

1986, chapter 135
**AN ACT TO AMALGAMATE MONTREAL TRUST COMPANY,
CREDIT FONCIER AND CREDIT FONCIER
TRUST COMPANY**

Bill 265

Introduced by Mr Jacques Chagnon, Member for Saint-Louis

Introduced 5 December 1986

Passage in principle 19 December 1986

Passage 19 December 1986

Assented to 19 December 1986

Coming into force: 1 January 1987

Acts replaced:

An Act to incorporate the "*Crédit Foncier Franco-Canadien*" (1880, chapter 60)

An Act to amend the charter of the "*Crédit Foncier Franco-Canadien*" (1882, chapter 84)

An Act to further amend the charter of the *Crédit Foncier Franco-Canadien* (1884, chapter 62)

An Act to incorporate the Montreal Safe Deposit Company (1889, chapter 72)

An Act to amend the act 52 Victoria, chapter 72, incorporating the Montreal Safe Deposit Company (1890, chapter 75)

An Act to amend the charter of the Montreal Safe Deposit Company (1892, chapter 78)

An Act to amend the charter of the Montreal Safe Deposit Company (1895, chapter 70)

An Act to amend the charter of the *Crédit Foncier Franco-Canadien* (1900, chapter 74)

An Act to further amend the charter of the Montreal Trust and Deposit Company (1900, chapter 77)

An Act to amend the charter of the *Crédit Foncier Franco-Canadien* (1907, chapter 99)

An Act to amend the charter of the Montreal Trust and Deposit Company (1909, chapter 115)

An Act to amend the charter of Montreal Trust Company (1930, chapter 139)

An Act to amend the charter of Montreal Trust Company (1934, chapter 121)

An Act to amend the charter of the *Crédit Foncier Franco-Canadien* (1944, chapter 82)

An Act to amend the charter of the *Crédit Foncier Franco-Canadien* (1953-54, chapter 148)

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Acts replaced (Cont'd):

An Act to amend the charter of Crédit Foncier Franco-Canadien (1962, chapter 94)
An Act to amend the charter of Crédit Foncier Franco-Canadien (1979, chapter 105)
An Act to amend the charter of Crédit Foncier Franco-Canadien (1980, chapter 59)



CHAPTER 135

An Act to amalgamate Montreal Trust Company, Credit Foncier and Credit Foncier Trust Company

[Assented to 19 December 1986]

Preamble

WHEREAS Montreal Trust Company was incorporated as a trust company by chapter 72 of the statutes of 1889, amended by chapter 75 of the statutes of 1890, by chapter 78 of the statutes of 1892, by chapter 70 of the statutes of 1895, by chapter 77 of the statutes of 1900, by chapter 115 of the statutes of 1909, by chapter 139 of the statutes of 1930, and by chapter 121 of the statutes of 1934;

Whereas the capital stock of Montreal Trust Company was altered by a resolution confirmed by the Lieutenant-Governor in Council on 4 March 1912, by a resolution confirmed by the Lieutenant-Governor in Council on 25 February 1928, by Special By-Law "A" confirmed by the Lieutenant-Governor under letters patent granted on 18 April 1935, by Special By-Law "C" confirmed by the Lieutenant-Governor under letters patent granted on 10 February 1951, by a resolution confirmed by the Lieutenant-Governor in Council on 24 July 1958, by Special By-Law "G" confirmed by the Lieutenant-Governor under letters patent granted on 19 February 1965 and by a resolution confirmed by the Lieutenant-Governor in Council on 9 March 1965;

Whereas Credit Foncier was incorporated by chapter 60 of the statutes of 1880, amended by chapter 84 of the statutes of 1882, by chapter 62 of the statutes of 1884, by chapter 74 of the statutes of 1900, by chapter 99 of the statutes of 1907, by chapter 82 of the statutes of 1944, by chapter 148 of the statutes of 1953-54, by chapter 94 of the statutes of 1962, by chapter 105 of the statutes of 1979 and by chapter 59 of the statutes of 1980;

Whereas the capital stock of Credit Foncier was altered, inter alia, by a resolution confirmed by the Lieutenant-Governor under letters patent granted on 31 May 1963;

