47. The resignation of a member who shall at the time of lodging such resignation propose a candidate for membership in his stead shall not take effect unless it be accepted by the Committee.

48. The executors or administrators of any deceased member shall have the same privileges as that possessed by a resigning member of nominating a candidate, who may be proposed for membership in the place of the deceased member.

49. On transfer of a membership under rules 45, 46, or 48 notification of same shall be made in the following form:—

Gisborne, , 19 .

To the Secretary of the Gisborne Stock Exchange.

SIR,—I [*or* We], the undersigned , do hereby notify you that I [*or* we] have sold my membership [*or* the membership of the late] in the Gisborne Stock Exchange to , of , for the sum of £ , and that it is my [*or* our] intention to propose [*or* have proposed] the said for membership in my stead [*or* in the stead of the said].

I am, &c.,

.....

SIR,—Referring to the above notice, I, the said have purchased the above membership for the sum of £ , and am desirous of being admitted a member of the Gisborne Stock Exchange upon the terms of and under and subject in all respects to its rules and regulations which now are or hereafter may be for the time being in force.

I have read the rules as at this date, and am willing to sign them when called upon to do so.

Enclosed I beg to hand you cheque for £ , being amount of entrance fee payable by me.

I am, &c.,

.....

50. On transfer of a membership twenty per cent. of the gross sum which the transferee shall have paid or agreed to pay for the said membership shall be paid to the Exchange as the entrance fee of the said transferee, but in no case shall the amount of the fee be less than £10, and the transferee shall not be eligible for election until the said fee be paid. In the event of his rejection the said fee so paid shall be returned to him. The Committee may require from any or all of the parties concerned such evidence as they may deem necessary as to the price paid for the membership, and may further require, if they think fit, the whole of the consideration-money to be passed through the hands of the Treasurer.

51. The election of any candidate for admission to membership by virtue of this purchase of a membership from a member, or the executors or administrators of a deceased member, shall not be proceeded with until all claims which the Exchange or any member or members thereof may, under these rules, have or have had against the said member or deceased member shall have been satisfied.

52. At any time after the resignation, retirement, or death of any member who is indebted to the Exchange, or to any member or members thereof, the Committee may sell and transfer the membership of the said late member, subject to the purchaser being duly elected. The Committee shall apply the proceeds in the first place in payment of the amount due to the Exchange for the purchaser's transfer fee, and of any subscription, fine, or other liability owing by the late member; in the second place, in payment of the claims or the indemnification of any member or members who may at the time of such registration, retirement, or death be creditors of the said member; and, lastly, in payment of the balance, if any, to the resigning or retiring member, or the executors or administrators of the deceased member, as the case may be.

53. The exercise by the Committee of the power contained in this rule shall supersede all other rights of transfer of membership.

Forfeiture and Disposal of Interest in Membership.

54. Any member expelled from the Exchange shall forfeit to the Exchange all interest whatsoever in his membership, and shall cease to have any claim whatever on or to the property or funds of the Exchange, and the Committee may at their discretion sell and transfer such forfeited membership subject to the purchaser being duly elected.

55. The Committee shall apply the proceeds in the first place in payment of the amount due to the Exchange for the purchaser's transfer fee, and of any subscription, fine, or other liabilities owing by the late member; in the second place, in payment of the claims or the indemnification of any member or members who may at the time of such expulsion be creditors of the said member; and the balance, if any, shall be disposed of as provided by rule 52.

On the sale of a membership under rule 52 or 54, the purchaser shall apply for admission in the following form:—

Gisborne, , 19.

To the Secretary of the Gisborne Stock Exchange.

SIR,—Having purchased from the Committee of the Gisborne Stock Exchange the membership of for the sum of £ , I am desirous of being admitted a member of the Gisborne Stock Exchange upon the terms of and under and subject in all respects to its rules and regulations which now are or hereafter may be for the time being in force.

I have read the rules at this date, and am willing to sign them when called upon to do so.

I am, &c.,

.....

Deceased or Ex-members have no Claim on Assets.

56. Members who resign or cease to be members from any cause whatever, or the executors or the administrators of any deceased member, shall have no claim on the assets of the Exchange.

Defaulter.

57. The Committee shall suspend for such period as it shall think fit, and may also fine or recommend for expulsion, any member who shall fail to pay when due any debt incurred by him to another member. Should the Committee decide to recommend the member's expulsion, they shall report accordingly to the members at a special general meeting called for that purpose. It shall be competent for the said special general meeting to confirm the Committee's recommendation and expel the member so brought before them or deal with him by fine or suspension from membership. A member who becomes insolvent, or assigns his estate for the benefit of or compounds with his creditors, shall forfeit his membership, and all interest in the funds and property of the Exchange, notwithstanding that he may not be at the same time a defaulter on the Exchange; but such member may be reinstated without payment of fee after he has obtained his discharge from his insolvency, or a release from his creditors, by ballot taken in the same manner so provided by rule 40.

58. The Committee shall have power to order that all open transactions, including time-bargains, between any member unable to meet his engagements and other members shall be closed within a time to be named by the Committee. Such transactions shall be closed accordingly by the Chairman buying or selling in the market on account of the member in default such stock or shares as he may have contracted to sell or purchase. The Chairman shall charge current rate of brokerage to the defaulter, and such brokerage shall be the property of the Chairman. Members shall, without delay, render full statements of accounts to the Committee.

59. Should it come to the knowledge of any member of the Exchange that a broker, either in Gisborne or elsewhere, has failed to meet his engagements, the said member must at once report the circumstance to the Chairman, who shall bring the matter before the Exchange, at its first meeting, for decision as to what action shall be taken. Any member failing or neglecting to report to the Chairman as above specified shall be liable to be fined a sum not exceeding £50, or be suspended, at the option of the Exchange.

60. The Committee shall have power to investigate the accounts of members with a member in default, and to reject or require the correction of any items which they may deem unsatisfactory.

61. Members, creditors of a member in default, shall have a preferential claim on all surpluses in the hands of other members, resulting on the closing of transactions open at the time of default, and also on all moneys which may become payable to a member in default out of funds in the hands of the Committee from the estate of another member in default. All surpluses in the hands of members resulting on the closing of open transactions with a member in default shall be paid to the Committee.

62. The Committee shall distribute as soon as possible amongst members, creditors of the member in default, the surpluses received from other members on his account, and all moneys due to him out of funds in the hands of the Committee from the estate of another member in default.

Distribution of Assets of Ex-members.

63. The Committee in dividing amongst members, creditors of a late member, the proceeds received by them on sale of a membership, after deducting the transfer fee of the purchaser and all other liabilities due to the Exchange, or in dividing any surpluses received by them from members on account of a defaulting member's estate, or in dividing any moneys due to him out of funds in the hands of the Committee from the estate of another member in default, shall not necessarily distribute the same *pro rata*, but may in their discretion give preference either wholly or in part to claims of recent date over claims of longer standing which were not divulged to the Committee at the time they arose.