



CHAPTER 10.

An Act respecting Co-operative Associations.

[17th April, 1896.]

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:—

1. This Act may be cited as the “Co-operative Associations’ Act, Short title. 1896.”

2. The Registrar of Joint Stock Companies (hereinafter called “the Registrar”) shall have and exercise the powers hereby granted to him, and receive all fees payable to him, and perform all the functions and powers given by this Act to him with reference to any association registered under this Act.

Registrar of Joint Stock Companies to perform functions of Act.

3. (1.) Any seven or more persons who desire to associate themselves together for the purpose of carrying on any labour, trade, or business, or several labours, trades, or businesses, whether wholesale or retail, may make, sign, and acknowledge, before a Notary Public or Justice of the Peace, in duplicate, and file in the office of the Registrar a certificate in writing in the form mentioned in Schedule A to this Act, or to the same effect, together with a copy of the rules or by-laws agreed upon for the regulation, government and management of the association, signed by such persons respectively.

Association ; how formed.

Certificate in Form A.

(2.) The signatures to the rules or by-laws shall be verified by the affidavit of a subscribing witness thereto.

Verification of signatures.

(3.) Upon the filing of the certificate and rules, or by-laws as aforesaid, and payment of the proper fees, the members of such association shall become a body corporate by the name therein described, having perpetual succession and a common seal, with power to sue and be sued, plead and be impleaded, in all Courts of law and equity in the Province, and to hold such lands as are required for the convenient management of their business.

Corporate body ; when formed.

Evidence of incorporation.

(4.) The Registrar shall if desired by the person filing the certificate endorse upon the duplicate certificate, and upon a duplicate of the rules or by-laws, certificates of the other duplicate having been filed in his office, with the date of filing; and every such certificate shall be *primâ facie* evidence of the facts stated therein, and of the incorporation of the association.

Rules and by-laws; repeal, amendment, etc., of.

(5.) Subject to the requirements of section 7 and the provisions of this Act, all rules or by-laws made by the association may be repealed, altered, or amended by other rules or by-laws passed at any meeting of the association specially called for that purpose, or at any annual meeting when at least thirty days' notice of such intention to repeal, alter or amend such by-laws or rules has been given: Provided that no new rule or by-law, or amended rule or by-law, shall have any force or effect until a copy thereof, proved by the affidavit of the President or other head officer of the association to be a true copy of the rule or by-law, or rules or by-laws, passed by the association at a meeting specially called for the purpose of considering the same, has been filed with the Registrar.

Proviso.

Difference of name from existing associations.

4. No association shall be registered under a name identical with that by which any other existing association has been registered, or so nearly resembling such name as to be likely to deceive the members or the public, and the word "Limited" shall be the last word in the name of any association registered under this Act.

"Limited" last word.

Head office, etc.,

5. Any certificate so to be filed may designate any one or more places where the business is to be carried on, but shall designate where their head office or principal place of business is situate.

Number of shares to be held by a member.

6. A member of an association incorporated under this Act, may have shares therein to an amount mentioned in any by-law of the association, but no member shall have more than one vote.

Certain by-laws to be made before operations commence.

7. Before any association shall commence operations under this Act, they shall agree upon and frame a set of rules or by-laws for the regulation, government and management of the association, and the rules or by-laws of every association to be formed under this Act shall contain provisions in respect of the several matters following:—

- (a.) Mode of convening general and special meetings and of altering rules or by-laws:
- (b.) Provisions for the audit of accounts:
- (c.) Power and mode of withdrawal of members, and provisions for the claims of executors or administrators of members:
- (d.) Mode of application of profits:
- (e.) Appointment of managers and other officers, and their respective powers and remuneration, and for filling vacancies occasioned by death, resignation and other causes.

8. The rules of every association registered under this Act shall bind the association and the members thereof to the same extent as if each member had subscribed his name and affixed his seal thereto, and there were in such rules contained a covenant on the part of himself, his heirs, executors, and administrators, to conform to such rules subject to the provisions of this Act: How rules bind members.

