Corporations Miscellaneous Provisions Act

CHAPTER 100 OF THE REVISED STATUTES, 1989

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CHAPTER 100 OF THE REVISED STATUTES, 1989

An Act to Consolidate Miscellaneous Provisions Respecting Certain Classes of Corporation

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Short title

1 This Act may be cited as the *Corporations Miscellaneous Provisions Act.*

R.S., c. 100, s. 1.

PART I

HEAD OFFICE OF CERTAIN COMPANIES

"company" defined

2 In this Part, "company" means a company to which this Part applies. R.S., c. 100, s. 2.

Application of Part

3 This Part applies to every company incorporated by or under an Act of the Legislature, except the *Companies Act*, and applies to every such company, whether heretofore or hereafter incorporated, and notwithstanding that in any special or general Act of the Legislature enacted before the twenty-eighth day of May, 1921, there are provisions inconsistent with or contrary to the provisions of this Part. R.S., c. 100, s. 3.

Head office

4 Every company shall have its head or principal office within the Province and not elsewhere. R.S., c. 100, s. 4.

PART II

CHANGE OF NAME OF COMPANIES INCORPORATED UNDER SPECIAL CHARTER

Change of name

5 The Governor in Council may, by order in council, upon the application of any company incorporated under and by a special Act of the Legislature, change the name of the company, and the change shall not affect the rights, powers, franchises or existence of the company, but shall have the same effect as though accomplished by special Act of the Legislature. R.S., c. 100, s. 5.

Fee

6 Before the order in council is made, the company applying for the same shall pay to the Minister of Finance a sum equal to the fee it would be required to pay in order to secure an Act of the Legislature making such change. R.S., c. 100, s. 6.

Restriction on name change

7 Nothing in this Part shall be taken to authorize the name of any such company being changed so as to be the same as that of any other company incorporated under and by any other special Act of the Legislature or under the *Companies Act*. R.S., c. 100, s. 7.

Notice of name change

8 Notice of the change of name shall be given by such company in the Royal Gazette and in one or more newspapers in the Province published in a county where the company is authorized to carry on business. R.S., c. 100, s. 8.

Rights and obligations not affected

9 The change of name shall not in any way affect the rights, duties, liabilities and obligations of the company, nor affect any actions brought by or against the company under the original name, and such actions shall go forward as if the name had not been changed, and judgment and execution may be entered by and against the company under the changed name. R.S., c. 100, s. 9.

PART III

DISMISSAL OF DIRECTORS OF COMPANIES

Removal of directors

10 Notwithstanding any other Act, general or special, of the Province or the articles of association, or the by-laws of any company heretofore or hereafter incorporated under any general or special Act of the Province, any director or directors of any company to which the legislative jurisdiction of the Province extends, may be removed from office by a resolution passed at a special meeting of the shareholders of the company called for the purpose under the provisions of the articles of association or by-laws of the company respecting the calling of general meetings or on the requisition of or by shareholders of the company holding not less than one tenth of the issued share capital thereof, and passed by a three-fourths majority of the votes of the shareholders present or represented by proxy thereat and representing the majority of the shares in the company then issued and outstanding. R.S., c. 100, s. 10.

Appointment of new directors

11 (1) The power of removal may be exercised at any time and from time to time and another or other directors may be elected or appointed in the place and stead of the director or directors so removed from office, and such election or appointment may be made at the same meeting at which such resolution is passed or at another meeting duly called for the purpose.

(2) The person or persons so elected or appointed shall hold office during such time as the director or directors so removed would have held the same if he or they had not been removed. R.S., c. 100, s. 11.

PART IV

CONTRACTS

"corporation" defined

12 In this Part, "corporation" includes any city, any incorporated town and any municipal or public corporation, as well as any private company. R.S., c. 100, s. 12.

Seal

13 (1) Every contract made or entered into by any corporation within the scope of its charter or Act of incorporation, under such conditions and circumstances and in such manner that the same would be valid and binding if the corporate seal were affixed thereto, shall be so valid and binding notwithstanding the failure or omission to affix a seal.

