



NATIONAL ASSEMBLY

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Bill 203

(Private)

An Act respecting Canadian Italian Trust

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Assented to 19 June 1997

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(Private)

AN ACT RESPECTING CANADIAN ITALIAN TRUST

WHEREAS Canadian Italian Trust is a trust company incorporated by letters patent issued on 11 September 1974 under the Trust Companies Act (R.S.Q., chapter C-41) and is governed by the Act respecting trust companies and savings companies (R.S.Q., chapter S-29.01);

Whereas, on 6 December 1996, 9044-0595 Québec inc., a holding company wholly controlled by the Confédération des caisses populaires et d'économie Desjardins du Québec and incorporated on 28 November 1996 under Part 1A of the Companies Act (R.S.Q., chapter C-38), made a take-over bid for all the issued shares of Canadian Italian Trust;

Whereas all the conditions of the bid were satisfied and 9044-0595 Québec inc. acquired, and currently holds, all the issued shares of Canadian Italian Trust;

Whereas, in accordance with the object of the take-over bid, Canadian Italian Trust now wishes to be converted into a savings and credit union governed by the Savings and Credit Unions Act (R.S.Q., chapter C-4.1);

Whereas there is no provision in the Act respecting trust companies and savings companies or in the Savings and Credit Unions Act under which a trust company may be continued as a savings and credit union;

Whereas Canadian Italian Trust is in compliance with the provisions of the Act respecting trust companies and savings companies and the regulations thereunder;

Whereas the directors of Canadian Italian Trust have given their consent to its conversion into a savings and credit union;

Whereas it is expedient that Canadian Italian Trust be converted into a savings and credit union;

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS :

1. Canadian Italian Trust, hereinafter referred to as the “company”, is authorized to be converted and to be continued as a savings and credit union governed by the Savings and Credit Unions Act (R.S.Q., chapter C-4.1).

2. For that purpose, the board of directors of the company shall by by-law initially adopt a conversion plan. The plan shall set forth

- (1) the name of the credit union resulting from the continuance ;
- (2) the judicial district of its head office in Québec ;
- (3) the territory from which it may recruit its members ;
- (4) the names, addresses and occupations of not fewer than five and not more than 15 persons who will be the first directors of the credit union and of three or five persons who will be the first members of the board of audit and ethics ;
- (5) the mode of election of subsequent members of the board of directors and of the board of audit and ethics ;
- (6) the exact number of preferred shares that the credit union is authorized to issue to give effect to conversion of the shares and retained earnings, if any, the amount involved, the par value of the shares, the privileges, rights and restrictions attaching thereto and any special conditions relating to the redemption, repayment and transfer of the shares, and the fact that preferred shares may be repaid or redeemed only with the consent of the Inspector General of Financial Institutions ;
- (7) the terms of conversion of the shares and retained earnings of the company into preferred shares ;
- (8) the sum of money or any other form of payment to be received by the holders of shares in the company in addition to or in lieu of the shares or subordinated debt securities of the credit union resulting from the continuance, if the company’s shares are not all converted into qualifying shares, permanent or preferred, or debt securities of the credit union resulting from the continuance ;
- (9) that agreements have been entered into, to the satisfaction of the Inspector General of Financial Institutions, with the Fédération des caisses populaires Desjardins de Montréal et de l’Ouest-du-Québec, for the purpose of ensuring that the continuance is effected in accordance with sound management practices and with the Acts and regulations governing trust companies and savings and credit unions ; and
- (10) where applicable, any measures necessary to complete the continuance and the management of the credit union resulting from the continuance.

3. The board of directors of the company shall adopt, by by-law, the conversion plan and the internal management by-law to govern the credit union resulting from the continuance.

4. The by-law adopting the conversion plan shall be ratified by all the shareholders present or represented at a special general meeting of the company.

5. The conversion plan, duly adopted and ratified by the shareholders, shall be submitted to the Minister of Finance for approval.