(a.) All moneys payable by a member to a registered association shall be a debt due from such member to the association, and shall be recoverable as such in the County Court of the District in which the registered office of the association is situate, or in that of the District in which such member resides, at the option of the association: Dues by a member. Recovery of.

(b.) A registered association shall have a lien on the shares of any member for any debt due to it by him, and may set-off any sum credited to the member thereon in or towards payment of such debt. Lien on shares.

Shares and Calls.

9. The capital of the association shall be in shares of such denomination as may be mentioned in such rules or by-laws. Denomination of shares.

10. The shares may be payable by instalments, not exceeding twenty per cent., at such times and in such manner as may be mentioned in the rules or by-laws; but no member shall be entitled to draw more than his proportion of interest on the paid up portion of his shares, and shares shall not be transferable unless the rules provide for their transfer. Members may from time to time withdraw upon such terms as may be specified in the rules or by-law. Shares; how purchased, etc. Withdrawal.

11. The liability of the shareholders shall be limited, that is to say: No shareholder in any such association shall be in any manner liable for or charged with the payment of any debt or demand due by the association beyond the amount of his share or shares subscribed for; and any shareholder having fully paid up the amount of his said share or shares shall be absolved from all further liability. Liability on shares.

12. All elections shall be by ballot, and each member shall be entitled to one vote only. Elections.

13. In case it happens at any time that an election of Trustees is not made on the day designated in the rules or by-laws of the association when it ought to have been made, the association shall not for that reason be dissolved, but an election may be held on any other day in such manner as may be provided for in the rules or by-laws, or at a general meeting of the members to be specially called for that purpose, due notice being given of such election as in the rules provided; and all acts of Trustees until their successors are appointed, shall be valid and binding. Elections not made on proper day.

Duties and Obligations of Associations.

Duties and obligations.

14. With respect to the duties and obligations of registered associations the following provisions shall have effect:—

(1.) Every association shall—

Registered office.

(a.) Have a registered office to which all communications and notices may be addressed, and send to the Registrar notice of the situation of such office, and of every change therein:

Association name.

(b.) Paint or affix, and keep painted or affixed, its name on the outside of every office or place in which the business of the association is carried on, in a conspicuous place, in letters easily legible; and have its name engraven in legible characters on its seal; and have its name mentioned in legible characters in all notices, advertisements, and other official publications of the association, and in all bills of exchange, promissory notes, endorsements, cheques, and orders for money or goods purporting to be signed by or on behalf of such association, and in all bills or parcels, invoices, receipts, and letters of credit of the association:

Accounts; audit of.

(c.) Once at least in every year submit its accounts for audit, to two or more persons appointed as the rules of the association provide, who shall have access to all the books and accounts of the association, and shall examine the general statement of the receipts and expenditures, funds, and effects of the association, and verify the same with the accounts and vouchers relating thereto, and shall either sign the same, as found by them to be correct, duly vouched, and in accordance with law, or specially report to the association in what respect they found it incorrect, unvouched, or not in accordance with law:

Annual return.

(d.) Once in every year, before the first day of June, send to the Registrar a general statement (to be called the annual return) of the receipts and expenditure, funds, and effects of the association, as audited, which shall shew separately the expenditure in respect of the several objects of the association, and shall be made out to the thirty-first day of December then last inclusively, and shall state by whom the audit has been conducted, and the name, address, and calling or profession of each such auditor, and the manner in which, and the authority under which, he is appointed, and together therewith shall send a copy of the auditor's report:

Inspection of books by members.

(e.) Allow any member or person having an interest in the funds of the association to inspect the books and the names

of the members at all reasonable times, at the registered office of the association, or at any place where the same are kept, subject to such regulations as to the time and manner of such inspection as may be made from time to time by the general meetings of the association, except that no such member or person, unless he be an officer of the association, or be specially authorized by a resolution thereof, shall have the right to inspect a loan or deposit account of any other member without the written consent of such member:

- (f.) Supply gratuitously to every member or person interested in the funds of the association on his application, a copy of the last annual return of the association for the time being: Annual returns to be supplied free.
- (g.) Keep a copy of the last balance sheet for the time being, together with the report of the auditors, always hung up in a conspicuous place at the registered office of the association. Balance sheet and auditors' report to be posted conspicuously.
- (2.) It shall be an offence under this Act if any registered association— What constitutes offences.
- (a.) Fails to give any notice, send any return or document, or do, or allow to be done, any act or thing which the association is by this Act required to give, send, do, or allow to be done:
- (b.) Wilfully neglects, or refuses to do, any act, or to furnish any information required for the purposes of this Act by the Registrar, or other person authorized under this Act, or does any act or thing forbidden by this Act:
- (c.) Makes a return, or wilfully furnishes information, in any respect false or insufficient.
- (3.) Every offence by an association under this Act shall be deemed to have been also committed by every officer of the same bound by the rules thereof to fulfil the duties whereof such offence is a breach, or if there be no such officer, then by every member of the committee of the same, unless such member be proved to have been ignorant of or to have attempted to prevent the commission of such offence; and every act and default under this Act constituting an offence, if continued, shall constitute a new offence in every week during which the same continues: Offences; by whom committed.
- (4.) Every return and other document required for the purposes of this Act shall be made in such form, and shall contain such particulars, as the Registrar requires and prescribes: Return; form of.
- (5.) All documents by this section required to be sent to the Registrar shall be deposited with the rules of the association to which the same respectively relate, and shall be registered or recorded by the Registrar, with such observations thereon, if any, as he shall see fit: Registrar's duties on receipt of documents.

Privileges.

- 15.** (1.) A member of an association not being under the age of sixteen years may, by writing under his hand, delivered at or sent to the registered office of the association, nominate any person not being an officer or servant of the association, unless such officer or servant is the husband, wife, father, mother, child, brother, sister, nephew or niece of the nominator, to whom his shares in the association shall be transferred at his decease, and may from time to time revoke or vary such nomination by writing under his hand, similarly delivered or sent, but not otherwise; and every such association shall keep a book wherein the names of all persons so nominated shall be regularly entered, and the shares comprised in any such nomination shall be transferable to the nominee, although the rules of the association declare its shares to be generally not transferable; and on receiving satisfactory proof of the death of a nominator the committee of the association shall either transfer the shares in manner directed on such nomination, or pay to every person entitled thereunder the full value of his interest at their option:
- Nomination of transferee of shares in case of death.
- Book to be kept.
- (2.) If any member of an association entitled at his death to an interest in the association dies intestate, and without having made any nomination under this Act, which remains unrevoked at his death, such interest shall be transferable or payable without letters of administration to or among the persons who appear to a majority of the committee, upon such evidence as they may deem satisfactory, to be entitled by law to receive the same:
- To whom shares belong in case of death without nomination.
- (3.) Whenever the committee, after the decease of any member, make any payment or transfer to any person who at the time appears to them to be entitled under this section, the payment or transfer shall be valid and effectual against any demand made upon the committee or the association by any other person:
- Transfer to such person valid.
- (4.) Where a member or person claiming through a member of an association is insane, and no committee of his estate or trustee of his property has been duly appointed, the association may, when it is proved to the satisfaction of the committee that it is just and expedient so to do, pay the amount of the shares, loans and deposits belonging to such member or person to any person whom they shall judge proper to receive the same on his behalf, whose receipt shall be a good discharge to the association for any sum so paid:
- Lunacy of member.
- (5.) A person under the age of twenty-one, but above the age of sixteen, may be a member of an association, unless provision be made in the rules thereof to the contrary, and may, subject to the rules of the association, enjoy all the rights of a member (except as herein provided), and execute all instruments, and give all acquittances
- Who may be a member.

necessary to be executed or given under the rules, but shall not be a member of the committee, trustee, manager, or treasurer of the association :

(6.) A promissory note or bill of exchange shall be deemed to have been made, accepted, or endorsed on behalf of any association if made, accepted, or endorsed in the name of the association, or by or on behalf or account of the association, by any person acting under authority of the association :

(7.) Any register or list of members or shares kept by any association shall be primâ facie evidence of any of the following particulars entered therein :—

- (a.) The names, addresses, and occupations of the members, the number of shares held by them respectively, the numbers of such shares, if they are distinguished by numbers, and the amount paid, or considered as paid, on any such share :
- (b.) The date at which the name of any person, company, or association was entered in such register or list as a member :
- (c.) The date at which any such person, company, or association ceased to be a member.