(2) This Section shall not make valid any contract of a corporation which, if made by any person other than a corporation, would be invalid for want of a seal.

(3) The affixing of a seal to the contract of a corporation shall have the same effect as the affixing of a seal to the contract of an individual. R.S., c. 100, s. 13.

Appointments and retainers

14 No appointment or retainer of an attorney or solicitor by any corporation shall be invalid or defective by reason that the same was not made under seal. R.S., c. 100, s. 14.

PART V

REGISTRATION AND TRANSFER OF SHARES, BONDS, DEBENTURES, STOCKS AND OTHER SECURITIES OF CERTAIN COMPANIES

"company" defined

15 In this Part, "company" means a company to which this Part applies. R.S., c. 100, s. 15.

Application of Part

16 This Part applies to every company incorporated by or under an Act of the Legislature, except the *Companies Act*, and applies to every such company, whether heretofore or hereafter incorporated, and notwithstanding that in any special or general Act of the Legislature enacted before the twenty-eighth day of May, 1921, there are provisions inconsistent with or contrary to the provisions of this Part. R.S., c. 100, s. 16.

Registers

17 **(1)** Every company shall keep or cause to be kept within the Province in one or more books or in any other manner

(a) a register of its shareholders, in this Part called the "principal register of shareholders";

(b) a register of the holders of bonds, debentures, stocks or other securities which have been or may hereafter be issued by the company and which are not validly transferable solely by the delivery thereof, in this Part called the "principal register of bondholders".

(2) There shall be entered in the principal register of shareholders the following particulars:

(a) the names and addresses and the occupations, if any, of the shareholders of the company, with the addition of a statement of the shares held by each and of the amount paid or agreed to be considered as paid on the shares of each shareholder;

(b) the date at which the name of any person was entered in the register as a shareholder;

(c) the date at which any person ceased to be a shareholder; and

(d) in the case of the transmission of shares by the death of the shareholder, the names and the addresses and the occupations, if any, of the executors or administrators of the deceased.

(3) There shall be entered in the principal register of bondholders the following particulars:

(a) the names and addresses and the occupations, if any, of the holders of the bonds, debentures, stocks or other securities which have been or may hereafter be issued by the company and which are not validly transferable solely by the delivery thereof;

(b) the date at which the name of any person was entered in the register as such holder;

(c) the date at which any person ceased to be such holder;

(d) in the case of the transmission of such bonds, debentures or other securities by the death of the holder thereof, the names and the addresses and the occupations, if any, of the executors or administrators of the deceased.

(4) Any other register of shareholders of the company or any other register of holders of bonds, debentures, stocks or other securities issued by the company shall be a subsidiary and subordinate register kept for convenience only and no entry therein shall be valid or effectual unless and until the entry is also made in the principal register of shareholders or in the principal register of bondholders, as the case requires. R.S., c. 100, s. 17.

Requirements for valid transfer of shares

18 (1) No transfer and no transmission by death or otherwise of any shares of a company shall be valid, complete or effectual unless and until the entries in respect thereof required by this Part or otherwise have been made in the principal register of shareholders.

(2) No entries in any other register of shareholders shall be necessary to make such transfer or transmission valid, complete or effectual.

(3) Notwithstanding subsection (1), as to shares of a company from time to time listed and dealt with on any recognized stock exchange by means of scrip commonly in use endorsed in blank and transferable by delivery, such endorsation and delivery shall as between the transferor and the transferee constitute a valid transfer while such shares are so listed. R.S., c. 100, s. 18.

Requirements for valid transfer of bonds

19 (1) No transfer and no transmission by death or otherwise of any bonds, debentures, stocks or other securities which have been or may hereafter be issued by a company and which are not validly transferable solely by the delivery thereof shall be valid, complete or effectual unless and until the entries in respect thereof required by this Part or otherwise have been made in the principal register of bondholders.

(2) No entries in any other register of holders of bonds, debentures, stocks or other securities issued by the company shall be necessary to make such transfer or transmission valid, complete or effectual. R.S., c. 100, s. 19.

