

were made at the annual meeting. One of the directors stated how much loss was sustained weekly by the running of the road. At this meeting (15th January, 1879,) the following resolution was moved:—"That this meeting regrets that no written report or statement of accounts has been laid before the meeting, in order to enable it to understand the true position of the company's affairs." This resolution was lost, after discussion. It was moved in amendment, and carried, "That in view of the difficulty caused to the present organization by the Board in office immediately before the last annual meeting of the shareholders, and the time—nearly twelve months—which it has required the present Board to establish their status by legal decisions, the verbal report presented by the present Board, and the fact that they have put the road in active operation, are satisfactory in every respect, and meet the entire approval of the shareholders."

The majority who voted for the amendment were Directors, and controlled the voting power by holding the majority of the stock. Samuel T. Willett, a Director, held 70 shares, R. N. Hall, a Director, held 10 shares, Emmons Raymond, a Director, 5,224 shares, Emmons Raymond, in trust, 2,700 shares, Lucius Robinson, 18 shares, Thomas W. Ritchie, 10 shares, Amos Barnes, 10 shares, W. K. Blodgett, 10 shares. In all 8,052 shares. It is not proved that the President and Directors are interested pecuniarily in the South Eastern Railway. Some of the directors have an interest in the Connecticut and Passumpsic Rivers Railroads. Mr. Raymond has an interest. But it is not proved that the Connecticut and Passumpsic Rivers Railroad Company and the Southeastern Railroad Company have an arrangement to operate together. It is proved that the shares of the respondents have no pecuniary value at all, and that no part of the bonded debt has been paid. Is the petitioner entitled on these facts to an injunction? The Court will interfere to protect an individual member if the proceedings of the majority constitute an injustice to him individually. The majority must act with regularity and *bona fides*, and the minority can demand a fair hearing, and that their wishes and arguments should be listened to and duly weighed. A *fortiori*, if the conduct of the majority amounts

to a fraud upon, or undue influence with respect to the minority, the Court will protect the interests of the latter. But it must be proved that the minority has been overborne by improper or corrupt influence—in *re London Mercantile Discount Co.*, L. R. 1 Eq. 277; that there has been a fraud on the part of the majority—*Heath v. Erie R. R. Co.*, 8 Blatch. (1871) 347. But the Court will not interfere in purely internal affairs when the majority act *bona fide*, and it will not interfere at the instance of a member not acting *bona fide*, for the interests of the corporation. In the present case, I have nothing to show that the Company is not acting *bona fide* in the interests of the corporation. I say nothing against the right of the petitioner for an account in the usual way, but I am not justified in saying that the meeting should not take place which was called for the 4th April, until this account is given. The petition is therefore dismissed. Respondent's motion to reject the petitioner's articulation of facts is also granted.

J. L. Morris for petitioner.

T. W. Ritchie, Q.C., for respondents.

COURT OF QUEEN'S BENCH.

MONTREAL, June 14, 1879.

SIR A. A. DORION, C. J., MONK, J., SICOTTE, J.,
ad hoc, RAMSAY, J., TESSIER, J.

THE RICHELIEU & ONTARIO NAVIGATION CO.
(defts. in Court below), Appellants; and
LAFRENIERE *et al.* (pffs. below), Respds.

*Interest in suit—Subrogation—Action by Insurers
in name of Owners.*

The appeal was from a judgment of the Superior Court, Montreal, condemning the appellants to pay \$6,230.52, the value of a cargo of peas lost on the scow *Marie Joseph*, in consequence of a collision in the Lachine Canal with the steamer *Bohemian*, belonging to appellants. The case turned mainly upon evidence. But one of the pleas raised the objection that respondents had no interest in the case. The peas were their property, but before the institution of the action, the British America Assurance Company, the insurers of the cargo, had paid the respondents the value thereof, and the following *acte sous seing privé*