

Sproat, George Castle, William A. Dixon, William McLean, Finlay McCallum, Robert Hume, James Murray, George Denoon, and John McLeod, have assigned and transferred their applications for the issue of shares of stock of the Farmers Bank of Canada, and their right to shares in accordance with the said applications to one William J. Lindsay, and that the claims of the plaintiffs last above-named and also the obligations and liabilities of the said plaintiffs have ceased; it is ordered, and adjudged that this action be and the same is hereby dismissed out of Court without costs."

The judgment carefully refrains from any statement or admission that the plaintiffs—including Sproat and James Murray — were shareholders. Both had promptly repudiated, and brought an action for a declaration that the subscriptions were void.

On the 27th October, 1906, W. R. Travers, acting general manager of the bank, wrote to James Murray a letter informing him of the judgment, expressing regret that the bank had lost Murray and Sproat as subscribers, and concluding: "You will understand that you are now relieved from any further responsibility to this bank." A copy of this letter is produced by the liquidator.

All the foregoing was complete a month before the organization meeting and election of directors. Months afterwards, the directors apparently assumed to attempt to allot shares on the said subscriptions. There is no evidence that any notices of allotment or of calls were ever sent to either Sproat or Murray. I am of opinion, from the appearance of the books, that no notices were sent, and that there was no intention to send any to Sproat or Murray, but it served the purposes of the directors to proceed on the assumption—as Lindsay was their creature—that such shares existed, and they apparently, as shewn by the evidence of Mr. Frederick Clarkson, used those alleged shares, sold them, and probably got the money for them. Neither Sproat, to the date of his death, the 25th June, 1910, nor James Murray, before or since, had anything further to do with the matter—never received dividends, never attended meetings, voted, or knowingly allowed their names to appear on the bank's books, nor did they, or either of them, receive any certificate of shares or other