

\$25,000 second preference stock, with the same privileges, subject to the first preference stock—and that the common stock was only to share pro rata in the remainder of the profits and assets with the first and second preference stock—I am not inclined to say that the common stock was worth anything. That seems to have been the view of those interested in the company, as it was given away lavishly as a bonus to those who would buy first preference stock. And as to the second preference stock, I think that it was worth very little indeed, if anything. Now it was \$25,000 of the second preference and \$25,000 of the common stock . . . that Benor was getting for all his knowledge (I am not forgetting his small salary) and for the benefit of his labours. No fraud can be found in this transaction, and I do not think that the company can now call upon Benor to pay for that which he took only in payment for some benefits he was conferring on the company. I am not deciding what would be the result if this were a proceeding under the Winding-up Act to make Benor a contributory. In the view I have taken, it is not necessary to decide whether either of these claims, if established, could be set off against the plaintiff, who honestly took the assignment of Benor's claim without any notice or knowledge of the alleged set-off, or facts which might justify any such claim.

There will be judgment for the plaintiff for the sum of \$1,800, and interest from the teste of the writ, also for the remainder of the amount sued for, with interest from the same date, unless the defendants shall on or before 3rd December elect to take a reference as to the amount (excluding the \$1,800 and interest, which is not to be referred). In case of a reference the Master will find and report the amount of money, with dates and items, expended by Benor for or on behalf of the company, including personal disbursements and the like—reserving to myself further directions and subsequent costs, if a reference be had. The defendants will pay the costs up to and including this judgment. . .

Having, upon his written consent filed, added J. T. Benor as a party plaintiff ab initio, I need not consider the troublesome question as to the effect of an assignment without notice to the debtor.