

appointed liquidator, and in March, 1890, he was authorized to institute this action.

The action came on to be heard before the Superior Court on the 24th of November, 1894, when it was dismissed with costs. The Court held that the plaintiff had failed to prove the material allegations of his declaration. The judgment was affirmed on appeal by the Superior Court sitting in Review on the 31st of December, 1895.

It appears from the reasons given by the Honorable Mr. Justice Jetté that the only question argued before the Court of Review was whether the shares of the promoters were paid in full, having regard to the provisions of Article 4722 of the Revised Statutes of Quebec which formed part of the Statute under which the company was incorporated. That article so far as is material to the present question is as follows:—

(1.) The capital stock of all Joint Stock Companies shall consist of that portion of the amount authorized by the charter which shall have been *bonâ fide* subscribed for and allotted and shall be paid in cash.

.....
 (5.) Every form and manner of fictitious capitalization of stock in any joint stock company or the issuing of stock which is not represented by a legitimate and necessary expenditure in the interest of such company, and not represented by an amount of cash paid into the treasury of the company, which has been expended for the promotion of the objects of the company, is prohibited, and all such stock shall be null and void.

Jetté, J., considered that par. 1 of article 4722 which was originally enacted as Sec. 1 of the Quebec Statute, 47 Vict., cap. 73, was a reproduction more or less exact of Sec. 25 of the Imperial Statute known as the Companies Act, 1867. Construing the expression "paid in cash" in Article 4722, par. 1, by the light of well known English authorities as to the meaning of the same words in Sec. 25 of the Imperial Statute of 1867, his Honour held that the shares of the promoters were fully paid.

Before their Lordships an attempt was made to re-open the charge of fraud which seems to have been abandoned in the Court of Review. It was urged that the price of the property was not fixed or considered by an independent Board of Directors and that in this respect the transaction was improper and fraudu-