

AN ACT

TO PROVIDE FOR THE FORMATION

OF INCORPORATED

JOINT STOCK COMPANIES,

FOR

MANUFACTURING, MINING, MECHANICAL OR CHEMICAL PURPOSES.

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## CAP. XXVIII.

### An Act to provide for the formation of Incorporated Joint Stock Companies, for Manufacturing, Mining, Mechanical or Chemical purposes.

[10th August, 1850.]

**W**HEREAS it is expedient to make provision for the Registration of Joint Stock Companies during the formation thereof, and also after such registration to invest such Joint Stock Companies with some of the qualities and incidents of Corporations; subject to certain conditions and regulations; Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and of the Legislative Assembly of the Province of Canada, constituted and assembled by virtue of and under the authority of an Act passed in the Parliament of the United Kingdom of Great Britain and Ireland, intituled, *An Act to re-unite the Provinces of Upper and Lower Canada, and for the Government of Canada*, and it is hereby enacted by the authority of the same, That any five or more persons who may desire to form a Company for the purpose of carrying on any kind of Manufacturing, Ship Building, Mining, Mechanical or Chemical Business, may make and sign a statement or declaration in writing, in which shall be set forth the Corporate name of the said Company, and the object or objects for which the same shall be formed, the amount of the Capital Stock of the said Company, the term of its proposed existence, (which shall not exceed fifty years) the number of shares of which the said stock shall consist, the number and names of the Trustees who shall manage the concerns of the said Company for the first year, and the names of the City, Town, or Village, Parish, Township or Extra-parochial

Preamble.

Statement or Declaration of formation and purposes of joint Stock Company to be registered, and where.

Place and County in which the operations of the said Company are to be carried on, and shall acknowledge such statement or declaration in duplicate before the Registrar or Register of such County or his Deputy, who are hereby authorized to receive such acknowledgment, and grant a certificate thereof; and one of the duplicates of every such statement or declaration shall be filed by such Registrar or Register, or his Deputy, and an entry thereof shall be made by him in a book to be kept for that purpose, and the other of the said duplicates, with a proper certificate of the acknowledgment, filing and registration thereof as aforesaid endorsed thereon, shall forthwith be transmitted to and filed in the Office of the Secretary of this Province.

After such Registration Company to be incorporated.

II. And be it enacted, That when the formalities prescribed in the foregoing section of this Act shall have been complied with, the persons who shall have signed the said statement or declaration and their successors, shall be a body politic and corporate in fact and in name by the name mentioned in such statement or declaration; and by that name shall have succession, and shall be capable of suing and being sued in any Court of Law or Equity in this Province, and may have a common seal, and may from time to time break, alter and make new the same at pleasure; and they shall by their said corporate name be able and capable in law to purchase, hold and convey any real and personal estate, or moveable and immovable property whatsoever which may be necessary to enable the said Company to carry on the operations mentioned in such statement or declaration but shall not mortgage the same nor give any lien thereon.

Company not to grant mortgages.

Certified Copy of Statement to be *prima facie* evidence of its contents.

III. And be it enacted, That a copy of any such statement or declaration as aforesaid, registered in pursuance of this Act, certified by the County Registrar or Register or his Deputy to be a true copy and of the whole of such statement or declaration shall be received in all Courts and places as *prima facie* evidence of the facts therein stated; and the compliance with the formalities prescribed in the first section of this Act shall be conclusively established by the insertion in the *Canada Gazette* of a

notice to that effect, proceeding from the office of the Secretary of the Province.

IV. And be it enacted, That the Stock, property and concern of every such Company as aforesaid, shall be managed by not less than three or more than nine Trustees, who shall respectively be Stockholders in such Company, and subjects of Her Majesty, either by birth or naturalization, and who shall, except the first year, be annually elected by the Stockholders at such time and place as shall be directed by the By-laws of the Company; and notice of the time and place of holding such election shall be published not less than ten days previous thereto, in the newspaper printed nearest to the place where the operations of the said Company shall be carried on; and the election shall be made by such of the Stockholders as shall attend for that purpose either in person or by proxy.

Election of Trustees after the first year provided for.

