

Upon the first point, the learned Judge referred to sec. 23 (1) (d) and (k) of the Companies Act, R.S.O. 1914 ch. 178; and said that, taking Tolton as a person engaged in a transaction, as he undoubtedly was, with the plaintiff, if it was one which the defendant company were authorised to engage in, or if it were capable of being conducted so as directly or indirectly to benefit the company, the company might enter into any arrangement for co-operation or joint adventure with Tolton, and guarantee his contract or otherwise assist him.

The contract of the 19th October, 1914, was based upon a transaction entered into by Tolton with the plaintiff, in respect of which the defendant company had in fact advanced moneys and had guaranteed payment for certain materials; and by the contract the means to carry out the undertaking are provided for. The plan was, that Tolton should advance moneys in instalments, partly fixed and partly based on the plaintiff's expenditure, and that the plaintiff should, with that amount of financial aid, complete the building and pay certain liens and claims. The agreement recognised that Tolton was engaged in a transaction, the carrying out of which would in many ways benefit the defendant company, who had more than \$2,500 at stake in it, which might be lost if completion of the building were endangered. If so, the guaranty would be within the company's statutory powers under sec. 23 (1) (d), as being made pursuant to an arrangement for co-operation or joint adventure with Tolton.

Considering the nature of the transaction, it might well be held that the defendant company were lending money to Tolton to be paid by him under the contract to assist the plaintiff in finishing the building upon lands then owned by the company, but in which he had, or might by the grace of the company have, an interest. Tolton was certainly one having dealings with the company so that the guaranty of his contract came literally within clause (k).

It was unnecessary to express any opinion upon the legislation of 1916, 6 Geo. V. ch. 35, sec. 6.

Dealing with the second ground of appeal—that the plaintiff could not recover because the building was not fully completed—the learned Judge said that this objection was not dealt with in the judgment of the Chancellor. The conclusion of the County Court Judge that there was a substantial compliance with the contract of the 19th October, 1914, was the proper one.

The right of the plaintiff to recover from Tolton the sums to be advanced weekly and monthly was in no way dependent on the completion and equipment of the factory, as was pointed out in