

Ferrier, at the time of the execution of this agreement, paid \$5 of his own money. This was afterwards refunded to him by the company, and the company paid the first two instalments, amounting to \$300; and Ferrier took possession on behalf of the company.

Subsequently an agreement was made, dated the 13th June, 1912, between Ferrier and the company, by which Ferrier was employed to take charge of this particular business at Nester-ville, upon a salary. Contemporaneously, a document was drawn, bearing date the 13th June, 1912, reciting the agreement of the company to take over Ferrier's agreement with Bird and undertaking to indemnify him with respect thereto.

Some evidence was given at the hearing indicating that a copy of this agreement had been signed; but, as it was not produced, and the evidence was unsatisfactory, I am unable to find that it ever was executed.

The business was carried on by Ferrier on behalf of the company for some months; and during that time payments were regularly made of the monthly instalments as they fell due; the last payment being that falling due in October.

A fire then took place, which destroyed the building and contents; and, on Bird looking to the company to continue the payments, it repudiated the entire transaction; taking the position that Mr. A. B. Ferrier had no authority to enter into the arrangement made.

It appears that Mr. A. B. Ferrier entirely misrepresented to his co-directors the agreement that he had entered into. They understood that he had purchased the business and fixtures for \$300 and had rented the premises at \$20 per month.

Under these circumstances it is impossible to find any ratification on the part of the company by anything that was done; and the case must be determined upon other grounds.

The plaintiff relies upon the judgment of Garrow, J.A., in *National Malleable Castings Co. v. Smiths' Falls Malleable Castings Co.*, 14 O.L.R. 22, where it is said (p. 28): "The board of directors would certainly, I think, have had power to bind the company by entering into such an agreement. And if the board could lawfully have done so, they could also, I think, have authorised the manager to do so for the company. And, in the total absence of bad faith or notice, the plaintiffs were entitled to assume that he had been duly clothed with the real authority which he was ostensibly exercising in entering into the contract in question."