

also "to arrange as he (John T. Moore) may be able with the mortgagees for reserving sundry debtors, etc., including balances on allotments, as a provision to be accepted by him in full satisfaction of all his claims and demands as managing-director, or otherwise, including services and clerical expenses incidental to the adjustment of all matters with the mortgagees and the writing up and closing of the accounts."

There is no record of any other authority for defendant's receiving these assets—nor does he contend that there was any such—and there is nothing to shew that after that date any meeting of directors or shareholders was held. The last recorded meeting of the shareholders was on March 30th, 1898.

The first question which presents itself is, was there authority in the directors to delegate to a committee the performance of the important duties which it (this committee) assumed to turn over to the defendant? I have not been able to discover from the records of the company any authority given to the directors to so delegate, and I am of opinion that the decision in *Re Leeds Banking Co., Howard's Case* (1886), L. R. 1 Ch. App. 561, is applicable under such circumstances as exist here, and that the directors had no right or authority to delegate their powers and duties. But apart altogether from such want of authority, the procedure adopted in the disposal of these assets was not such as should have been followed in order to give binding effect to the transaction. The committee having assumed to turn over to the defendant the carrying out of these transactions, what followed was carried on without any notice to or knowledge of the shareholders. It was due to them that they should have had an opportunity of knowing what were the remaining assets of the company, and what were the debts or obligations which were to be paid out of these assets. Not only were they, in so far as any notice from the directors or defendant was concerned, in ignorance of the wiping out of the assets which thus left nothing to repay them the moneys they had put into the enterprise, (and not even did the directors themselves take the trouble to ascertain the value of the remaining assets or the amount of the liabilities which these assets went to pay), but the evidence does not disclose that any report of these transactions was sent to the shareholders, in any event until 1902, when it is said the circular letter above mentioned was sent out, signed