Whereas Credit Foncier Trust Company was incorporated as a trust company by letters patent granted by the Lieutenant-Governor in Council on 31 July 1974 pursuant to the Trust Companies Act (R.S.Q., chapter C-41) and whereas its capital stock was altered by supplementary letters patent granted on 27 June 1979, 2 September 1981 and 23 February 1983;

Whereas the capital stock of Montreal Trust Company consists of five million shares of a par value of one dollar each of which three million one hundred seventy-four thousand and fifty-one shares have been issued and paid and these shares, except for qualifying shares held by directors of Montreal Trust Company, are held by Montreal Trustco Inc.;

Whereas the capital stock of Credit Foncier consists of one million two hundred seventy-two thousand shares without par value of which nine hundred forty thousand two hundred and three shares have been issued and paid, for which a total sum of twenty million nine hundred twenty-eight thousand dollars was paid and these shares, except for qualifying shares held by directors of Credit Foncier, are held by Montreal Trustco Inc.;

Whereas the capital stock of Credit Foncier Trust Company consists of four million common shares of a par value of ten dollars each of which three million one hundred twenty thousand seven hundred and nineteen common shares have been issued and paid and these shares, except for qualifying shares held by directors of Credit Foncier Trust Company, are held by Credit Foncier;

Whereas the shareholders of Montreal Trust Company and of Credit Foncier have consented to the conversion of the shares held in these companies into shares of the company resulting from the amalgamation of Montreal Trust Company, Credit Foncier and Credit Foncier Trust Company;

Whereas the shareholders of Credit Foncier Trust Company have consented to the cancellation of the shares held in said company without any repayment of capital in respect thereof;

Whereas Montreal Trust Company, Credit Foncier and Credit Foncier Trust Company have agreed, for reasons of economy and efficiency, to amalgamate and to vest the company continuing their existence with the powers, rights and privileges which until now vested

in them and whereas the respective shareholders of the aforesaid companies have authorized such amalgamation; and

Whereas it is expedient an Act be passed to provide for such amalgamation and to determine the contents of the charter of the company continuing the existence of the aforesaid companies;

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

“Company” **1.** In this Act, “Company” means the corporation resulting from the amalgamation of Montreal Trust Company, Credit Foncier and Credit Foncier Trust Company pursuant hereto.

Continuance **2.** Montreal Trust Company, Credit Foncier and Credit Foncier Trust Company, from the coming into force of this Act, are amalgamated and continue their existence under the name of Compagnie Montréal Trust and in English Montreal Trust Company.

Head office **3.** The head office of the Company shall be in Montréal.

Object **4.** The object of the Company shall be to carry on all the activities of a trust company in accordance with the laws of Québec applicable to such companies.

Powers For this purpose, the Company may, amongst other things:

(a) notwithstanding articles 364, 365, 366, 367 and 913 of the Civil Code, which articles shall in no way affect the Company, act as tutor, subrogate-tutor and curator to property, liquidator, receiver, judicial adviser, judicial guardian, sequestrator, testamentary executor, trustee, trustee for the holders of bonds or debentures or any other securities, assignee, transfer agent, registrar, or agent for persons or corporations acting in any of the said capacities and agent for the winding-up of business in general, the administration of successions of movable or immovable property; when appointed thereto in the same manner as individuals are appointed to fill any such offices, the Company shall not be obliged to take the oath of office in cases where the same would otherwise be required;

(b) accept, fulfill and execute all legal trusts, either jointly with others or separately, which may be assigned to it with its consent by any person or corporation or by any court of justice acting within its jurisdiction and take, receive, hold and convey all rights of succession and property, both movable and immovable, which may be granted, transferred, committed, conveyed, mortgaged, hypothecated or pledged

to the Company with its assent upon any such trust, and deal with such property for all the purposes of such trusts;

(c) act in general in the name of principals or in its own name on behalf of principals, as agent, mandatary or attorney for the transaction of all kinds of business, the management of estates, the sale, purchase, lease or management of movable and immovable property, the erection of buildings, the investment and collection of moneys, rents, interest, dividends, mortgages, hypothecs, bonds, notes, bills of exchange and other securities, and for the purposes of issuing, countersigning, guaranteeing, pledging, selling or purchasing shares, bonds, debentures or other titles of indebtedness, and registering and countersigning transfers and certificates of shares, bonds, debentures or other titles of indebtedness, and receive and manage any sinking-fund established to pay them off; and countersign and certify any instruments purporting to be secured by property transferred to the Company;

