shall be conferred upon holders of debenture stock in respect thereof than are held or enjoyed by holders of ordinary debentures of the Company.

Debenture stock.

**17.** The debenture stock aforesaid shall be entered by the Company in a register to be kept for that purpose in the head office of the Company, wherein shall be set forth the names and addresses of the persons from time to time entitled to such stock, with the respective amounts thereof to which they are respectively entitled, and such stock shall be transferable in such amounts and in such manner as the Directors may determine. The said register shall be accessible for inspection and perusal at all reasonable times to every debenture holder, mortgagee, bondholder, debenture stockholder and shareholder of the Company without the payment of any fee or charge.

Registration of debenture stock.

Transfer to be  
registered.

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

Exchange of ordin-  
ary debentures.

**19.** 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.

Cancellation of  
debenture stock.

**20.** The Company, having issued debenture stock, may, from time to time, as it thinks fit, and for the interest of the Company, buy up and cancel the said debenture stock or any portion thereof.

No liability on  
trusts.

**21.** The Company shall not be bound to see to the execution of any trust, whether expressed, implied or constructive, to which any share of its stock, bonds, debentures or debenture stock, or to which any deposit or any other moneys payable by or in the hands of the Company, may be subject; and the receipt of the person in whose name such stock, share, bonds, debentures, debenture stock or money stands in the books of the Company shall, from time to time, be sufficient discharge to the Company for the payment of any kind made in respect of such stock, share, bonds, debentures, debenture stock or money, 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.

Audit.

**22.** Once at least in each year the accounts of the Company shall be examined, and the correctness of the balance sheet ascertained by two auditors, who shall be chartered accountants (neither of whom shall be a Director, or shareholder, or employee of the Company) who shall have been elected at the previous annual general meeting of shareholders. If any vacancy occurs in the course of the current year in the office of any auditor of the Company, the Directors shall forthwith by resolution fill such vacancy.

Annual returns to  
Provincial Secre-  
tary.

**23.** In the month of January in each year, the accounts shall be audited; and on or before the 14th day of the month of February then following, a return, duly verified by the declarations of the Auditors and Treasurer, shall be made to the Provincial Secretary, in which shall be stated in a tabular form:—

The nominal capital of the Company:

The actual capital:

The number of unadvanced shares held in accumulating capital,  
and the amount paid thereon:

The amount of permanent stock not deposited as security for moneys advanced by the Company:

The amount borrowed or received on deposit:

The nature of the assets:

The losses and expenses during the year:

The profits divisible per share:

And such other information as the Lieutenant-Governor in Council shall from time to time, by notice published in the British Columbia Gazette, order or require.

**24.** Upon the application of at least one hundred of the holders of stock or shares in the Company, the Lieutenant-Governor in Council may appoint one or more Inspectors to examine into the affairs of the Company, and to report thereon in such manner as he may direct.

Lieut.-Governor  
may appoint  
Inspectors.

**25.** It shall be the duty of all officers and agents of the Company to produce, for the examination of the Inspectors, all books and documents in their custody or power. Any Inspector may examine upon oath the officers and agents of the Company, in relation to its business and may administer such oath accordingly. If any officer or agent refuses to produce any such book or document, or to answer any question relating to the affairs of the Company, he shall, upon summary conviction before a Justice of the Peace, be liable to a penalty not exceeding one hundred dollars in respect of each such offence.

Officers to produce  
books for  
Inspectors.

**26.** Upon the conclusion of the examination, the Inspectors shall report their opinion to the Provincial Secretary. Such report shall be written or printed, as the Provincial Secretary directs. A copy shall be forwarded by the Provincial Secretary to the head office of the Company, and a further copy shall, at the request of the shareholders upon whose application the inspection was made, be delivered to them, or to any one or more of them, or to all the shareholders of the Company if the Provincial Secretary shall so direct. All expenses of and incidental to any such examination as aforesaid, shall be defrayed by the Company, the stockholders or shareholders upon whose application the Inspectors were appointed, as such Inspectors shall decide.

Inspectors to report.

**27.** The Company may, in a general meeting, appoint Inspectors for the purpose of examining into the affairs of the Company. The Inspectors so appointed shall have the same powers and perform the same duties as Inspectors appointed by the Lieutenant-Governor, with this exception, that, instead of making their report to the Provincial Secretary, they shall make the same in such manner and

Company may  
appoint Inspectors.

to such persons as the Company in general meeting directs; and the officers and agents of the Company shall incur the same penalties in case of any refusal to produce any book or document to such Inspectors, or to answer any questions, as they would have incurred if such Inspectors had been appointed by the Lieutenant-Governor.

No loans to  
Directors.