V. And be it enacted, That all elections shall be by ballot, and each Stockholder shall be entitled to as many votes as he owns shares of stock in the said Company and the persons receiving the greatest number of votes shall be Trustees, and when any vacancy shall happen among the Trustees by death, resignation, or otherwise, it shall be filled for the remainder of the year in such manner as may be provided for by the By-laws of the said Company.

All Elections to be by ballot.

VI. And be it enacted, That if it shall happen at any time that an election of Trustees of any such Company as aforesaid shall not be made on the day when, according to the By-laws of such Company, it ought to be made, such Company shall not for that reason be dissolved; but it shall be lawful for the Stockholders of such Company to hold an election of Trustees on any other day in such manner as shall be provided for by such By-laws, and all acts of Trustees of any such Company as aforesaid shall be valid and binding as against such Company until their successors shall be elected.

Corporation not to be dissolved by failure to elect Trustees on stated day.

VII. And be it enacted, That every such Company as aforesaid shall have a Chairman or President, who shall be elected by the Trustees from among themselves, and also such subordinate officers as the Company by its By-laws may require,

Every Company to have Chairman and Officers.

who may be elected or appointed and required to give such security for the faithful performance of the duties of their respective offices as the Company by its By-laws may provide.

Trustees may call in Stock subscribed by instalments.

VIII. And be it enacted, That it shall be lawful for the Trustees of any such Company to call in and demand from the Stockholders thereof respectively, all sums of money by them subscribed at such times and in such payments or instalments as such Trustees shall deem proper under the penalty of forfeiting the shares of stock subscribed for and all previous payments made thereon, if payment shall not be made by the Stockholders respectively within sixty days after a personal demand, or after notice requiring such payment shall have been published for six successive weeks in the newspaper nearest the place where the business of the Company shall be carried on as aforesaid.

Trustees may make By-laws.

IX. And be it enacted, That the Trustees of every such Company as aforesaid shall have power to make such By-laws as they shall deem proper for the management and disposition of the stock and business affairs of such Company, for the appointment of officers, and for prescribing their duties and those of all artificers and servants that may be employed, and for carrying on all kinds of business within the objects and purposes of such Company; and any copy of the said By-laws or any of them purporting to be under the hand of the Clerk, Secretary or other officer of the said Company, and having the corporate seal of such Company affixed to it, shall be received as *prima facie* evidence of such By-law or By-laws in all Courts of Law or Equity in this Province.

Stock to be deemed Personal Estate, and how transferable.

X. And be it enacted, That the Stock of every such Company shall be deemed personal estate, and shall be transferable in such manner as shall be prescribed by the By-laws of the Company; but no shares shall be transferable until all previous calls thereon shall have been fully paid in, or shall have been declared forfeited for the non-payment of calls thereon; and it shall not be lawful for any such Company to use any of its funds in the purchase of any Stock in any other Corporation.

Liability of

XI. And be it enacted, That all the Stockholders

of any Company that shall be incorporated under this Act shall be jointly and severally liable for all debts and contracts made by such Company, until the whole amount of the capital stock of such Company, fixed and limited in manner aforesaid, shall have been paid in, and a certificate to that effect shall have been made and registered as prescribed in the next section of this Act, after which no Stockholder of such Company shall be in any manner whatsoever liable for or charged with the payment of any debt or demand due by such company, beyond the amount of his share or shares in the capital stock of such Company so fixed and limited and paid in as aforesaid, save and except as hereinafter mentioned: Provided always that for the greater security of persons dealing with any such Company as aforesaid, every such Company, shall in some conspicuous part of every building or place whereat the business of such Company or any part thereof shall be carried on, cause to be constantly inscribed in plain and distinct letters and figures of at least one-half inch in length and of proportionate breadth, as well the name and style of the Company as the amount of the Capital Stock thereof and that such name, style and Capital shall also be written or printed in letters, at least as large and distinct as any other used in the same document at the head of every Promissory Note, Draft, Check, Order, Bond, Contract, Agreement, Bill of Parcels or other document purporting to be made or signed by any Trustee or Officer of the Company, or in any way to bind or oblige the said Company; and the Trustees of any such Company shall be personally and jointly and severally liable for every contract, promise or engagement made in the name of the Company at any time when such name, style and amount of Capital Stock shall not be so inscribed as aforesaid at any such place as aforesaid, or by virtue of any such document as aforesaid, at the head of which the same shall not be written or printed in the manner hereby required.

