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HIGH COURT DIVISION.

WIDDIFIELD, LOCAL MASTER.

JUNE 29TH, 1918.

RE OWEN SOUND LUMBER CO. LIMITED.

*Company—Winding-up—Liquidator — Disbursements — Premiums
Paid to Guarantee Company for Fidelity-bond.*

Upon a reference to the Local Master at Owen Sound for the winding-up of the company, he appointed a permanent liquidator on the condition that he should furnish security in the sum of \$15,000. The security was given by the bond of a guarantee company; and the liquidator, on passing his accounts, sought to be reimbursed the amount (\$260) of the premiums paid to the guarantee company.

THE LOCAL MASTER referred to Masten's Company Law, p. 616; Parker and Clark's Company Law, p. 432; Rule 57 (5) of the English Companies (Winding-up) Rules of 1909, which specially provides that the cost of furnishing security shall not be charged against the assets of the company; the Winding-up Act, R.S.C. 1906 ch. 144, secs. 28, 40, 92, 134; and In the Goods of Harver (1889), 14 P.D. 81; and said that to compel a liquidator to pay for his bond might often work an injustice. In the present case the bond was much larger than eventually proved necessary; and, owing to protracted litigation, the liquidator had been compelled to pay in premiums an amount almost equal to the maximum sum allowable on the amount realised. The sum of \$260 should be allowed as a proper disbursement in the winding-up.