

HYATT v. ALLEN—SUTHERLAND, J.—Nov. 8.

Company — Directors — Account — Reference — Report — Salaries and Disbursements of Directors—Value of Preferred Shares Received by Directors—Evidence—Costs.]—Appeal by the defendants and cross-appeal by the plaintiffs from the report of the Local Master at Picton upon a reference to take certain accounts. See *Hyatt v. Allen* (1911-12), 2 O.W.N. 927, 4 O.W.N. 370, 1401. The Master's report was dated the 3rd June, 1915. The first ground of the defendants' appeal was, that the Master should have allowed a further sum for remuneration to two of the directors (defendants) of the Lakeside Canning Company Limited, Arthur Allen and W. C. Cronk, in respect of wages paid to workmen, salaries of the two directors, and travelling expenses. The learned Judge entirely agrees with the Master upon this branch of the appeal.—The second contention of the defendants was that the Master erred in directing the defendants to account for the preferred stock of the Dominion Cannery Limited at the sum of \$10,968.75. The defendants contended that the stock might have been advantageously disposed of pending the litigation, but for the refusal of the plaintiffs to agree to a sale thereof, and that the stock had much depreciated in value. The learned Judge was of opinion that the defendants, by the course pursued on the reference, had entirely precluded themselves from now raising any objection to accounting as directed. It was proper for the Master to charge the defendants with the market value of the stock as of the 4th March, 1910; and it was not now open to them to question the value as fixed at \$10,968.75.—The third and fourth grounds of appeal were that the Master should have admitted evidence to shew that certain of the plaintiffs were not entitled to recover, and had disregarded evidence to that effect. In the circumstances of the case, the learned Judge did not feel that he would be warranted in giving effect to the defendants' contentions in regard to these two grounds.—The defendants also contended that the plaintiffs should be ordered to pay that portion of the costs of the reference incurred in contesting points upon which they were not successful. The learned Judge said that he had examined the proceedings and evidence upon the reference and had formed the opinion that the costs thereof had not been so substantially increased by matters unsuccessfully brought forward by the plaintiffs that they should be deprived of any portion of the costs of the reference.—The plaintiffs should have the costs of the re-