**28.** No advances of any portion of the funds of the Company shall be made to any of the Directors of the Company. Should any advance of any portion of the funds of the Company be made to any of its Directors, the person receiving the same shall forfeit to the Company, by way of fine, a sum equal to ten times the amount so advanced, and shall cease to be a Director of the Company.

Officers who receive  
bribe to procure  
loan to incur pen-  
alty of \$500.

**29.** In case any Director or Directors, the Secretary and Treasurer, or Secretary, or Treasurer, or Clerk of the Company shall take, charge, or receive any bribe, commission, or gratuity for negotiating any loan from, or procuring any advance to be made by the Company, such person or persons shall, upon summary conviction thereof, before any two Justices of the Peace, or any Stipendiary or Police Magistrate, be liable to a penalty of five hundred dollars, and shall be removed from office.

Directors liable if  
dividend declared  
except out of profits.

**30.** If the Directors of the Company shall declare any dividend other than out of the profits, they shall be jointly and severally liable to the extent of the aggregate amount of the dividend so declared, for all the debts of the Company then existing, and for all that shall be thereafter contracted, so long as they shall respectively continue in office: Provided, always, that if any of the Directors shall be absent at the time the dividend or dividends shall be so declared, or shall object thereto, and shall forthwith file their objection in writing with the Secretary or Clerk of the Company, they shall be exempt from the said liability.

No portion of profits  
of society to be  
divided until prin-  
ciple approved by  
Lieut.-Governor.

**31.** The Company shall not be at liberty to divide any of the profits found or declared to have been made by the Company until the principle upon which such profits have been computed, and are so found and declared, or are intended to be so found and declared, shall have been sanctioned or approved by such officer as the Lieutenant-Governor in Council may from time to time appoint, who shall be entitled to a fee of twenty-five dollars for granting a certificate of approval; and if any dividend shall be paid on or in respect of any share in the capital of the Company before such principle as aforesaid shall have been sanctioned or approved as aforesaid, each of the Directors who shall not have objected thereto, and shall not have filed his objection in writing with the Secretary or Clerk of the Company before any such payment, shall, upon summary conviction, be liable to a penalty of five hundred dollars: Provided that where



any share or shares are withdrawn after said certificate of approval has been granted the Company may pay the balance of dividends due up to the date of withdrawal, in accordance with the amount approved of in the last certificate.

**32.** Every such forfeit or fine may be recovered before a Police or Stipendiary Magistrate, in a summary way, by warrant of distress of the goods and chattels of such Director or Directors. In case of default of payment of such forfeit or fine, and of the insufficiency of such distress, such Director or Directors shall be liable to imprisonment for a term not exceeding twelve calendar months, at the discretion of the Magistrate who shall have issued the warrant of distress. Recovery of penalty.

**33.** The Court imposing any penalty under this Act may direct any part, not exceeding one moiety thereof, to be applied in or towards payment of the costs of the proceedings, or in or towards rewarding the person on whose information, or at whose suit such penalty has been recovered; and, subject to such directions, all penalties shall be paid to the Minister of Finance of the Province, and shall be carried to and form part of the Consolidated Revenue Fund of the Province. Application of penalties.

**34.** This Act shall extend to aliens, denizens, females, co-partners, and corporate bodies. Femmes couvertes and infants may hold shares in the Company under this Act in the same manner as male adults; and, for the purpose of dealing with such shares, shall be construed in the most beneficial manner for promoting the ends thereby intended; but no feme coverte or infant shall be a Director of the Company. Femes couvertes and infants may hold shares.

**35.** The Company may, by instrument in writing under its common seal, empower any person, in respect of any specified matter, as its attorney to execute deeds on its behalf, and every deed signed by such attorney in respect of such specified matter on behalf of the Company and under his seal, shall be binding on the Company, and have the same effect as if it were under the common seal of the Company. Company may appoint attorney.

**36.** The Company may from time to time, by writing under its common seal, agree to refer, and may refer, to arbitration in accordance with the Arbitration Act, any existing or future difference, question or other matter whatsoever, in dispute, between itself and any other company or person. Arbitration.

**37.** The “Companies’ Clauses Act, 1897,” shall apply to and be incorporated in this Act, save so far as the provisions thereof are R. S. B. C., c. 45.

expressly varied or excepted by this Act, or as any of the provisions thereof are inconsistent or repugnant to the provisions of this Act, in which case the provisions of this Act shall, to the extent of such repugnancy or inconsistency, govern; save, also, that permanent stock only shall be subject to the provisions of sections 28 to 40, both inclusive, and section 42 thereof. The following clauses of said "Companies' Clauses Act, 1897," shall not apply to this Company, namely: sections 5, 7 to 14 both inclusive, sections 41, 48 to 54 both inclusive, sections 73 to 77 both inclusive, sections 98, 103, 105, 106, 118, 121 and 124.