Stockholders  
before and after  
payment of ca-  
pital.

Provide : name,  
style and capital  
of the Company  
to appear in all  
Bills, Notes, &c.,  
of the Company.

XII. And be it enacted, That within thirty days after the payment of the last instalment of the Capital Stock of any such Company so fixed and limited as aforesaid, there shall be made and drawn

Certificate of:  
payment of Capital  
Stock to be  
registered within  
thirty days after  
the payment of

the last instalment.

up a Certificate to that effect; which Certificate shall be signed and sworn to, by a Majority of the Trustees of such Company, including the Chairman or President, and shall be registered within the said thirty days in the Registry Office of the County wherein the business of the said Company is carried on, and the Registrar or Register of such County or his Deputy is hereby authorized to administer the said oath, and to enter and register the said Certificate in the book to be kept by him for the purposes of this Act as already mentioned; and such Capital Stock so fixed and limited, shall be paid in, one-half thereof within one year and the other half thereof within two years from the incorporation of the said Company, or such Corporation shall be dissolved.

Annual Report of Affairs of each Company to be published.

XIII. And be it enacted, That every such Company shall annually, within twenty days from the first of January, make a report which shall be inserted in some newspaper published nearest to the place where the business of such Company shall be carried on, stating the amount of the Capital of such Company and the proportion thereof then actually paid in, together with the amount of the existing debts of such Company; which report shall be signed by the Chairman or President and a majority of the Trustees of such Company, and shall be verified by the oath of the said Chairman or President or of the Secretary of the said Company, and shall be entered and registered as aforesaid in the Registry Office of the County where the business of the Company shall be carried on; and all the Trustees of any Company failing to comply with the requirements of this section shall be jointly and severally liable for all the debts of the Company then existing, and for all that shall be contracted until such report shall be made.

Liability of Trustees paying dividend under certain circumstances.

XIV. And be it enacted, That if the Trustees of any such Company shall declare and pay any dividend when the Company is insolvent, or any dividend, the payment of which would render it insolvent, or which would diminish the amount of its capital stock, they shall be jointly and severally liable for all the debts of the Company then existing and for all that shall be thereafter contracted, while they shall respect-

ively continue in office : Provided always, that if any of such Trustees shall object to the declaring of such dividend or to the payment of the same, and shall at any time before the time fixed for the payment thereof, file a written statement of such objection in the office of the Secretary of the Company, and also in the Registry Office of the County, such Trustee or Trustees shall be exempt from such liability.

Proviso.

XV. And be it enacted, That no loan of money shall be made by any such Company to any Stockholder therein ; and if any such loan shall be made to a Stockholder, the officer or officers who shall make it or who shall assent thereto, shall be jointly and severally liable to the extent of such loan, with legal interest thereon, for all the debts of the Company that may be contracted before the repayment of the sum so loaned.

Loans of money by Company to its Stockholders prohibited.

XVI. And be it enacted, that if any certificate or report made, or public notice given by the officers of any such Company in pursuance of the provisions of this Act, shall be false in any material representation, all the officers who shall have signed the same shall be jointly and severally liable for all the debts of the Company contracted while they are officers or stockholders thereof, respectively : and if the indebtedness of any such Company shall at any time exceed the amount of its capital stock, the Trustees of such Company assenting thereto shall be personally and individually liable for such excess to the creditors of such Company.

Officers liable jointly and severally for debts of Company in certain cases.

XVII. And be it enacted, That the Stockholders of every such Company shall be jointly and severally individually liable for all debts that may be due and owing to all or any of the labourers, servants, and apprentices thereof, for services performed for such Company ; Provided always, that no Stockholder shall be personally liable in this or any other of the cases in which personal liability is imposed by the provisions of this Act, for the payment of any debt contracted by any such Company which is not to be paid within one year from the time the debt is contracted, nor unless a suit for the collection of such debt shall be brought against such Company within one year

Stockholders to be liable individually for debts to servants, labourers, &c.

