

the rent paid or payable by the Board should be fixed at \$2,888.94.

The value of the renewal term of 5 years should be allowed at \$3,200.

These three sums amounted to \$8,588.94, and for that sum the plaintiffs should have judgment; the defendants should have judgment on their counterclaim for \$5,514.59; these two sums to be set off pro tanto. The plaintiffs should have their costs of the action and the defendants their costs of the counterclaim, with set-off.

LENNOX, J.

JUNE 17TH, 1919

RE DOMINION PERMANENT LOAN CO.

*Company—Winding-up—Shareholders Receiving Dividends improperly Paid out of Assets of Company—Liability to Repay—Jurisdiction of Referee under Winding-up Order to Determine—Contributories—Holders of "Prepaid Stock"—Assets and Undertaking of another Loan Company Sold and Transferred to Insolvent Company—Contract—Approval of Lieutenant-Governor in Council—Ontario Loan Corporations Act, R.S.O. 1897 ch. 205—Position of Shareholders in Selling Company who Received Paid-up Shares in Insolvent Company.*

A reference having been directed to an Official Referee under an order for the winding-up of the company, appeals from his rulings and orders were taken by shareholders as follows:—

(1) An appeal, on behalf of Edward Acheson and all other shareholders of the company whose names appeared upon the list of contributories, from the ruling of the Referee that he had power to hear and determine the claim of the liquidator to make these appellants liable for the amounts of the dividends received by them in respect of shares held by them in the company.

(2) An appeal, on behalf of Edward Acheson and all other members of the company holding shares of the company's stock designated "prepaid stock," from an order of the Referee settling these appellants upon the list of contributories and holding them liable to the liquidator for the balances by him claimed as unpaid upon their shares.

(3) An appeal, on behalf of Florence Adams and all other persons named in the summons to contributories whose names appeared upon the records of the company as members or shareholders thereof in respect of shares of that company theretofore issued to them in substitution for shares of the capital stock of the Provincial Building and Loan Association, from an order of