

sum to its bankers, but its assets considerably exceeded its liabilities:—

*Held*, that the statement amounting to no more than an announcement of policy, and which the directors were at liberty to pursue, a company having power, though in debt, to pay dividends out of profits, the failure to disclose the indebtedness to the bankers did not render the statement misleading, there also being no duty to disclose in the prospectus the assets and liabilities of the company.

Directors adopting a resolution to sell shares in the capital stock of the company and to employ a broker for the purpose held not responsible in damages for misrepresentation in a prospectus issued by a broker employed by them under the resolution, at the instance of a purchaser of shares who had purchased in reliance upon the prospectus, the prospectus having been issued without their knowledge or authority, and the broker being the agent of the company.

The plaintiff learned on January 24, 1904, that material representations, upon which he had been induced to purchase shares in the defendant company on June 24, 1903, were untrue. On February 16, and on March 8, he demanded at meetings of the company a return of the purchase money. Neither demand was assented to, and on April 13, the company communicated to him a formal refusal. A suit for rescission was commenced by him on December 27, following:—

*Held*, that the suit was barred by delay.

Where a person stated he believed in a Supreme Power—a God as defined by Christ's teachings; in heaven and hell, and in a future state of rewards and punishments, but, that he did not believe he was under any greater obligation to tell the truth by reason of taking the oath and that he did not believe that a person who swears falsely will be punished in the hereafter, it was held that he was competent to be sworn as a witness.

*McInerney*, K.C., and *Price*, for plaintiff. *Teed*, K.C., and *A. H. Hanington*, K.C., for defendants.

---

Barker, J.] *TOOKE BROTHERS v. BROOK & PATTERSON*. [May 31.

*Debtor and creditor—Bill of sale—Agreement to give—Postponement of execution—Insolvency—Assignments and Preferences Act—Creditors—Amendment of parties.*

A trader when in insolvent circumstances to the knowledge of