Registers as evidence of contents

20 The principal register of shareholders and the principal register of bondholders shall be *prima facie* evidence of any matters by this Part directed or authorized to be inserted therein. R.S., c. 100, s. 20.

PART VI

RE-ISSUE OF BONDS BY CERTAIN JOINT STOCK COMPANIES

Application of Part

21 (1) This Part shall apply to any company incorporated before the twenty-second day of April, 1910, under the laws of the Province, whether by the former *Nova Scotia Joint Stock Companies' Act*, being Chapter 79 of the Revised Statutes, Fifth Series, by the former *Nova Scotia Companies Act*, being Chapter 128 of the Revised Statutes, 1900, or by the former *The Nova Scotia Companies Act, 1921*, being Chapter 19 of the Acts of 1921, or by a special Act of the Legislature.

(2) This Part shall also apply to all transactions with respect to bonds of any company wherever incorporated issued, re-issued or deposited to secure advances within the Province. R.S., c. 100, s. 21.

Re-issue

22 Where either before or after the passing of this Part a company has redeemed any bonds or debentures previously issued, the company, unless the special Act incorporating the company or the by-laws or the articles of association of the company or the conditions of issue expressly otherwise provide, or unless the bonds or debentures have been redeemed in pursuance of any obligation of the company so to do, and not being an obligation enforceable only by the person to whom the redeemed bonds or debentures were issued, or his assigns, shall have power, and shall be deemed always to have had power, to keep the bonds or debentures alive for the purposes of re-issue, and where a company has purported to exercise such a power, the company shall have power, and shall be deemed always to have had power, to re-issue the bonds or debentures, either by re-issuing the same bonds or debentures, or by issuing other bonds or debentures in their place, and upon such a re-issue the person entitled to the bonds or debentures shall have, and shall be deemed always to have had, the same rights and priorities as if the bonds or debentures had not previously been issued. R.S., c. 100, s. 22.

Deemed re-issue

23 Where, with the object of keeping bonds or debentures alive for the purpose of re-issue, they have either before or after the passing of this Part been transferred to a nominee of the company, a transfer from that nominee shall be deemed to be a re-issue for the purposes of this Section. R.S., c. 100, s. 23.

Deposit of bonds not redemption

24 Where a company has, either before or after the passing of this Part, deposited any of its bonds or debentures to secure advances on current account or otherwise the bonds or debentures shall not be deemed to have been redeemed by reason only of the account of the company having ceased to be in debit whilst the bonds or debentures remained so deposited nor by reason of the repayment of the advances. R.S., c. 100, s. 24.

Re-issue not treated as new issue

25 The re-issue of a bond or debenture, or the issue of another bond or debenture in its place, under this Part, whether made before or after the passing of this Part, shall not be treated as the issue of a new bond or debenture for any purpose. R.S., c. 100, s. 25.

Power to issue bonds not prejudiced

26 Nothing in this Part shall prejudice any power to issue bonds or debentures in the place of any bond or debenture paid off, or otherwise satisfied or extinguished, reserved to a company by its bonds or debentures, or the securities for the same. R.S., c. 100, s. 26.

PART VII

VESTING OF PROPERTY OF DISSOLVED CORPORATIONS IN CROWN

Escheat

27 **(1)** Where a corporation is dissolved, the lands, tenements and hereditaments situate in the Province of which the corporation was seised, or to which it was entitled at the time of its dissolution, shall for all purposes be deemed to escheat to Her Majesty in right of the Province and the Attorney General shall cause possession thereof to be taken in the name of Her Majesty.

(2) The proceedings in the action may be in all respects similar to those in other actions for the recovery of land. R.S., c. 100, s. 27.

Bona vacantia

28 Where a corporation is dissolved, all personal property and rights whatsoever situate in the Province, vested in or held in trust for the corporation at the time of its dissolution shall be deemed to be *bona vacantia* and shall accordingly belong to and vest in Her Majesty in right of the Province. R.S., c. 100, s. 28.

