

(Mr. Gillies.)

## Limited Liability Companies Winding-up.

### ANALYSIS.

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### A BILL INTITLED

## AN ACT for Winding-up Limited Liability Companies. Title.

**W**HEREAS it is expedient to simplify and render less expensive the mode of winding-up Companies formed under "The Mining Companies Limited Liability Act, 1865," and "The Mining Companies Limited Liability Act Amendment Act, 1869": Preamble.

BE IT THEREFORE 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 shall be "The Limited Liability Companies Winding-up Act, 1870." Short Title.

**2.** Upon a petition *signed personally or by proxy* by a majority in number and value of the shareholders of any Company formed under "The Mining Companies Limited Liability Act, 1865," or "The Mining Companies Limited Liability Act Amendment Act, 1869," requesting the Company to be wound up by the Official Agent or by one of three persons therein named, it shall be lawful *in addition to any other mode heretofore prescribed* (provided the signature of such petition by a majority in number and value, and the matter of such petition, be verified by the oath or affidavit of two or more shareholders of such Company) for any Judge of the Supreme Court, the District Court Judge, or Resident Magistrate, or any two Justices of the Peace acting within the district within which the said Company carried on business, to issue an order or decree for the winding-up of such Company by the Official Agent or by such one of the persons named in such petition as the Court shall select, who shall in such case be deemed to be a duly appointed Official Agent. Winding up by petition of Company.

**3.** The jurisdiction of any Resident Magistrate in any matter under this Act shall be and is hereby limited to the case of Companies whose total debts or liabilities shall not on application to the Court for any winding-up order appear to exceed three hundred pounds. Jurisdiction of Resident Magistrate limited to £300.

**4.** Upon any order or decree under this Act or any other Act being made for the winding-up of any such Company, it shall be the duty of the Official Agent in the first place to ascertain the amount of the debts or liabilities of such Company, and to estimate the costs and Official Agent to ascertain liabilities.

expenses of winding-up such Company, including the costs of realizing collecting and distributing the assets thereof, his own and all other fees payable in respect thereof.

To prepare schedule of contributories.

5. 3. Upon ascertaining the total amount of such liabilities costs and expenses, the Official Agent shall prepare a schedule of contributories, showing therein the names of all the shareholders in the said Company liable to contribute, and against their names respectively the amount payable by them for unpaid calls, and also the proportionate amount required to be contributed by each, in order to liquidate the total estimated liabilities costs and expenses, together with a fair estimated amount to cover what contributions may be irrecoverable. 5 10

Notice of hearing objections to be given.

6. 4. The Official Agent shall thereupon post to the address of every person liable to contribute a statement of the amount he is estimated to be liable to contribute, together with a list of all shareholders in arrear of calls showing their respective calls in arrear, the liabilities of the Company, and estimated cost of winding-up, and also a schedule showing the respective amounts to be contributed by each shareholder respectively, and also with a notice of the place where the estimates and scheme of contributions may be inspected, and that on a day therein named, not sooner than ~~twenty-one~~ *sixty-three* days from the date of such notice, objections to the scheme of contribution will be heard before a Judge of the Supreme Court the District Court Judge for the district, or if there be no such Judge then before ~~the~~ a Resident Magistrate or ~~two Justices of the Peace~~ a Court of Petty Sessions acting in and for the district in which such Company was carrying on business. 15 20 25

Objections to be heard.

7. 5. On the day named, or any adjournment thereof, any person named on the said schedule may appear *personally or by an agent authorized in writing*, and object to his name being placed on such schedule of contributories, or to the amount for which he is so placed, or to any of the estimates made by the Official Agent. 30

Judge to settle schedule and make order for payment.

8. 6. On hearing such objections, and any evidence in support thereof, and of the Official Agent, and any evidence he may produce, the Judge, Resident Magistrate, or *Justices Court of Petty Sessions* as the case may be, may amend the schedule, and shall thereupon settle and determine the same, and annex thereto an order upon all persons therein named to pay the amounts therein stated, which order shall have the effect and may be enforced in the same manner as a judgment of the District Court or of a Resident Magistrate. 35

Further contribution authorized if first insufficient.

9. 7. Should the amount recovered by the Official Agent under such order as aforesaid *after affidavit that he has enforced the previous decree or order against all persons therein named* prove insufficient to liquidate the liabilities of the Company, together with the costs and expenses as aforesaid, he may prepare a further schedule of contribution from the same contributories, which shall be fixed settled ordered and enforced in like manner as the previous contribution; but to such further contribution no contributory shall be entitled to object, save as to amount charged against him. 40 45

Official Agent and Official Auditor.

10. 8. The remuneration of the Official Agent shall be five per cent. on the amount paid by him of the liabilities of the Company wound up instead of on the amount collected by him; and the remuneration of the Official Auditor shall be three pounds three shillings in respect of each Company wound-up in respect of which the Official Agent's accounts shall be audited by him. 50

Repeal of sections of Act 1865.

11. 9. Sections thirty-eight and thirty-nine, and the proviso in section thirty-five, of "The Mining Companies Limited Liability Act, 1865," are hereby repealed. 55