Contracts.

16. Contracts on behalf of the association may be made, varied, or discharged as follows :—

- (a.) Any contract which, if made between private persons would be by law required to be in writing and under seal, may be made on behalf of the association in writing under the common seal of the association, and may in the same manner be varied or discharged :
- (b.) Any contract which, if made between private persons would be by law required to be in writing, signed by the persons to be charged therewith, may be made on behalf of the association in writing by any person acting under the express or implied authority of the association, and may in the same manner be varied or discharged :
- (c.) Any contract which, if made between private persons, would be by law valid, though made by parol only, and not reduced into writing, may be made on behalf of the association by a writing not under seal, signed by any person acting under the express or implied authority of the association :
- (d.) A signature purporting to be made by a person holding any office in the association shall, primâ facie, be taken to be the signature of a person holding at the time when the signature was made the office so stated :

And all contracts which may be, or have been, made, varied, or discharged according to the provisions herein contained, shall so far as concerns the form thereof be effectual in law and binding on the association, and all other parties thereto.

Property and Funds.

- Associations may— **17.** With respect to the property and funds of registered associations the following provisions shall have effect :—
- Hold and deal with land. (1.) An association may (if its rules do not direct otherwise) hold, purchase or take on lease in its own name any land, and may sell, exchange, mortgage, lease, or build upon the same, and no purchaser, assignee, mortgagee, or tenant shall be bound to enquire as to the authority for any such sale, exchange, mortgage, or lease by the association, and the receipt of the association shall be a discharge for all moneys arising from or in connection with such sale, exchange, mortgage, or lease :
- Advance to member on real security. (2.) The rules may provide for the advancing of money by the association to members on the security of real or personal property :
- Invest in shares. (3.) An association may, if its rules so allow, invest any part of its capital in the shares or on the security of any other association registered under this Act, or under any Act relating to Joint Stock Companies for the time being in force in this Province, or incorporated by statute : Provided that no such investment be made in the shares of any association or company other than one with limited liability ; and an association so investing may make such investment in its registered name :
- Other corporations may acquire its shares. (4.) Any other body corporate may, if its regulations permit, hold shares by its corporate name in an association registered under this Act :
- Apply its profits lawfully. (5.) The profits of the association may be applied to any lawful purpose :
- Satisfaction of mortgage and other debts. (6.) A receipt under the hands of two members of the committee of the association, countersigned by the secretary, in the form contained in schedule B to this Act, or in any form specified by the rules of the association, or any schedule thereto, for all moneys secured to the association by any mortgage or other assurance endorsed upon or annexed to such mortgage or other assurance, shall vacate the same, and shall vest the property therein described in the person entitled to the equity of redemption of the same without any conveyance, and the Registrar under the “ Land Registry Act ” shall accept such receipt (the execution of same having been acknowledged or proved in the

manner provided by the said Act for the acknowledgment of deeds) as satisfactory proof of the satisfaction of the mortgage or other assurance :

- (7.) If an officer, member, or other person being or representing himself to be a member of the association, or the heirs, executors, or administrators of a member thereof, or any person whatsoever obtains possession by false representation or imposition of any property, moneys, securities, books, papers, or other effects, of an association, or having the same in his possession, withholds or misapplies the same, or wilfully applies any part thereof to purposes other than those expressed or directed in the rules of the association and authorized by this Act, he shall, on the complaint of the association, or of any member authorized by the association or the committee thereof, or of the Registrar, be liable on conviction before any Justice of the Peace having jurisdiction, or any Magistrate having the powers of two Justices under the "Summary Convictions Act," to a penalty not exceeding one hundred dollars and costs, and in default of payment thereof, with costs, to imprisonment for a term not exceeding three calendar months; but nothing herein contained shall prevent any such person from being proceeded against by way of indictment, if not previously convicted of the same offence under the provisions of this Act.
- False representation, misapplication, etc., by member.
Penalty.

