

# The Ontario Weekly Notes

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## COURT OF APPEAL.

MOSS, C.J.O., IN CHAMBERS.

MAY 19TH, 1910.

RE GOOD AND JACOB Y. SHANTZ & SON CO. LIMITED.

*Appeal to Court of Appeal—Leave to Appeal from Order of Divisional Court—Question of Importance to Company Applying for Leave—Terms—Respondent's Costs.*

Motion by the company for leave to appeal to the Court of Appeal from an order of a Divisional Court ante 770, affirming an order made by TEETZEL, J., ante 508, requiring the company to transfer in its books five fully paid-up shares of its stock assigned by one Isaac Good, a shareholder in the company, to the applicant, J. S. Good.

A. H. F. Lefroy, K.C., for the company.

H. S. White, for the applicant.

Moss, C.J.O.:—The amount in controversy in the appeal is much below the statutory sum of \$1,000, but the question involved is, doubtless, of general importance as respects joint stock companies. In this proceeding it has been definitely determined that it is beyond the power of a company incorporated under the provisions of the Dominion Joint Stock Companies Act to enact a by-law, through its directors or otherwise, which prevents shareholders from transferring any of their fully paid-up shares except with the consent of the directors. This appears to be the first express decision to that effect, though the point has been several times before the Court. It was not dealt with in *In re Smith and Canada Car Co.*, 6 P. R. 107; Richards, C.J., saying: "The question was not discussed before me how far the directors had power to make such by-laws as being inconsistent with the provi-