Transfer from or payment by Crown

29 Whenever it is made to appear to the satisfaction of the Governor in Council upon the report of the Attorney General that by reason of the dealings or relationship of any person with a dissolved corporation, or by reason of any other circumstance, any lands, tenements, hereditaments, personal property or rights of such corporation should be conveyed, transferred or assigned to such person, the Governor in Council, upon such terms and conditions, if any, as he sees fit, may convey, transfer or assign to such person any such lands, tenements, hereditaments, personal property or rights that have accrued to Her Majesty by reason of the disso-

lution of such corporation, and in the event of any such lands, tenements, hereditaments, personal property or rights having been disposed of by Her Majesty, may pay out of the Consolidated Fund of the Province to such person the amount of the net proceeds realized on such disposal. R.S., c. 100, s. 29.

PART VIII

GENERAL

"company" defined

30 In this Part, "company" means a company or corporation to which this Part applies. R.S., c. 100, s. 30.

Application of Part

31 This Part shall not apply to any company that is incorporated under the *Companies Act* or the former *Nova Scotia Joint Stock Companies' Act*, but shall apply to every other company that is incorporated by or under the authority of an Act of the Legislature, unless the Act by or under the authority of which the company is incorporated contains other provisions in that behalf. R.S., c. 100, s. 31.

Powers of company

32 **(1)** Every company shall be capable in its corporate name to sue and be sued, to prosecute and defend actions, to have a common seal which it may alter at pleasure, to elect in such manner as it deems proper all necessary officers, and to fix their compensation and to define their duties, and to make by-laws and regulations, not contrary to law nor repugnant to the charter or Act by which the company is created, for its own government and the due management of its affairs.

(2) Except where inconsistent with any Act of the Legislature of the Province, every company whether incorporated before or after the enactment of this subsection, shall not have its corporate existence and capacity limited to corporate existence and capacity within the Province, but every such company shall, except where inconsistent as aforesaid, have and be deemed from its incorporation to have had corporate existence and capacity anywhere outside of the Province, and shall be capable

(a) of exercising all its functions as an incorporated company anywhere outside of the Province; and

(b) of accepting and receiving from any competent authority outside of the Province all or any rights and powers necessary to enable it to do outside of the Province any act or thing which under the Act by or under the authority of which the company is incorporated, it has right or power to do within the Province.

(3) Subsection (2) shall apply to a company notwithstanding that there is no express provision in the Act, by or under the authority of which the company is incorporated, allowing it to exist for the purpose of carrying on business outside of the Province or allowing it to accept and receive extra-provincial rights and powers and notwithstanding any inference to be derived from the name of the company. R.S., c. 100, s. 32.

Powers of company

33 Every company may, by its by-laws, determine the manner of calling and conducting meetings, the number of members which shall constitute a quorum, the number of shares which shall entitle the members to one or more votes, the mode of voting by proxy, the mode of selling shares for the non-payment of instalments and of transferring shares generally, the tenure of office of the several officers and the purchase, conveyance and sale of its real and personal property, and may annex penalties to its by-laws not exceeding in any case the sum of twenty dollars for any one offence. R.S., c. 100, s. 33.

First meeting of company

34 The first meeting of every company shall be called by notice signed by any one or more of the persons named as corporators in the charter or Act of incorporation and setting forth the time, place and purposes of the meeting, and such notice shall, seven days at least before the meeting, be delivered to each member, left at his place of residence or published in some newspaper of the county in which the company is established or proposed to be established or, where its principal place of business is situated or proposed to be situated or if there is no newspaper in the county, then in two newspapers published in the City of Halifax. R.S., c. 100, s. 34.

Calling of meeting by members

35 Whenever by reason of the death, absence or disability of the officers of any company there is no person authorized to call or preside at a meeting of the members thereof, any three or more of the members may call such meeting by giving the notice as required by law. R.S., c. 100, s. 35.

Election of chairman and officers

36 The members when so assembled may choose a chairman and may elect officers to fill all vacancies then existing, and may transact such other business as might by law be transacted at a regular meeting of the company. R.S., c. 100, s. 36.

