

company by Cadham, it bearing on it the following indorsement:  
"Surrendered this                      of October, 1907, J. G. Cadham."

When Cadham signed the receipt for the certificate for eight shares, he knew that the amount of each share was \$50. When he originally agreed to subscribe for the four shares he informed the secretary of the company that his liability was to be limited to \$200, and he seems to have accepted the certificate for eight shares in the belief that he was not thereby incurring any liability in respect of the unpaid portion of the stock represented by the certificate.

A company like the present one, organised under the Ontario Companies Act, is not entitled to issue shares at a discount, and the circumstance that the eight shares in question, in accordance with the understanding or agreement between the company and Cadham, were issued to him as paid up in full, would not relieve him of liability in respect of the unpaid amount, if he is held liable as a holder of the eight shares.

The real question to determine here is whether Cadham agreed to become a member of the company in respect of the eight shares. The evidence shews that when pressed on behalf of the company to become a member, he expressed his determination to assume no responsibility in excess of \$200, and he sought to impress that determination upon the secretary of the company. When, on the 4th September, 1906, the company issued and tendered to him a certificate for eight shares of \$50 each, instead of refusing to accept the certificate, he gave the company a receipt therefor. This act in itself appears to me to be a consent on Cadham's part to become a member of the company in respect of the eight shares. On the 17th September, 1906, he paid to the company \$200 for the shares covered by this certificate, doubtless supposing that this payment discharged his full liability as a member holding eight shares of \$50 each. At that time he knew he was being treated by the company as the holder of eight shares, and he was content to allow matters to remain in that position until October, 1907. In the interval, namely, on the 4th March, 1907, the company declared a dividend, and he accepted the same. He knew that the \$4 then being paid to him was a dividend upon his holding of eight shares. So far as appears, he still retains the \$4.

The company has been in liquidation since the 24th August, 1908, and, on the 25th February, 1909, Cadham filed a notice contesting the liquidator's right to place him upon the list of contributories; but he did not even then, with his notice of contestation, offer to return the dividend. His acceptance of the