

good but which the company refused to honour. He brought suit against them next day and the court decided against him. He paid his costs, only a trifle, and the next time he got on the car he offered the same ticket. It was refused, and again he haled the company into court.

As he was his own lawyer and the ticket was his witness, it was not an expensive course of litigation for him, but it cost the company something. As often as he would be thrown out of court he would offer the ticket again and establish grounds for a new case. At last the tramway company saw a great light. They accepted the ticket one day and let the lawyer ride.—*Law Notes.*

THE FIDUCIARY RELATION OF A PROMOTER.

A promoter bears a fiduciary relation both to the corporation and to the subscriber. As regards the corporation his position of advantage in dealing therewith creates this relation. 1 *Morawetz*, Priv. Corp, s. 545. His duty is to disclose the facts of such transactions in behalf of the corporation as it may adopt. *Yale Gas Stove Co. v. Wilcox* (1894) 64 Conn. 101. There is, however, no obligation to disclose dealings made before he became a promoter. *McElhenny's Appeal* (1869) 61 Penn. St. 188. The remedies open to a corporation for a breach of this obligation are rescission, or a suit in equity to recover the secret profits. *Cortes Co. v. Thannhauser* (1891) 45 Fed. 730.

Among cases in which a corporation has sought to recover profits made by promoters from a sale of property, clearly the sale may be avoided or secret profits recovered if the majority stockholders without knowledge of the facts adopted the transaction. Even though the majority knew the facts, if their action be not *bonâ fide* the corporation can recover by a minority stockholder's suit. *Hebgen v. Koeffler* (1897) 97 Wis. 313. But the promoters are not liable where they constitute the sole stockholders during the life of the corporation, *Salomon v. Sc'mon & Co.*, [1897] L.R. App. Cas. 22, or where, having organized