Shares deemed personal property

37 The shares or stock of every company shall be deemed to be personal property for all purposes. R.S., c. 100, s. 37.

Expiry of charter

38 Every charter or Act of incorporation shall expire unless the company thereby incorporated goes into operation within three years from the passing thereof. R.S., c. 100, s. 38.

Continuation after charter expires

39 Every company, the charter or Act of incorporation of which, after such company has gone into operation, expires or is annulled by forfeiture or otherwise, shall nevertheless be continued as a body corporate for the term of three years after the time when the charter or Act of incorporation has so expired or been annulled, for the purpose of prosecuting and defending actions by or against it and of enabling it to settle and close its business, to dispose of its property and to divide its capital stock, but not for the purpose of continuing the business for which the company was established. R.S., c. 100, s. 39.

Appointment of trustees

40 When the charter of any company so expires or is annulled, the Supreme Court, on application of any creditor of the company or of any member thereof, at any time within the three years, may appoint a trustee or trustees to take charge of the estate and effects of the company and to collect the debts and property due and belonging thereto, with power to prosecute and defend actions in the name of the company, to appoint agents and to do all other acts which might be done by the company that are necessary for the final settlement of the unfinished business of the company, and the power of the trustees may be continued beyond the three years if the Court thinks necessary. R.S., c. 100, s. 40.

Directors personally liable

41 The directors or board of managers of any company, the liability of whose members is limited by the charter or Act of incorporation, shall in all cases be personally liable for any debt incurred by them on account of the company beyond the amount of the stock subscribed without the sanction of the company obtained at a meeting thereof held in accordance with the by-laws, but this Section shall not extend to insurance companies. R.S., c. 100, s. 41.

Acts of company valid

42 The acts of any company performed within the scope of its charter or Act of incorporation shall be valid, notwithstanding they are not done under or authenticated by the seal of the company. R.S., c. 100, s. 42.

Deemed submission by arbitration

43 Whenever by any charter or Act of incorporation it is provided that any dispute or matter of controversy in which the company is interested or any damages to which it is liable shall be settled or ascertained by arbitration, such provisions shall be deemed a "submission to arbitration" within the meaning of that expression in the *Arbitration Act*. R.S., c. 100, s. 43.

Company not bound to execute trust

44 No company shall be bound to see to the execution of any trust, whether express, implied or constructive, in respect of any of its shares, and the receipt of a shareholder in whose name the same stands on the books of the company shall be a valid and binding discharge to the company for any dividend or money payable in respect of such share, whether or not notice of the trust has been given to the company, and the company shall not be bound to see to the application of the money paid on such receipt. R.S., c. 100, s. 44.

Commission for purchase of shares

45 (1) Any company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the company, or for procuring or agreeing to procure subscriptions for any shares in the company, if such commission paid or agreed to be paid does not exceed ten per cent of the price at which such shares are sold.

(2) Save as aforesaid, no company shall apply any of its shares or capital money, either directly or indirectly, in payment of any commission, discounts or allowances to any person in consideration of his subscribing or agreeing

to subscribe, whether absolutely or conditionally, for any shares of the company, or procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares of the company, whether the shares or moneys be so applied by being added to the purchase money of any property acquired by the company, or to the contract price of any work to be executed for the company, or the money being paid out of the nominal purchase money or contract price or otherwise. R.S., c. 100, s. 45.

Reduction of share capital and redemption of preference shares

46 (1) Subject to confirmation by the Supreme Court, or a judge thereof, a company may by resolution passed by a majority of not less than three fourths of such members of the company entitled to vote as are present in person or by proxy, where proxies are allowed, at any general meeting of which notice specifying the intention to propose the resolution has been duly given and such resolution has been confirmed by a majority of such members entitled to vote as are present in person or by proxy (where proxies are allowed) at a subsequent general meeting of which notice has been duly given and held at an interval of not less than fourteen days nor more than one month from the date of the first meeting, reduce its share capital in any way and, in particular, without prejudice to the generality of the foregoing power, may

(a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up;

(b) either with or without extinguishing or reducing liability on any of its shares, cancel any paid-up share capital which is lost or unrepresented by available assets; or

(c) either with or without extinguishing or reducing liability on any of its shares, pay off, either by payment in cash or by distributing any of the company's property in specie, any paid-up share capital which is in excess of the wants of the company.

