

at a valuation which was not shewn to be unfair, and was probably advantageous.

At the trial and on the argument much was made of the theory that this was a dishonest scheme formed by Messrs. Deeks and Hinds for the purpose of appropriating to themselves the outfit, organization and good-will of the Construction Company. I am satisfied that this is not made out. The sole and only object on the part of the defendants was to get rid of a business associate whom they deemed, and I think rightly deemed, unsatisfactory from a business standpoint.

These three men could not against their will be compelled to continue to carry on business for the benefit of an uncongenial associate. The only question is whether they are able to free themselves from obligation to him by the course which they have taken. They represent seventy-five per cent. of the share value of the company. They are three directors out of the four. The substantial question is, can they in this summary way take in their own names and for their own benefit a profitable contract which they might, had they seen fit, have taken for the company? It is conceded that the position is not changed by the formation of the new company and the transfer of the contract to it.

Before considering the legal aspects of the question, the formal proceedings of the Construction Company ought to be mentioned. At a meeting of the directors on the 20th March, 1912, the question of the undesirability of taking any further contracts was discussed, and a general meeting of the shareholders was directed to be called. A meeting was called, and held on the 5th of April, and adjourned till the 9th, when, after discussion, the meeting adjourned without taking any action. The office of General Manager was abolished, and the sale already referred to of the plant was authorized.

This action was not begun until the 12th March, 1913, almost a year later. The next minutes produced are those of the meeting of the directors held on the 3rd April, 1913. The sale already made of the company's assets was confirmed; the action of the company in not entering into new contracts was confirmed; and the directors declared that the company was not in any way interested in the contract in question. This action is then dealt with, a defence is dir-