

On 27th August, 1902, the letters patent incorporating the Baden Machinery Manufacturing Company, Limited, were issued, the incorporators named being Hood, Snow, Masters, Cram, and one Charles Henry Carter. The provisional directors were Hood, Snow, and Masters. All the above named persons had previously become subscribers to the memorandum of agreement for the formation of the company. By this memorandum Hood and Snow each subscribed for and agreed to take \$2,500 of shares in the company.

On 4th October, 1904, the provisional directors held a meeting at which it was decided to call a general meeting of the shareholders for 17th October for the purpose of organization. The minutes of the meeting also record that it was resolved to demand from Mr. W. Cram, one of the promoters of the company, a transfer of all property purchased by him as trustee for the company since incorporated, transferring such property to the said company, and to require the said Cram to give an account of all property and moneys passing through his hands since he acquired the said property.

The meeting of shareholders was held on 17th October, but the minutes have no record of any further action with regard to the transfer of the property by Cram to the company.

By bill of sale dated 4th October, 1902, between Cram, of the first part, and the company, of the second part, after reciting that Cram was possessed of the property therein described as trustee for Hood, Cram, and Masters, purchased for the purpose of forming a joint stock company, and that the company had been formed, and that Hood, Snow, and Masters, provisional directors, had demanded a transfer to the company in fulfilment of the trust, it was witnessed that Cram sold, assigned, and transferred the said property to the company.

And Hood and Snow now set up and claim that this transfer was made in consideration of the issue to them of the amount of the shares subscribed for by them as fully paid up shares.

But neither in the minutes of the company nor elsewhere is there any record of any bargain or agreement to that effect between the company and Hood and Snow. Oral testimony was given to shew that at the meeting of shareholders on 17th October some explanation was given by Hood to the shareholders present, of some arrangement or understanding