

referee does not discredit McNicol as a witness. His story is that C. H. Davies, who was managing director of the company, saw him on behalf of the company for the purpose of inducing him to take stock. McNicol at first refused. Davies then offered to take some insurance through McNicol, and upon this inducement McNicol agreed to take one share. Davies wished him to take 5 shares, but McNicol refused. Davies then asked McNicol to give an accommodation note for \$400, which McNicol agreed to do. Davies brought him a stock certificate for "5 shares of the par value of \$100 each, fully paid, of the capital stock of Charles H. Davies Limited, telling him that, as to 4 of the 5 shares, they were to be security for the accommodation note which McNicol was asked to give. Upon this understanding McNicol took the certificate. The company drew upon him for \$100, which he paid. When McNicol's note for \$400 matured, Davies wanted him to renew. McNicol renewed, Davies giving him a note for the same amount to shew that McNicol's note was for accommodation. When McNicol's note again matured, Davies wished it again renewed, but McNicol refused to renew it. Davies then asked him to split the note in two, and McNicol thereupon gave him a note for \$200, but did not get back the \$400 note. When the \$200 note matured, Davies asked for its renewal, and McNicol refused. Davies then drew upon McNicol for \$200. McNicol at first refused to accept, but finally accepted, getting from Davies a note for the same amount, as he says, to shew that the acceptance was for accommodation. Two of the notes signed by Davies in favour of McNicol are produced; also the draft for \$100 paid by McNicol, and the \$200 draft accepted, but not paid; the other notes have been lost.

There was no subscription or application for stock by McNicol, and no allotment of stock to him. He attended some of the company's meetings, and accepted a dividend in respect of the \$100 paid by him, but, inasmuch as he is admittedly a holder of one share, these acts are equivocal, and cannot create an estoppel against him. McNicol certainly never thought he was acquiring more than one share in the company. As to the other 4 shares, he thought he was obtaining security for a loan which he was making presumably to or for the benefit of the company. It was so represented to him by the company's general manager, who was acting as the company's agent in the sale of the stock. The company issued to McNicol a certificate in which the shares