For that purpose, the company shall submit to the Minister of Finance an application together with

(a) the conversion plan;

(b) a letter from the secretary of Canadian Italian Trust attesting that

i. Canadian Italian Trust has divested itself of its trust activities, and

ii. the shareholders at a special meeting unanimously consented to the conversion of the company into a savings and credit union;

(c) a writing signed by each of the first directors of the credit union and each of the first members of the board of audit and ethics whereby they undertake to subscribe and pay for the minimum number of qualifying shares prescribed by the draft internal management by-law for membership in the credit union resulting from the continuance;

(d) a certified copy of a resolution of the Fédération des caisses populaires Desjardins de Montréal et de l'Ouest-du-Québec setting forth its undertaking

i. to accept the credit union resulting from the continuance as a member, and

ii. to furnish, at the request of the Inspector General of Financial Institutions, such guarantees as he may consider sufficient to ensure the protection of the members of the credit union resulting from the continuance.

The guarantees required under subparagraph ii may be furnished by a security fund corporation;

(e) a certified copy of the resolution of the Confédération des caisses populaires et d'économie Desjardins du Québec setting forth its consent to the undertaking of the affiliated federation to accept the credit union as a member and to the use of the name proposed in the plan; and

(f) a request that the Minister approve the company's conversion plan and its continuance as a savings and credit union.

6. The Minister of Finance shall examine the conversion plan and, subject to any modifications he may require and after obtaining the advice of the Inspector General of Financial Institutions, he may confirm the plan.

7. Once the conversion plan has been confirmed, the board of directors of the company shall adopt the articles of continuance on forms prepared and supplied by the Inspector General of Financial Institutions and shall authorize one of the directors to sign them.

8. The articles shall set forth

(a) the name of the credit union resulting from the continuance;

(b) the judicial district in Québec in which its head office is situated;

(c) the territory or the group from which it may recruit its members;

(d) the name of the federation with which it will be affiliated; and

(e) any conditions for and restrictions on the exercise of certain powers in the pursuit of certain activities, where applicable.

9. The fees payable for the examination and issue of the articles of continuance are those prescribed under the Savings and Credit Unions Act for the examination and issue of the articles of incorporation of a savings and credit union.

10. The articles of continuance shall be filed in duplicate with the Inspector General of Financial Institutions together with

i. a notice indicating the address of the head office,

ii. a list of the names, addresses and occupations of the first directors of the credit union resulting from the continuance, and

iii. the conversion plan confirmed by the Minister.

11. Upon receipt of the company's articles of continuance and the fees payable, the Inspector General of Financial Institutions shall

(a) enter on each copy of the articles the word "Filed" and the date of the filing;

(b) issue in duplicate a certificate attesting to the continuance of the company as a savings and credit union and indicating the date from which it is continued;

(c) file a copy of the certificate and of the articles of continuance in the register, together with the accompanying documents;

(d) send to the credit union resulting from the continuance or its representative a copy of the certificate and articles; and

(e) send a certified copy of the certificate and articles to the federation that has undertaken to accept the credit union as a member and to the confederation with which that federation is affiliated.

12. As of the date appearing on the certificate of continuance,

(1) the company is continued as a savings and credit union governed by the Savings and Credit Unions Act;

(2) the articles of continuance are deemed to be the articles of incorporation of the credit union resulting from the continuance; and

(3) the internal management by-law of the credit union resulting from the continuance that was adopted by the directors of the company comes into force.

13. Deposits made with the company before its continuance as a savings and credit union are deemed to have been made with a savings and credit union in accordance with section 240 of the Savings and Credit Unions Act and the funds received are not considered to have been held in trust, notwithstanding the third paragraph of section 177 of the Act respecting trust companies and savings companies (R.S.Q., chapter S-29.01).

14. From the date of continuance of the company as a savings and credit union, the persons designated as the first members of the board of directors and of the board of audit and ethics, and the clients of the company immediately before its continuance, become members of the credit union resulting from the continuance. They must, within 90 days, subscribe and pay for the minimum number of qualifying shares prescribed by the internal management by-law, failing which they are deemed to be auxiliary members of the credit union.

15. The credit union resulting from the continuance may, with the prior authorization in writing of the Inspector General of Financial Institutions, repay the subordinated note of \$3,000,000 that was issued by the company to the Fédération des caisses populaires Desjardins de Montréal et de l'Ouest-du-Québec on 5 January 1997.

16. The credit union resulting from the continuance has, under the name indicated in the articles, all the rights and obligations of the continued company, and proceedings pending may be continued by or against it without continuance of suit.

17. This Act comes into force on 19 June 1997.