When Act to take effect.  
Approval of debenture holders.

38. (1.) This Act shall not take effect unless and until:—

(a.) The trustee for the holders of debentures secured by mortgage and two-thirds in value of all holders of other debentures of the Old Company shall have consented thereto in writing, the consent of the debenture holders to be by the person or company appearing by the books of the Old Company to be holders of such debentures respectively:

Approval of shareholders.

(b.) A resolution accepting and approving of the taking effect of this Act shall have been adopted by a vote of not less than three-fourths in value of such of the shareholders of the Old Company as are present or represented by proxy, at a special general meeting of the Old Company, duly called for the purpose of considering this Act by a notice to each shareholder stating the time and place of such meeting and of the intention to propose such resolution, and if so accepted and approved of this Act shall come into force upon a subsequent date to be fixed for that purpose by the said resolution.

Notice in B. C. Gazette.

(2.) Notice of such acceptance and approval and of the day so fixed shall be published by the Company in the British Columbia Gazette:

Shareholders' objection.

(3.) If any shareholder of the Old Company who has not voted in favour of the said resolution expresses his dissent to such resolution, in writing, addressed to the General Manager of the Old Company, and left at the head office of the Old Company, not later than thirty days after the date of the meeting at which such resolution was passed, such dissentient member may require the Old Company to do one of the following things, as the Directors of the Old Company may prefer, that is to say: either

(a.) To abstain from carrying such resolution into effect: or,

Purchase of shares of dissentient member.

(b.) To purchase the share or shares of such dissentient member at a price to be determined in manner hereinafter mentioned, such purchase money to be paid before the said resolution is carried into effect:

(c.) The price to be paid for the purchase of the share or shares of any dissentient member may be determined by agreement, but if the parties dispute about the same, such dispute shall be settled by arbitration: Price to be paid.

(d.) For the purpose of arbitration the Old Company shall appoint one arbitrator, and the dissentient member shall appoint another, and the two arbitrators thus chosen (or in case they disagree) a Judge of the Supreme Court of British Columbia shall appoint a third arbitrator, the said arbitrators, or any two of them, shall finally determine the matter in dispute. Arbitration as to price.

**39.** Any notice required by this Act to be given to a shareholder or stockholder of the Old Company, or the new Company, shall be well and sufficiently given if mailed, postage prepaid, addressed to such shareholder or stockholder at his or her registered address, as aforesaid. Notice to shareholder.

**40.** This Act may be cited as "The British Columbia Permanent Loan Company Act, 1909." Short title.

#### SCHEDULE.

This Indenture made the \_\_\_\_\_ day of \_\_\_\_\_ A.D. 19 \_\_, between The British Columbia Permanent Loan and Savings Company, having its head office at the City of Vancouver, of the first part, hereinafter called the "Old Company," and The British Columbia Permanent Loan Company, of the second part, hereinafter called "the Company."

Whereas the Old Company has accepted and approved of the Company's Act of Incorporation, being the Act of the Legislative Assembly of the Province of British Columbia passed in the year \_\_\_\_\_ intituled: "An Act to incorporate The British Columbia Permanent Loan Company," and by the resolution of shareholders duly passed in that behalf the \_\_\_\_\_ day of \_\_\_\_\_ was fixed as the date from which the said Act should take effect:

And whereas by the said Act the Company is authorised to acquire all the assets, rights, credits, effects and property, real, personal and mixed, of the Old Company:

And whereas the Old Company has agreed to convey and assign the same to the Company:

Now this Indenture witnesseth that, in consideration of the said Act and of the shares in the capital stock of the Old Company which are thereby vested in the shareholders of the Company and in consideration of the covenants by the Company hereinafter contained,

the Old Company does hereby grant, assign, transfer and set over unto the Company, its successors and assigns forever, all the assets, rights, credits, effects and property, real, personal and mixed, of whatever kind and wheresoever situated, belonging to the Old Company, or to which it is or may be or become entitled; to have and to hold unto the Company, its successors and assigns, to and for their sole and only use forever; and the Old Company covenants with the Company to execute and deliver, at the expense of the Company, all such further and other separate and formal assurances, assignments, transfers and conveyances, for registration purposes or otherwise, as may be required to vest in the Company, its successors and assigns, the full, legal, equitable and beneficial title and interest to and in the said assets, rights, credits, effects and property, and each and every part thereof:

And in consideration of the foregoing, the Company covenants with the Old Company, its successors and assigns, that it shall and will pay, discharge, carry out and perform all debts, liabilities, obligations, contracts and duties for or in respect of which the Old Company is now liable, or which it should pay, discharge, carry out or perform; and the Company shall and will indemnify and save harmless the Old Company in respect thereof.

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VICTORIA, B. C.

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