

Hon. Mr. Wilson.

TRUSTEES' AND EXECUTORS' SHAREHOLDERS LIABILITY.

ANALYSIS.

<p>Title.</p> <p>1. Short Title.</p> <p>2. Shareholders in trustees or executors company to be liable.</p> <p>3. Company to give security.</p>	<p>4. Rate of commission to be fixed by a Judge.</p> <p>5. Company not to purchase its own shares.</p> <p>6. Trust moneys to be paid to separate account.</p> <p>7. Duty of auditor.</p> <p>8.</p> <p>9.</p>
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A BILL INTITULED

AN ACT to declare the Liability of Shareholders in Companies carrying on Business as Trustees or Executors. Title.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. The Short Title of this Act is "The Trustees' and Executors' Shareholders Liability Act, 1884." Short Title.

2. In the event of the assets of any company carrying on the business of trustees or executors being insufficient to meet its engagements, then and in such case the liability of the directors or managers of such company shall be unlimited, and the shareholders shall be responsible to the extent of twice the amount of the subscribed capital of the company, that is to say, for the amount subscribed and for a further and additional amount equal thereto, any statute to the contrary thereof in anywise notwithstanding. Shareholders in trustees or executors company to be liable.

3. In all cases where any company or corporation carrying on the business of trustees, executors, or administrators, shall apply to be appointed, or be prepared or willing to act as trustee or executor under deed or will, or administrator under an intestacy, or as guardian of the estate of any infant, or trustee or receiver under any law now in force or hereafter to be in force in the colony relating to bankruptcy, or liquidator under any law relating to joint-stock companies, or as receiver or committee of the estate of any lunatic, such company shall give security previous to accepting or acting in any such trust or employment in such sum as a Judge of the Supreme Court shall appoint in each case, on application made by any officer of the company or any person interested by petition, in a summary way. Company to give security.

Rate of commission  
to be fixed by a  
Judge.

4. The rate of commission to be charged by any company for receiving moneys in any such trust or employment, as in the last-preceding section mentioned, shall not exceed such amount as may from time to time be fixed by a Judge of the Supreme Court.

Company not to  
purchase its own  
shares.

5. It shall not be lawful for any company acting in any such trust or employment as aforesaid to become the purchaser of any of its own shares. 5

Trust moneys to be  
paid to separate  
account.

6. All trust moneys coming to the hands of any company shall be paid into a distinct and separate account with the bank, to be called "The Trust Account." 10

Duty of auditor.

7. It shall be the duty of the auditor of every company to examine the securities belonging to each trust, and in every half year to make a report stating that he has made such examination, and that the securities are in accordance with the entries in the books of the company. 15

8. Nothing in any private Act contained shall operate to annul or abridge the powers now possessed by the Supreme Court in respect to trustees, and all such powers and jurisdictions shall apply to any company in respect of all trusts undertaken by them.

9. Every company carrying on the business of trustees and executors shall invest all trust moneys either in the Government funds of the colony or upon mortgage of real estate. 20