

TEETZEL, J.

APRIL 26TH, 1909.

CHAMBERS.

RE LAKE ONTARIO NAVIGATION CO.

DAVIS'S CASE.

Company — Winding-up — Contributory — Subscription for Shares—Payment of 10 Per Cent. of Value—Allotment —Condition that no Further Call be Made—Powers of Directors — Illegal Condition — Ontario Companies Act— Right to Repudiate—Estoppel—Cheque Given for Purchase Money—Voting on Shares by Proxy—Election to Become Member of Company.

Application by the liquidator of the company in winding-up proceedings to place William E. Davis on the list of contributories in respect of \$13,000 stock in the insolvent company. The winding-up order was made by TEETZEL, J., and subsequent proceedings were had before him.

C. A. Masten, K.C., for the liquidator.

J. H. Moss, K.C., for majority shareholders.

I. F. Hellmuth, K.C., for minority shareholders.

F. J. Dunbar, for Davis.

TEETZEL, J.:—Davis was a friend of F. T. Hutchinson, who was president of the company. On or about 2nd February, 1907, he was solicited by Hutchinson to apply to the company for 130 shares of \$100 each, on which Hutchinson said 10 per cent. had been paid, and which, he represented, could be purchased on payment of an additional 10 per cent., with no further liability for calls; and on that day Davis signed and forwarded to the company an application in the following words:—

“To the Lake Ontario Navigation Company, Limited.

“I hereby apply for the sale or issue to me of 130 shares of the capital stock of your company, upon which there has been paid 10 per cent. of the par value thereof, and agree to pay therefor the sum of \$1,300.

“I apply for these shares on the condition that no further call be made thereon.

“Dated this 2nd day of February, 1907.”