dividends from their insolvent estate to less than such sum, A. had no cause of action.

Appeal dismissed with costs.

*Christopher Robinson, Q.C.,* & *Clarke, Q.C.,* for the appellant.
*Delamere, Q.C., & English,* for respondent.

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9 October, 1894.

Ontario.]

## In re HESS MANUFACTURING Co.

### EDGAR v. SLOAN.

*Winding-up Act—Contributory—Promoter of company—Sale of property to company by—Rescission.*

Two brothers named H., being desirous of purchasing a site for erecting a building in which to carry on the manufacture of furniture, and not having the means to do so, applied to S., father-in-law of one of them, for aid in the undertaking. S. obtained from the owners a conveyance of said site, the consideration being the erection of the building and running of the factory within a certain time, or, failing that, the sum of $3,000. The building was erected within the limited time and a company having been formed, the manufacturing business was started. S. was one of the provisional directors of the company, having subscribed for shares to the amount of $7,500, and subsequently the son of S. and the two brothers were appointed directors, through whom S. transferred the property to the company, having previously mortgaged it for $7,000 (it having cost $7,300), besides which some $5,000 had been expended on it, the money being supplied by the wives of the two brothers. On the property being transferred to the company 360 shares of the capital stock, of the value of $50 each, were allotted to S. as fully paid up shares and to include his former subscription. 234 of these shares were afterwards transferred by S. to his son and daughter. The company having failed, the liquidator appointed under the winding-up act, applied to the master to have S. placed on the list of contributories for the 360 shares. The master complied with this request to the extent of 126 shares standing in the name of S. when the winding-up proceedings were commenced, holding that S. purchased the property as trustee for the company and so gave no value for the shares assigned to him. This ruling