(d) lend money upon such terms as are deemed expedient, with power to take as security, for such loan or for any other debt or indebtedness owing to the Company, hypothecs, hypothecary or privileged claims, immovables, ground rents, movables, shares, bonds, debentures or any other securities, or such other guarantees as are deemed expedient, lend, with or without hypothec or guarantee, to municipal or school corporations and fabriques, and to trustees for the building and repair of churches, such sums as they are empowered to borrow, and repayable either at long term, by annuities, or at short term, with or without a sinking fund, acquire the aforesaid property or assets, which may have been taken as security for such loan or indebtedness, and resell the same, and, inter alia, acquire and retain, in conformity with the Trust Companies Act (R.S.Q., chapter C-41), the immovables hypothecated in its favour, lease such immovables, exchange them or realize upon them in its best interests, or repair, improve, alter, enlarge or reconstruct buildings existing on immovable property so acquired and erect new constructions thereon if they are not built upon, and perform all operations intended for the promotion of loans upon immovables;

(e) borrow money at such interest rates as may be agreed upon, with full power to secure such loan by hypothecating, mortgaging or pledging immovables, movables, shares, bonds or other securities belonging to the Company;

(f) receive as agent, consignee or depositary all kinds of movable property or documents whatsoever for safe-keeping, construct, maintain and operate or lease suitable buildings for the reception and storage

of movable property of any kind, make loans on the same and manage the business in connection therewith;

(g) receive deposits of money for investment by the Company in its capacity of trustee or agent, repayable at a fixed date or upon demand, or after notice, and bearing interest at such rate or rates as may be agreed upon from time to time between the Company and the depositor, issue certificates or receipts therefor, guarantee the payment of such money and of interest thereon at the agreed rates of interest, retain any interest and profit in excess of the amount of capital and interest payable to the depositor as remuneration for the guarantee and the services of the Company in relation to the investments; the Company shall be deemed to hold all moneys so received for guaranteed investment as trustee for the depositor, and the Company shall set aside on its books and mark therein, as held in trust for the depositor of the moneys so for the time being held for guaranteed investment, any investments representing the same, equal to the aggregate amount of the moneys for the time being held for guaranteed investment, as aforesaid;

(h) make, in the name of principals or in its own name on behalf of principals, investments either by the acquisition of movable or immovable property, or of debts or other securities, or by lending money, with power to take such security for the payment of any investment as is permitted by law, including the power to receive and dispose of any description of asset or security, which is conveyed, pledged, mortgaged, or assigned to the Company, undertake the care and management of investments so made, advance money on the security thereof, and guarantee any investment made by the Company or otherwise and the payment of the capital or interest thereof or both;

(i) buy, sell and invest in shares, bonds or debentures secured by hypothec or otherwise;

(j) guarantee the title to and the peaceful enjoyment of any property, either absolutely or subject to conditions and restrictions, guarantee any person interested therein or to be interested therein, or possessing or intending to buy or acquire any immovable property, against any losses, actions, proceedings, claims or demands by reason of any insufficiency, imperfection or deficiency of title or as regards existing encumbrances, charges or rights;

(k) examine and audit the books, accounts and financial statements of corporations, partnerships or persons, and report thereon, when required or authorized to do so by such corporations, partnerships or

persons, and also, when required to do so by order of a court of competent jurisdiction;

(l) become judicial sureties for the benefit of parties obliged to give such security, and extra-judicial sureties for the faithful performance of any contract between any persons or corporations, and guarantee, in whole or in part, the fulfilment of any obligation whether secured or not by property transferred to the Company, or the obligations of any person for whom the Company may act as agent or representative, and accept and receive transfers and conveyances of any movable or immovable property, and hold the same jointly with others, or separately, in trust, for the purpose of securing, to any person or corporation, the payment of any sums of money or the performance of any obligation;

(m) sell, pledge, mortgage or hypothecate any immovable property and sell and pledge any security or other movable property held by the Company from time to time in any capacity, and acquire, by subrogation, by transfer or by sale, assign and transfer hypothecary or privileged claims;

