

THE
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NO. 11.

HON. MR. JUSTICE MIDDLETON.

JUNE 16TH, 1914.

COOK v. DEEKS.

6 O. W. N. 590.

Company—Contracting Company—Contracts Taken by Majority of Directors as Individuals—Duties and Liabilities of Directors—Trust—Rights of Minority Shareholders—Evidence—Conflict—Finding of Trial Judge.

MIDDLETON, J., *held*, that directors of a company may act as individuals in their own interests with regard to business which might well be undertaken by the company, but which the company as a whole refuses.

Held, that there is no fiduciary obligation on the directors of a company to undertake business in behalf of all the shareholders at the instance of the minority against the will of the majority.

Held, that neither a company nor the minority shareholders thereof can compel the majority to render those personal services without which the enterprise must be a failure.

Action tried at Toronto 27th, 28th, 29th April, and 4th, 5th, 6th and 7th May, 1914.

Hon. Wallace Nesbitt, K.C., and A. M. Stewart, for plaintiff.

E. F. B. Johnston, K.C., and R. McKay, K.C., for defendants.

HON. MR. JUSTICE MIDDLETON:—The action is brought by Mr. A. B. Cook, one of the shareholders of the Toronto Construction Company, Limited, on behalf of himself and all other shareholders other than the individual defendants, against Messrs. Geo. S. Deeks, Thomas Hinds, George M. Deeks, the Dominion Construction Company, Limited, and the Toronto Construction Company, Limited, for an order declaring that the individual defendants and the Dominion Construction Company, Limited, are trustees for the