



NATIONAL ASSEMBLY

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THIRTY-FOURTH LEGISLATURE

Bill 231

(Private)

**An Act respecting the transfer of the
property and activities of General
Trust of Canada and of the
Sherbrooke Trust Company**

Introduction

Introduced by
Mr Jacques Chagnon
Member for Saint-Louis

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Bill 231

(Private)

An Act respecting the transfer of the property and activities of General Trust of Canada and of the Sherbrooke Trust Company

WHEREAS General Trust of Canada is a trust company incorporated by chapter 80 of the statutes of 1970 amended by chapter 96 of the statutes of 1988;

Whereas the Sherbrooke Trust Company is a trust company incorporated by chapter 66 of the statutes of 1886 amended by chapter 76 of the statutes of 1894-95, by chapter 123 of the statutes of 1915, by chapter 92 of the statutes of 1926 and by chapter 106 of the statutes of 1929;

Whereas General Trust of Canada and the Sherbrooke Trust Company wish to transfer, in particular, their trust activities to one or more new Québec trust companies affiliated with the National Bank of Canada;

Whereas General Trust of Canada and the Sherbrooke Trust Company wish to transfer the remainder of their property and activities to the National Bank of Canada in order to be able to apply for dissolution;

Whereas the provisions of the Act respecting trust companies and savings companies (R.S.Q., chapter S-29.01) which govern the sale of the property or enterprise of a Québec trust company do not allow the transfer of the activities of a trust company to an interested person such as a new trust company affiliated with the National Bank of Canada and do not allow the transfer of all of the property and activities of a trust company to a financial institution, such as the National Bank of Canada, which is not a Québec trust company or savings company;

Whereas the sizeable volume of hypothecary loans and of the rights to be transferred to one or more new trust companies and to the National Bank of Canada warrants facilitating the transfer of the hypothecary loans and the rights, particularly in relation to the registration and publication of rights;

Whereas it is expedient to pass an Act to protect the rights of the persons who do business with General Trust of Canada and with the Sherbrooke Trust Company, and whose rights will be assumed by one or more new trust companies or by the National Bank of Canada, as the case may be;

Whereas the directors and shareholders of General Trust of Canada and of the Sherbrooke Trust Company, including the National Bank of Canada as the sole shareholder of General Trust of Canada, have agreed to the passing of this Act;

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. In this Act, unless the context indicates otherwise,

“companies” means General Trust of Canada and the Sherbrooke Trust Company;

“new trust company” means any new trust company affiliated with the National Bank of Canada to be incorporated under the Act respecting trust companies and savings companies and under the Companies Act (R.S.Q., chapter C-38);

“transfer agreement” means any transfer agreement referred to in section 2;

“transferee” means any new trust company or the National Bank of Canada, as the case may be.

2. The companies may transfer all of their property and activities to one or more new trust companies and to the National Bank of Canada. The transfer must be the subject of agreements covering the terms and conditions of the transactions, which must be authorized by the Inspector General of Financial Institutions who may, for the purpose, impose any conditions and restrictions he considers advisable. Sections 64, 120 and 154 to 160 of the Act respecting trust companies and savings companies do not apply to transfer agreements or to any incidental agreement authorized by the Inspector General of Financial Institutions pursuant to this section.

3. In every notarial deed or deed under private signature, in every judgment or court order, or in any other document involving or naming one of the companies and pertaining to the property or the rights transferred under a transfer agreement, the name of the transferee is substituted by operation of law for the name of the company, with the same effects as if it appeared therein.

4. Where a transferee acquires property or activities from one of the companies under a transfer agreement, no suit, action, appeal, application, motion or other proceeding brought and no power or recourse exercised or that could have been brought or exercised by or against one of the companies before a court of justice, an administrative tribunal or a government body in Québec in respect of property or activities thus transferred shall be suspended, interrupted or cancelled, and may be continued, brought or exercised in the name of or against the transferee without continuance of suit on written notice by the latter duly served on all interested parties and filed in the record.

5. Nothing in this Act affects the rights of a person having a claim against one of the companies or diminishes, modifies or affects the liability of the company toward such a person. However, all such rights may be exercised against the transferee of the property or right that is the subject of the claim or against any of the new trust companies having acquired the trust activities of the companies.

6. Where a company transfers its property and its rights to a transferee under a transfer agreement,

(a) except for the transfer of the ownership of an immovable, the registration, entry or publication in the name of a transferee of rights, in particular, claims, securities and guarantees, registered or entered in the name of one of the companies in any capacity whatsoever, to vest in the transferee, may be effected by the deposit of a certified copy of this Act and of a notice to the registrar stating that the right has been transferred under the terms of a transfer agreement duly authorized by the Inspector General of Financial Institutions and referring only to the registration number of this Act, to the notice of address of the transferee and to the acts constituting those rights transferred along with their registration numbers without reference to the property concerned;

(b) the registrar may accept such a notice signed by a director, the president, a vice-president, the secretary or an assistant secretary of the transferee or by any person authorized by resolution of the board of directors of the transferee and shall register or enter the

notice in order to give effect thereto, without the notice being subject to proof of signature or proof of the signatory's authority, or being subject to any attestation or any other document or without having to be accompanied with any other document, whether under the current system of registration or under any future system of publication.

7. This Act shall not be interpreted as denying, to any person who has entrusted to one of the companies any trust activities or deposits, that person's right, where applicable, to entrust those trust activities or deposits to any person other than the transferee.

8. From *(insert here the date of coming into force of this Act)* the firm names "General Trust of Canada" and "Sherbrooke Trust Company" may be assigned to any of the new trust companies.

9. This Act comes into force on *(insert here the date of assent to this Act)*.