(n) purchase shares in the capital stock of any other trust company or other company having similar powers or some of them;

(o) promote the formation and the activities of other companies, and, for such purpose, subscribe for, acquire, hold and possess assets, shares, bonds and other securities of any other company and sell or otherwise dispose of them, and otherwise use the money or credit of the Company in any manner deemed expedient for such purpose, by employing any portion of the funds of the Company for such purpose, or by placing on the market, or guaranteeing the issue of, the shares, debentures, mortgage debentures, bonds or securities of such other company or the payment of interest thereon and do any incidental acts as are necessary for such purposes;

(p) fix generally and collect or receive, for its services rendered or to be rendered, any agreed or reasonable remuneration over and above ordinary legal costs, charges and expenses whether or not such services are, by law or custom, gratuitous;

(q) acquire and possess such immovable property as may be necessary for the administration of its affairs, lease, hypothecate and sell such immovable property;

(r) acquire any other immovable property which it may need to develop the immovable property which it has already acquired, buy vacant land and erect buildings thereon and alienate them, construct buildings for third parties on their own land, and take and receive a

hypothec upon the said lands and buildings for the price and value thereof; provided that any such acquisition of immovable property or land shall be made in conformity with the Trust Companies Act;

(s) acquire, receive, hold, sell, lease, rent, exchange or accept any movable or immovable property in Canada or elsewhere to the extent that may be necessary for the effective exercise of the foregoing powers, or to protect the Company's interest in respect of anything done thereunder, and make and execute all contracts and instruments generally necessary for the performance of the functions which may be conferred upon it within the above limits.

Applicability

5. Section 88, paragraph 3 of section 89 and sections 89.1 to 89.4 of Part I and the provisions of Part II of the Companies Act (R.S.Q., chapter C-38) which are consistent with the Trust Companies Act, except for section 181 and paragraph 3 of section 182, shall apply to the Company.

Rights and obligations

6. The Company shall possess the rights and shall assume the obligations of the amalgamating companies.

Rights and obligations

Without limiting the scope of the foregoing,

(a) when the name of Compagnie Montréal Trust, Montreal Trust Company, Crédit Foncier, Credit Foncier, Crédit Foncier (Canada), Credit Foncier (Canada), Société de Fiducie du Crédit Foncier or Credit Foncier Trust Company appears in any notarial deed, private writing, judgment, court order or any other document or instrument, whether Montreal Trust Company, Credit Foncier or Credit Foncier Trust Company act therein in their own name or in any other capacity, the name of the Company shall be substituted in the place and stead thereof without any other formality being required and every such document or instrument shall be construed and given effect as if the name of the Company had originally appeared therein;

(b) the mandates given to Montreal Trust Company, Credit Foncier or Credit Foncier Trust Company, in any capacity, shall continue as if such mandates had originally been given to the Company;

(c) the investments held by Montreal Trust Company, Credit Foncier and Credit Foncier Trust Company before the coming into force of this Act shall be investments held by the Company and the Company will continue to hold the same, however the Company shall, within a period of seven years from the coming into force of this Act, dispose of any of such investments of Credit Foncier that does not meet the requirements of section 8 of the Trust Companies Act;

(d) notwithstanding the provisions of section 4(d) of this Act, the Company may retain any immovable property which was acquired by Montreal Trust Company, Credit Foncier or Credit Foncier Trust Company before the coming into force of this Act, for the protection of the interests of each of the said companies, for a period of fifteen years from the date of its acquisition with respect to any immovable property so acquired by Montreal Trust Company, an indefinite period with respect to any immovable property so acquired by Credit Foncier, and a period of seven years from the date of its acquisition with respect to any immovable property so acquired by Credit Foncier Trust Company;

(e) the bonds and debentures issued by Credit Foncier before the coming into force of this Act shall not constitute loans or issues of bonds or debentures forbidden by subsection 1 of section 7 of the Trust Companies Act;

(f) the subordinated notes issued before the coming into force of this Act by Montreal Trust Company, Credit Foncier or Credit Foncier Trust Company shall, in the event of the insolvency or winding-up of the Company, rank equally amongst them but prior to the subordinated notes issued to their shareholders and to the subordinated shareholder loans;

(g) the Company is deemed to have had dividend and earnings records as well as annual interest requirements, for any period preceding the date of the coming into force of this Act, identical to the dividend and earnings records and annual interest requirements of the amalgamating companies determined on the basis of a consolidation of their accounts.