18. Every person appointed to an office touching the receipt, management, or expenditure of money, or with the receipt of goods, wares, or merchandise for the purposes of the association, shall, before entering upon the duties of his office, give such security as is deemed sufficient by the trustees, which security shall be varied in amount or renewed from time to time, as by the amount of business done or by other circumstances may, from time to time, in the discretion of the trustees, be rendered necessary, and may be in the form contained in Schedule C to this Act.

Security to be given by officials.

19. Every dispute between any member or members of an association established under this Act, or any person claiming through or under a member, or under the rules of the association, and the trustees, treasurer, or other officer thereof, shall be decided by arbitration in manner directed by the rules of the association, and the decision so made shall be binding and conclusive on all parties without appeal, and application for the enforcement thereof may be made to the County Court.

Disputes to be settled by arbitration.

20. With respect to special resolutions by registered associations, and to the proceedings which may be taken by virtue thereof, the following provisions shall have effect :—

Special resolutions.

Of what consists.

(1.) A special resolution is one which is passed by a majority of not less than three-fourths of such members of an association, for the time being entitled under the rules to vote, as may be present in person or by proxy (where the rules allow proxies) at any general meeting, of which notice specifying the intention to propose such resolutions has been duly given according to the rules, and which resolution is confirmed by a majority of such members, for the time being entitled under the rules to vote, as may be present in person or by proxy at a subsequent general meeting, of which notice has been duly given, held not less than fourteen days and not more than one month from the day of the meeting at which such resolution was first passed :

Change of name.

(2.) An association may, by special resolution, change its name, but no such change shall affect any right or obligation of the association, or of any member thereof, and any pending legal proceedings may be continued by or against the association, notwithstanding its new name :

Amalgamation.

(3.) Any two or more associations may, by special resolution of both or all such associations, become amalgamated together as one association, with or without any dissolution or division of the funds of such associations, or either of them; and any association may, by special resolution, transfer its engagements to any other registered association, which may undertake to fulfil the engagements of such association :

(4.) No amalgamation or transfer of engagements shall prejudice any right of a creditor of any association party thereto :

(5.) A copy of every special resolution for any of the purposes mentioned in this section, signed by the chairman of the meeting and countersigned by the secretary, shall be sent to the Registrar and registered, and until such copy is so registered, such special resolution shall not take effect.

Dissolution of associations.

21. An association may be dissolved by consent of three-fourths of the members, testified by their signatures to an instrument of dissolution :

(a.) The instrument of dissolution shall set forth the liabilities and assets of the association in detail, the number of members, and the nature of their interests in the association respectively, the claims of creditors (if any), and the provision to be made for their payment, and the intended appropriation or division of the funds and property of the association, unless the same be stated in the instrument of dissolution to be left to the award of the Registrar :

(b.) A statutory declaration shall be made by three members and the secretary of the association that the provisions of this Act

have been complied with, and shall be sent to the Registrar with the instrument of dissolution :

- (c.) The Registrar shall cause a notice of the dissolution to be advertised, at the expense of the association, in the British Columbia Gazette and in some newspaper circulating in the district in which the registered office of the association is situated.

22. In case of the dissolution of such association, the association shall nevertheless be considered as subsisting and be in all respects subject to the provisions of this Act, so long and so far as any matters relating to the same remain unsettled, to the intent that the association may do all things necessary to the winding up of the concerns thereof; and may sue and be sued under the provisions of this Act, in respect of all such unsettled matters. After dissolution association subsists as far as necessary to wind up.

23. Any one guilty of an offence under this Act shall, on the complaint of the association, or of any member authorized by the association, or the committee thereof, or of the Registrar, be liable, on conviction before any two Justices of the Peace having jurisdiction, or any Magistrate having the powers of two Justices, under the "Summary Convictions' Act," to a penalty not exceeding one hundred dollars and costs, and in default of payment thereof, with costs, to imprisonment for a term not exceeding three calendar months; but nothing herein contained shall prevent any such person from being proceeded against by way of indictment, if not previously convicted of the same offence under the provisions of this Act. Offences. Conviction. Penalty.

