



CHAPTER 86

An Act respecting the acquisition of shares of certain
hypothecary loan companies

[Assented to 22 December 1978]

HER MAJESTY, with the advice and consent of the Assemblée
nationale du Québec, enacts as follows:

Interpre-
tation:
"share";

1. In this act,

(a) "share" means an outstanding voting share, whether the
right to vote is absolute or contingent;

"major
share-
holder";

(b) "major shareholder" means a person

(i) holding twenty per cent or more of the shares of a com-
pany;

(ii) holding shares of a company which, added to the shares
held by a person related to that person within the meaning of
section 49 of the Act respecting insurance (1974, chapter 70),
amount to twenty per cent or more of the shares of that company;
or

(iii) designated by the Minister as a major shareholder of a
company in accordance with section 2;

"Minister";

(c) "Minister" means the Ministre des consommateurs, coopé-
ratives et institutions financières;

"com-
pany".

(d) "company" means a corporation incorporated under an act
of Québec to make loans secured by hypothec or hypothecary
claim, with or without complementary objects, whose assets,
according to its latest yearly balance-sheet, are in excess of \$100
millions.

Major
share-
holder
designated
by the
Minister.

2. The Minister may designate a person as a major share-
holder of a company if he is of the opinion that that person,
although the holder of less than twenty per cent, but not less than
ten per cent, of the shares of the company, exercises, alone or
with others, a considerable degree of control over the activities of
the company.

- Revocation. The Minister may revoke such a designation at any time.
- Notice. Upon so designating a shareholder or revoking such a designation, the Minister shall notify the company and the designated shareholder.
- Authorization required. **3.** Before acquiring a share in a company by way of allotment or transfer, a major shareholder in the company must obtain the authorization of the Minister.
- Idem. The same requirement obtains for any person who would become a major shareholder of a company as a result of that acquisition.
- Notice to Minister. **4.** The major shareholder described in section 3 or the person described there must, to obtain that authorization, notify the Minister of how many shares he intends to acquire and how many shares he will hold in all after acquiring them.
- Acquisition null and void. **5.** The acquisition of a share in contravention of section 3 is null and void.
- Amalgamation. **6.** No company may amalgamate with any corporation or assign, on pain of nullity, outside the normal course of its operations, its claims secured by real estate without the prior authorization of the Minister.
- Act prevails. **7.** This act prevails over every inconsistent provision of a general law or special act.
- Minister responsible. **8.** The *Ministre des consommateurs, coopératives et institutions financières* is responsible for the application of this act.
- Effect. **9.** This act has effect from 6 December 1978.
- Coming into force. **10.** This act comes into force on the day of its sanction.