(2) Where any company has hitherto or shall hereafter issue redeemable preference shares or has been or shall hereafter be authorized so to do by an Act of the Legislature, it may redeem all or any of such preference shares in the manner provided for by the terms of the issue thereof and may reduce the amount of the share capital accordingly, but no such redemption of shares shall be made, nor shall any such reduction of capital be effective until an order of the Court is obtained, and filed with the Registrar of Joint Stock Companies appointed under the *Companies Act*. R.S., c. 100, s. 46.

Court order

47 (1) Where a company has passed and confirmed a resolution for reducing its share capital otherwise than by redemption of preference shares, it may apply by petition to the Supreme Court for an order confirming the reduction.

(2) Where a company authorized to issue redeemable preference shares has passed such a resolution or taken such other action for the redemption of such shares as is prescribed by the terms of the issue thereof, it may then apply by petition to the Court for an order confirming the resolution or other action and the reduction of share capital thereby entailed. R.S., c. 100, s. 47.

Company name to indicate reduction

48 **(1)** On and from the passing and confirmation by a company of a resolution for reducing share capital, or where the reduction does not involve either the diminution of any liability with respect to unpaid share capital or the payment to any shareholder of any paid-up share capital or where a company has issued redeemable preference shares, or has been or shall hereafter be authorized so to do by an Act of the Legislature, then on and from the presentation of the petition for confirming the reduction or redemption and reduction, the company shall add to its name, until such date as the Supreme Court may fix, the words "and reduced" as the last words in its name and those words shall until that date be deemed to be part of the name of the company.

(2) Where

(a) the reduction does not involve either the diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital;

(b) preference shares are to be redeemed out of profits of the company which would otherwise be available for dividends; or

(c) new shares of any class are to be issued in substitution for preference shares and any premium which may be provided for in case of redemption,

the Court may, if it thinks expedient, dispense altogether with the addition of the words "and reduced". R.S., c. 100, s. 48.

Creditor objection to reduction

49 **(1)** Where the proposed reduction of share capital involves either diminution of liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital, and in any other case if the Supreme Court so directs, every creditor of the company who at the date fixed by the Court is entitled to any debt or claim which, if that date were the commencement of the winding up of the company, would be admissible in proof against the company, shall be entitled to object to the reduction.

(2) Where the reduction of the capital of a company does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital or where the reduction of capital is that entailed by the purchase or redemption of preference shares out of its profits available for dividends, the creditors of the company shall not, unless the Court otherwise directs, be entitled to object or required to consent to the reduction.

(3) The Court shall settle a list of creditors so entitled to object and for that purpose shall ascertain so far as possible without requiring an application from any creditor, the names of those creditors and the nature and amount of their debts or claims and may publish notices fixing a day or days within which creditors not entered on the list are to claim to be so entered or are to be excluded from the right of objecting to the reduction.

(4) Where a creditor entered on the list whose debt or claim is not discharged or determined does not consent to the reduction, the Court may, if it thinks fit, dispense with the consent of that creditor, on the company securing pay-

ment of debt or claim by appropriating, as the Court may direct, the following amount:

(a) if the company admits the full amount of his debt or claim or, though not admitting it, is willing to provide for it, then the full amount of the debt or claim;

(b) if the company does not admit or is not willing to provide for the full amount of the debt or claim, or if the amount is contingent or not ascertained, then an amount fixed by the Court after the like inquiry and adjudication as if the company were being wound up by the Court. R.S., c. 100, s. 49.

Court may confirm reduction

50 The Supreme Court, if satisfied, with respect to every creditor of the company who, under this Part, is entitled to object to the reduction, that either his consent to the reduction has been obtained or his debt or claim has been discharged or has determined, or has been secured, may make an order confirming the reduction, or redemption and reduction, on such terms and conditions as it thinks fit. R.S., c. 100, s. 50.