24. All fees which may be received by the Registrar under or by virtue of this Act shall be paid by him into and form part of the Consolidated Revenue Fund. Application of fees by Registrar.

Schedule A.

SCHEDULE A.

(Section 3.)

Form of Certificate.

PROVINCE OF }
 BRITISH COLUMBIA. }
 TO WIT: }

We, [*insert names of subscribers, not less than seven*], do hereby certify that we desire to form an association pursuant to the provisions of the "Co-operative Associations Act, 1896." The corporate name of the association is to be [*insert name of association*], Limited, and the objects for which the association is to be formed are [*insert objects for which association is formed*], the number of shares is to be unlimited, and the capital is to consist of shares of [*insert amount of share*] each, or of such other amount as shall from time to time be determined by the rules or by-laws of the association. The number of the trustees who shall manage the concerns of the association shall be [*insert number of trustees*], and the names of such trustees for the first three months are [*insert names*], and the name of the place where the head office is situate is [*insert name*].

Dated the day of .

Signatures.

On the day of A. D. 18 , before me personally appeared [*insert names of subscribers to certificate*], to me known to be the individuals described in the foregoing certificate, and they severally before me signed the said certificate and acknowledged that they signed the same for the purposes therein mentioned.

A. B.,

Notary Public.

Schedule B.

SCHEDULE B.

Form of receipt to be endorsed on mortgage or further charge.

The association, limited, hereby acknowledge to have received all moneys intended to be secured by the within written deed.

Signed [*two members of the committee*].

Countersigned

SCHEDULE C.

Schedule C.

Form of Bond.

Know all men by these presents that we, *A. B.*, of _____, one of the officers of the _____ association, limited, established at _____, in the district of _____, in the Province of British Columbia, and *C. D.*, of _____, (as surety on behalf of the said *A. B.*) are jointly and severally held and firmly bound to the said association in the sum of _____ to be paid to the said association, or their attorney, for which payment well and truly made, to be made, we jointly and severally bind ourselves, and each of us, by himself, our and each of our heirs, executors, and administrators, firmly by these presents. Sealed with our seals.

Dated the _____ day of _____.

Whereas the above bounden *A. B.* has been duly appointed to the office of _____ of the _____ association, established as aforesaid, and he together with the above bounden *C. D.*, as his surety, have entered into the above written bond, subject to the condition hereinafter contained: Now, therefore, the condition of the above written bond is such that if the said *A. B.* do render a just and true account of all moneys received and paid by him on account of the said association, at such times as the rules thereof appoint, and do pay over all the moneys remaining in his hands, and assign and transfer or deliver all property (including books and papers) belonging to the said association in his hands or custody to such person or persons as the said association, or the committee thereof, appoint, according to the rules of the said association, together with the proper and legal receipts or vouchers for such payments, then the above written bond shall be void, otherwise it shall remain in full force.

Sealed and delivered in the presence of [*two witnesses*].

SCHEDULE D.

Schedule D.

Acknowledgment of Registry of Association.

The _____ association, limited, is registered under the "Co-operative Associations Act, 1896," this _____ day of _____.

[*Seal or stamp of Registrar.*]

Acknowledgment of Registry of Amendment of Rules

The foregoing amendment of the rules of the _____ association, limited, is registered under the "Co-operative Associations Act, 1896," this _____ day of _____ .

[*Seal or stamp of Registrar.*]

Schedule E.

SCHEDULE E.

Table of Fees to be paid to the Registrar under this Act.

Filing application for registration	\$10 00
Registrar filing by-laws or rules, or amended by-laws or rules . .	2 50
Every search	25
Every cancellation of registry	2 50
Filing any document	25
Every certificate	1 25
Filing change of name	2 50
Advertising Certificate, Schedule A, in Gazette four weeks, according to the scale of charges as defined in Schedule A of the "Statutes and Journals Act."	

VICTORIA, B. C.:

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1896.