Cancellation
of common
shares

7. The three million one hundred twenty thousand seven hundred and nineteen common shares of the capital stock of Credit Foncier Trust Company are cancelled without any repayment of capital in respect thereof.

Conversion
of shares

8. The three million one hundred and seventy-four thousand fifty-one shares of Montreal Trust Company are converted, on the basis of one common share of the capital stock of the Company for each share of the capital stock of Montreal Trust Company, into three million one hundred and seventy-four thousand fifty-one paid-up common shares of the capital stock of the Company.

Conversion
of shares

9. The nine hundred forty thousand two hundred and three shares of the capital stock of Credit Foncier are converted, on the basis of twenty-two common shares and two hundred and fifty-nine thousand twenty-two millionths of the capital stock of the Company for each share of the capital stock of Credit Foncier, into twenty million nine hundred and twenty-seven thousand nine hundred and ninety-nine paid-up common shares of the capital stock of the Company.

Capital
stock

10. The capital stock of the Company shall consist of one hundred million dollars divided into one hundred million common shares without par value. Upon the coming into force of this Act, the issued and paid-up capital stock of the Company shall consist of twenty-four million one hundred and two thousand and fifty-one dollars and the number of common shares outstanding shall consist of twenty-four million one hundred and two thousand and fifty common shares.

Share
certificates

11. The share certificates representing the shares of Credit Foncier Trust Company are null and void. The share certificates representing the shares of Montreal Trust Company and Credit Foncier are deemed to represent the shares of the Company in the proportions provided for in sections 8 and 9 of this Act until the holders of such share certificates obtain, upon request, in exchange thereof, share certificates representing shares of the Company.

Board of
directors

12. (1) The Company shall be managed by a board of not less than five directors and the directors of the Company may from time to time, by by-law, increase or decrease to not less than five the number of its directors.

Participation
of
shareholders

(2) The shareholders of the Company may participate and vote at a shareholders' meeting by any means allowing all the participants to communicate with each other, except if the Company makes a public distribution of its securities.

Directors
and officers

13. Upon the coming into force of this Act and until the next annual meeting of shareholders, the directors and officers of the Company shall be the directors and officers of Montreal Trust Company who are in office immediately before the coming into force of this Act and the members of the executive committee and other committees of the Company shall be the members of the executive committee and other committees of Montreal Trust Company who are in office immediately before the coming into force of this Act.

General by-
laws

Upon the coming into force of this Act and until amended, replaced or repealed, the general by-laws of the Company shall be the general by-laws of Montreal Trust Company in effect immediately before the coming into force of this Act.

Provisions
replaced

14. Chapter 60 of the statutes of 1880, chapter 84 of the statutes of 1882, chapter 62 of the statutes of 1884, chapter 72 of the statutes of 1889, chapter 75 of the statutes of 1890, chapter 78 of the statutes of 1892, chapter 70 of the statutes of 1895, chapter 74 of the statutes of 1900, chapter 77 of the statutes of 1900, chapter 99 of the statutes of 1907, chapter 115 of the statutes of 1909, chapter 139 of the statutes of 1930, chapter 121 of the statutes of 1934, chapter 82 of the statutes of 1944, chapter 148 of the statutes of 1953-54, chapter 94 of the statutes of 1962, chapter 105 of the statutes of 1979 and chapter 59 of the statutes of 1980 as well as the provisions of the letters patent granted to Credit Foncier Trust Company on 31 July 1974 and the supplementary letters patent granted on 27 June 1979, 2 September 1981 and 23 February 1983, the provisions of the letters patent granted to Montreal Trust Company on 18 April 1935, 10 February 1951 and 19 February 1965 and of the Orders in Council confirming resolutions of Montreal Trust Company approved respectively by the Lieutenant-Governor in Council on 4 March 1952, 25 February 1928, 24 July 1958 and 9 March 1965 and the provisions of the letters patent granted to Credit Foncier on 31 May 1963 are replaced by the provisions of this Act.

Coming into
force

15. This Act shall come into force on 1 January 1987.