Registrar to file order

51 (1) The Registrar of Joint Stock Companies on production to him of an order of the Supreme Court confirming the reduction of the share capital of a company, or the redemption of preference shares and the reduction of capital thereby entailed, and the delivery to him of a certified copy of the order and of a minute, approved by the Court, showing with respect to the share capital of the company as altered by the order, the amount of the share capital, the number of shares into which it is to be divided, and the amount of each share and the amount, if any, at the date of the registration deemed to be paid up on each share, shall file the order and the minute.

(2) On the filing and not before, the resolution for reducing share capital, or the resolution or other action of the company for redeeming preference shares and reducing capital accordingly, as confirmed by the order so registered shall take effect.

(3) Notice of the filing shall be published in such manner as the Court may direct.

(4) The Registrar of Joint Stock Companies shall certify under his hand the filing of the order and minute, and his certificate shall be conclusive evidence that all the requirements of this Act with respect to reduction of share capital, or with respect to the redemption of preference shares and reduction of capital thereby entailed, have been complied with and that the share capital of the company is such as stated in the minute. R.S., c. 100, s. 51.

Contribution to settle debts

52 (1) A member of the company, past or present, shall not be liable in respect of any share to any call or contribution exceeding in amount the difference, if any, between the amount paid, or, as the case may be, the reduced amount, if any, which is to be deemed to have been paid, on the share and the amount of the share as fixed by the minute, provided that if any creditor, entitled in respect of any

debt or claim to object to the reduction of share capital, is, by reason of his ignorance of the proceedings for reduction, or of their nature and effect with respect to his claim, not entered on the list of creditors, and, after the reduction, the company is unable, within the meaning of the provisions of any enactment with respect to winding up by the Supreme Court, to pay the amount of his debt or claim, then

(a) every person who was a member of the company, at the date of the registration of the order for reduction and minute, shall be liable to contribute for the payment of that debt or claim an amount not exceeding the amount which he would have been liable to contribute if the company had commenced to be wound up on the day before that registration; and

(b) if the company is wound up, the Court, on the application of any such creditor, and proof of his ignorance as aforesaid may, if it thinks fit, settle accordingly a list of persons so liable to contribute, and make and enforce calls and orders on the contributories settled on the list as if they were ordinary contributories in the winding up.

(2) Nothing in this Section shall affect the rights of the contributories among themselves. R.S., c. 100, s. 52.

Penalty for concealing name of creditor

53 If any director, manager or officer of the company wilfully conceals the name of any creditor entitled to object to the reduction, or wilfully misrepresents the nature or amount of the debt or claim of any creditor, or if any director or manager of the company aids or abets in or is privy to any such concealment or misrepresentation as aforesaid, every such director, manager or officer shall be liable to a penalty not exceeding five hundred dollars. R.S., c. 100, s. 53.

Publication of reasons for reduction

54 In any case of reduction of share capital, the Court may require the company to publish as the Supreme Court directs the reasons for reduction, or such other information in regard thereto as the Court may think expedient with a view to give proper information to the public, and, if the Court thinks fit, the causes which led to the reduction. R.S., c. 100, s. 54.

Court may summon meeting of creditors

55 (1) Where a compromise or arrangement is proposed between a company and its creditors or any class of them, or between the company and its members or any class of them, the Supreme Court may, on the application in a summary way of the company or of any creditor or member of the company or, in the case of a company being wound up under the *Companies Winding Up Act*, of the liquidator, order a meeting of the creditors or class of creditors or the members of the company or class of members, as the case may be, to be summoned in such manner as the Court directs.

(2) If a majority in number representing three fourths in value of the creditors or class of creditors or members or class of members, as the case may be, present either in person or by proxy at the meeting, agree to any compromise or arrangement, the compromise or arrangement shall, if sanctioned by the Court, be binding on all the creditors or class of creditors or on the members or class of mem-

bers, as the case may be, and also on the company, or in the case of a company in the course of being wound up under the *Companies Winding Up Act*, on the liquidator, members and contributories of the company.

(3) This Section shall apply to every company whether incorporated before or after the coming into force of this Part. R.S., c. 100, s. 55.