

agent. He issued to purchasers of stock interim certificates which he signed as agent of the company and which went into and were produced from the possession of the defendant company.

The applications for stock that he received he forwarded in the first instance to Reynolds and received from time to time moneys on account of the sale of stock and forwarded the same to Reynolds. When the stock was fully paid for, he forwarded the interim certificates to Reynolds who apparently passed them on to the defendant company, and in due course stock certificates were sent back to him through Reynolds. He says that he learned from Reynolds how to demonstrate the model and did demonstrate it to prospective purchasers of stock. He also says that he had at his office in Ottawa copies of the prospectus and other literature of the defendant company.

Under these circumstances, in November, 1910, the plaintiff went into Weaver's office (or the office of the defendant company) in Ottawa. He alleges in his statement of claim that Weaver, acting as the agent for the defendant company, and to induce him to buy 50 shares of stock therein, falsely and fraudulently represented to him that the defendant company was the holder of patents for Canada for a certain automatic truck and for a carrier system, whereas the defendant company had only a limited right to operate under said alleged patents in the Province of Ontario; and that he falsely and fraudulently represented "that the defendant company had purchased the patents for the Dominion of Canada for the said inventions, by issuing to the patentees thereof 25,000 fully paid shares of the capital stock of the defendant company, whereas . . . there had been paid by the defendant company for the said patent rights for the Province of Ontario . . . 80,000 shares of the capital stock of the defendant company and that in addition to the issue of such shares the defendant company was liable to pay cash royalties to the patentees."

He further says that in January, 1912, the defendant Weaver, as agent for the defendant company and to induce him to buy a further 50 shares of its stock, falsely and fraudulently represented "that the said defendant company had at that time received a sufficient number of orders for the automatic baggage trucks to overtax the capacity of the company's factory and to necessitate the immediate erection by the defendant company of a second factory, and that