

1985, chapter 66

**AN ACT RESPECTING A TRUST CREATED FOR
THE BENEFIT OF PHYLLIS BARBARA BRONFMAN**

Bill 219

Introduced by Mr Harry Blank, Member for Saint-Louis

Introduced 12 June 1985

Passage in principle 20 June 1985

Passage 20 June 1985

Assented to 20 June 1985

Coming into force: 20 June 1985, except the third paragraph of section 4 which will come into force by proclamation of the Government

Act amended: None





CHAPTER 66

An Act respecting a trust created for the benefit of Phyllis Barbara Bronfman

[Assented to 20 June 1985]

Preamble WHEREAS by a deed executed on 1 May 1942 and registered at the registry office of the registration division of Montréal under number 523 231, Samuel Bronfman created a TRUST for the benefit of his daughter Phyllis Lambert (also called Phyllis Barbara Bronfman), and whereas, by deeds executed on the same day and registered at the same registry office under other numbers, Samuel Bronfman created similar TRUSTS for the benefit of his other children, Edgar Miles Bronfman, Charles Rosner Bronfman and Aileen Minda Bronfman;

Whereas Phyllis Lambert is entitled to one-half of the income of the TRUST created for her benefit, the other half to accrue to the capital of the TRUST;

Whereas Phyllis Lambert founded the internationally renowned Canadian Centre for Architecture and whereas she wishes that institution to receive sufficient funding to enable it to undertake long-term projects and, to that end, she wishes to have substantial resources available to her;

Whereas Phyllis Lambert, who has no children, could obtain substantial resources by entering into an agreement with the TRUSTEES of the TRUST created for her benefit whereby she would renounce permanently all her rights in this TRUST in exchange for part of the trust property;

Whereas although the TRUSTEES are empowered by the Deed of Trust to make capital distributions to Phyllis Lambert in addition to one-half of the income of the TRUST, it is uncertain whether it empowers them to make an agreement with Phyllis Lambert that would terminate all her rights in the TRUST;

Whereas, in the event of such agreement being authorized and implemented, it would be appropriate to apply to the residue of the trust property clauses 5c and 8 of the Deed of Trust, adapted as required, which relate to the death without issue of Phyllis Lambert;

Whereas the said clauses provide that if Phyllis Lambert should die without issue, the property of the TRUST created for her benefit shall accrue to her two brothers and her sister (called "INSTITUTES" in the Deed of Trust) and to their respective children or their representatives (called "SUBSTITUTES" in the Deed of Trust), to be equally divided among the three other branches of the descendants of Samuel Bronfman;

Whereas the said clauses also provide that, in principle, when the eldest of the grandchildren of Samuel Bronfman in any branch reaches 21 years of age (which event is referred to as the FIRST OPENING OF THE SUBSTITUTION in the Deed of Trust), the share of the trust property attributed to that branch is divided into two parts (referred to as FIRST PART OF THE SUBSTITUTED PROPERTY and SECOND PART OF THE SUBSTITUTED PROPERTY in the Deed of Trust), and the relevant child of Samuel Bronfman has no right in the FIRST PART OF THE SUBSTITUTED PROPERTY;

Whereas the contingent beneficiaries reside in three different countries and accordingly it is appropriate to divide into three trusts the residue of the property of the TRUST created for the benefit of Phyllis Lambert;

Whereas, whenever several persons have rights in the TRUST created for the benefit of Phyllis Lambert, the TRUSTEES are empowered by the Deed of Trust to determine the nature and situs of the property allocable to each such person;

Whereas this Act contains provisions which protect the interests of the minor grandchildren of Samuel Bronfman and whereas the interested persons of full age consent to the passing of the Act;

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

Renuncia-
tion agree-
ment

1. The TRUSTEES of the TRUST created for the benefit of Phyllis Lambert (also called Phyllis Barbara Bronfman) by the Deed of Trust executed on 1 May 1942 and registered at the registry office of the registration division of Montréal under number 523 231 are authorized to enter into an agreement with Phyllis Lambert under which she makes a definitive renunciation of all her rights in the TRUST in exchange for part of the trust property.

Conveyance of property The agreement may determine which property will be conveyed to Phyllis Lambert.

Contingent beneficiaries **2.** Upon the coming into force of the agreement, clause 5c of the Deed of Trust created for the benefit of Phyllis Lambert regarding her death without issue will become applicable and the residue of the trust property will then accrue to the contingent beneficiaries in accordance with such clause, subject to the following modifications:

(1) the residue will be divided into three parts of equal value and form three separate trusts, one for the benefit of Edgar Miles Bronfman and his children, another for the benefit of Charles Rosner Bronfman and his children, and a third for the benefit of Aileen Minda Bronfman and her children, these three trusts also being separate from the trusts created for the benefit of those persons in 1942;

(2) the division between the FIRST PART OF THE SUBSTITUTED PROPERTY and the SECOND PART OF THE SUBSTITUTED PROPERTY will be deemed to have been effected in accordance with the provisions of the Deed of Trust concerning the FIRST OPENING OF THE SUBSTITUTION immediately before the coming into force of the agreement, and the property conveyed to Phyllis Lambert will be deemed to have been entirely made from the SECOND PART OF THE SUBSTITUTED PROPERTY of the TRUST established for her benefit, the remainder of the SECOND PART OF THE SUBSTITUTED PROPERTY of the TRUST for the benefit of Phyllis Lambert being divided into three equal parts which shall form the SECOND PART OF THE SUBSTITUTED PROPERTY of each of the trusts contemplated in paragraph 1.

Distribution of assets **3.** The TRUSTEES of the TRUST established for the benefit of Phyllis Lambert may determine which assets will form part of each of the trusts contemplated in paragraph 1 of section 2 and they shall also be entitled to determine which assets will form the FIRST PART OF THE SUBSTITUTED PROPERTY and the SECOND PART OF THE SUBSTITUTED PROPERTY of each of the said trusts.

Deed of Trust applicable **4.** The Deed of Trust relating to the TRUST created for the benefit of Phyllis Lambert will apply to each trust contemplated in paragraph 1 of section 2, with such modifications as required.

Powers of trustees The trustees of each trust contemplated in paragraph 1 of section 2 may exercise their powers, including the power to replace trustees who cease to hold office, independently of the trustees of the other two trusts.

Trust for
the benefit
of substi-
tute

Notwithstanding clauses 5 and 8 of the Deed of Trust, the property of the trusts contemplated in paragraph 1 of section 2, the interests, fruits or revenues derived therefrom as well as the interest on the interest, that may be conveyed or paid to a SUBSTITUTE may, at the sole discretion of the TRUSTEES, be conveyed or paid to a trust created for the exclusive benefit of that SUBSTITUTE.

Trustees of
created
trusts

5. The TRUSTEES of the TRUST created for the benefit of Phyllis Lambert will be the first trustees of each trust contemplated in paragraph 1 of section 2.

Coming into
force

6. This Act comes into force on 20 June 1985 except the third paragraph of section 4 which will come into force on the date fixed by proclamation of the Government.