Proviso: limitation of actions on such liability.

after the debt shall become due ; and no suit shall be brought against any Stockholder who shall cease to be a Stockholder in any such Company for any debt so contracted, unless the same shall be commenced within two years from the time he shall have ceased to be a Stockholder in such Company nor until an execution against the Company shall have been returned unsatisfied in whole or in part.

Executors, &c.,  
not to be subject  
to any personal  
liability as Stock  
holders.

XVIII. And be it enacted, That no person holding Stock in any such Company as Executor, Administrator, Tutor, Curator, Guardian or Trustee, shall be personally subject to any liability as Stockholder of such Company ; but the estates and funds in the hands of such Executor, Administrator, Tutor, Curator, Guardian or Trustee, shall be liable in like manner and to the same extent as the Testator or Intestate, or the Minor, Ward or interdicted person, or the person interested in such trust fund would be if he were living and competent to act, and held the same stock in his own name ; and that no person holding such stock as collateral security shall be personally subject to any liability as Stockholder of such Company, but the person pledging such stock shall be considered as holding the same, and shall be liable as a Shareholder accordingly.

Executors, &c.,  
allowed to repre-  
sent Stock in  
their hands, and  
vote at Elections  
but not to be  
elected.

XIX. And be it enacted, That every such Executor, Administrator, Tutor, Curator, Guardian or Trustee, shall represent the shares of stock in his hands at all meetings of the Company, and may vote accordingly as a Stockholder ; and every person who shall pledge his stock as aforesaid may nevertheless represent the same at all such meetings, and may vote accordingly as a Stockholder ; but no person holding stock as Executor, Administrator, Tutor, Curator, Guardian, or Trustee, shall be a Trustee or hold any office in the service of such Company ; and all votes given to them or either of them, shall be void.

Trustees to keep  
a book contain-  
ing names of  
Stockholders,  
&c., for inspec-  
tion.

XX. And be it enacted, That it shall be the duty of the Trustees of every such Company to cause a book to be kept by the Treasurer or Clerk thereof containing in alphabetical order the names of all persons who are or have been Stockholders of such Company, and showing their places of residence, the number of shares of stock held by them

respectively, and the time when they respectively became the owners of such shares; and also a statement of all the existing debts and liabilities of such Company and of the amount of its stock actually paid in; which books shall, during the usual business hours of the day, on every day except Sundays and obligatory holidays (*fêtes d'obligation*), be open for the inspection of Stockholders and creditors of the Company and their personal representatives, at the office or principal place of business of such Company, in the County where the operations of such Company are carried on as aforesaid: and any and every such Stockholder, Creditor or representative, shall have a right to make extracts from such book; and no transfer of stock shall be valid for any purpose whatever, except to render the person to whom it shall be transferred liable for the debts of the Company according to the provision of this Act, until it shall have been entered therein as required by this section by an entry showing to and from whom such stock shall have been transferred.

XXI. And be it enacted, That such book shall be *primâ facie* evidence of the facts therein stated in favour of the Plaintiff in any suit or proceeding against such Company or against any one or more Stockholders; and that every Officer or Agent of any such Company who shall refuse or neglect to make any proper entry in such book, or to exhibit the same or allow the same to be inspected, and extracts to be taken therefrom as aforesaid, shall be guilty of a misdemeanor, and being convicted thereof shall be punished accordingly; and every Company that shall neglect to keep such book open for inspection as aforesaid, shall forfeit the corporate rights, character and privileges acquired by it in pursuance of this Act.

Such book to be *primâ facie* evidence of the facts therein stated.

XXII. And be it enacted, That the word "Company," wherever it occurs in this Act, shall be construed to mean a Joint Stock Company incorporated by registration under the provisions of this Act; and all words importing the singular number or the masculine gender only shall be construed to extend to the plural number, and to females as well as males, unless there be something in the context inconsistent with such construction.

Interpretation of certain words.

Right to repeal  
or amend Act  
reserved.

XXIII. And be it enacted, That this Act may be amended or repealed by any Act to be passed in this or any other Session of the Parliament of this Province; but such amendment or repeal shall not, nor shall the consequent dissolution of any Corporation formed or created under this Act, take away or impair any remedy given against any such Corporation, its Stockholders or officers for any liability which shall have been previously incurred.