

JANUARY 26TH, 1903.

C.A.
 RE PUBLISHERS' SYNDICATE.
 PATON'S CASE.

Company—Winding-up—Subscription for Shares—Transfer of Shares by Old Subscriber to New Subscriber—Relief from Liability—Illegal Payment to Director.

Appeal by J. H. Paton and cross-appeal by liquidator from order of MEREDITH, C.J., varying judgment of Winchester, Official Referee, and settling the appellant on the list of contributories of the Publishers' Syndicate. The syndicate, finding that some of their shareholders were not in a financial position such that they could meet their liabilities upon unpaid stock, sent out their agents to procure subscriptions for stock, arming the agents with powers of attorney in blank or to themselves. One Moorehouse and one Brodie signed such powers of attorney authorizing one Stark, an agent, to "receive from the vendor" three shares and five shares respectively. Moorehouse subsequently signed a second document whereby he applied for three shares of stock in the company. The company allotted three shares to Moorehouse upon the application and allotted two shares to Brodie. These five shares were paid for in full to the company. Brodie subsequently paid three instalments of \$300 each in respect of the other three shares mentioned in the power of attorney. Some months afterward the appellant, who was the owner of 30 shares in the company, upon which he had paid \$1,300, having had his attention called to the fact that Moorehouse's and Brodie's powers of attorney were pasted in the transfer book without any transfers opposite them, directed three of the shares standing in his name to be transferred to Moorehouse and two to Brodie, altering the accounts to make it appear that the moneys paid for the shares issued to these subscribers by the company were in fact paid for the purchase of shares from him, the appellant. It was held below that the appellant had no right, so long after the date of the powers of attorney, to take advantage of their form and procure the attorneys thereunder to accept shares standing in his name. Paton's appeal was taken upon the ground that there had been an absolute and formally regular transfer from the appellant to Moorehouse and Brodie, duly accepted by the attorneys of the latter. The liquidator of the company opposed the appeal, and cross-appealed in respect of three other shares transferred from the appellants to other persons under circumstances similar to those under which the transfers already referred to took place, in respect of the