

C. A. Masten, K.C., and M. C. Cameron, for the plaintiffs.

I. F. Hellmuth, K.C., and F. E. Hodgins, K.C., for the defendants.

CLUTE, J.:—The defendant McBean is a man of no means, and did not pay and was not expected to pay for the stock. He lent his name to enable the parties interested to obtain the stock of the company that it might be given as a bonus to any one purchasing preferred stock, the issue of which the supplementary letters patent did not authorise. The transaction was worked out in this way.

The former solicitor of the company* seems to have had some bills of costs, said to amount to \$1,000, against the defendant Curry, the president and manager of the company. Curry transferred to the solicitor two alleged inventions for which caveats had been entered, but for which patents had not been obtained. It is said that these transfers were in payment of this bill of costs; but of this the evidence was slight, and I am strongly of opinion that it was merely a part of the scheme. The solicitor procured the defendant McBean to act as his agent, and placed in his hands the so-called inventions, and prepared an agreement, dated the 16th June, 1908, between McBean and the company.

The agreement recites that McBean is in possession of certain new and valuable discoveries in connection with the process of wire-drawing, which inventions are more particularly described in schedule hereunto annexed. It does not appear that any schedule was annexed, and none was proven. It further recites that McBean has agreed to transfer his interest in these inventions and discoveries to the company, in consideration of the transfer to him of 50,000 shares of the common stock of the company, on the terms and conditions thereafter set forth. The agreement then provides that McBean is immediately to apply for 50,000 shares of common stock, he to be called upon to pay over at once only \$10, being the par value of one share. McBean is to transfer to the company all his rights for Canada and an undivided one-half interest in his rights for other countries in these inventions. McBean agrees to transfer 40,000 shares of the 50,000 to a person to be agreed upon between himself and the president of the company "so that the 40,000 shares, or such part thereof as shall, in the sole discretion of said person, be deemed necessary, may be given as a bonus to purchasers of preferred stock in such amounts as the said person may deem necessary or advisable to give to promote the sale of the remainder of the company's stock." The remaining 10,000 shares were to be transferred by McBean to this "said