

oner had not been guilty of an escape; that he was not "at large . . . without some lawful cause" and an order was made for his release.

Order for protection of magistrate made on terms.

*J. B. Mackenzie*, for the motion. *Cartwright*, K.C., Dep. Atty.-Gen., contra.

## Province of New Brunswick.

### SUPREME COURT.

Barker, J.]

[May 21.

*FARBELL v. PORTLAND ROLLING MILLS COMPANY, LIMITED.*

*Company—Prospectus—Misrepresentation—Agent—Liability of directors—Rescission of contract to purchase shares—Delay—Competency of witness—Religious belief.*

Where a broker employed by a company to sell shares in its capital stock, issues, though without the knowledge or authority of the company, a prospectus containing untrue material statements, on the strength of which shares are purchased, the purchase money being paid to the company, the purchaser may rescind the contract as against the company, the broker's statements being binding on his principal as made within the scope and course of his employment.

A broker employed by a company to sell shares in its capital stock, issued a prospectus stating, among other things, that while in the past the company's earnings had been applied to the improvement of its property, "henceforth it is the intention to declare regular half-yearly dividends as the net earnings of the business will warrant. In view of past results, and the very favourable prospects for increased earnings, shareholders can with confidence look forward to receiving satisfactory returns on their investments in the shape of dividends." No mention was made of the debts or assets of the company. It owed a large