

of opinion that this clause in the charter—as to the date of holding the first annual meeting—is directory only, and that the original trustees held office till their successors were legally appointed.

(4) It was urged that the organization, being effected by three out of five trustees, was void and irregular. This is certainly a formidable objection, and requires consideration. The charter incorporates five named gentlemen and their associates. It names the five incorporators as the first trustees of the company. It enacts that the number of trustees, or managing officers of the association, shall be five until otherwise altered by the by-laws of the society. The charter nowhere names a quorum, or enacts that any less number than the five trustees can do any act which should be binding on the company. It is, therefore, imperative. Assuming that the direction to hold the annual meeting in May, 1884, and subsequent years be only directory, and the clause in the charter declaring that the trustees were to hold office till their successors were appointed aids this construction, still the five trustees must meet to perform such an important act as the election of members; and if any one of the trustees had died or refused to act or attend the meeting, it would seem that the association practically became dissolved—unless, indeed, a general meeting could be called, and the remaining trustees, acting as members at a general meeting, met, in the absence of by-laws on the subject, elected other persons members, and then reconstituted their board. Mr. Shepley, upon this point, argued that the meeting of the 21st of June, 1890, was a general meeting; but the notice which is set out in the minutes plainly says that it was simply a meeting of trustees. (See *Lindley*, 157; *Re Alma Spinning Company, Bottomley's Case*, 16 Chy. Div. 681; *Kirk v. Bell*, 16 Q.B. 290; *Garden Gully Co.*, 1 App. Cas. 39.)

If, then, the proceedings of this meeting were void so far as electing members was concerned, the proceedings of the adjourned meeting, 24th June, 1890, were equally ineffectual, and the by-laws were not legally adopted, though it appears from the minutes that three out of the five trustees were present at such adjourned meeting. The sixty-six gentlemen whose names were submitted for membership were not legally elected, and did not therefore become members of the association; and, if not members, are not liable to be made contributories. This association was incorporated for the professed object of insuring the lives of its members, and its members only. The by-laws, which they purported to pass, confined the membership to persons who were applicants for policies, and whose risks had been accepted. The contract contemplated with the policy-holders was that they should pay their premiums annually. Out of these premiums so paid the current expenses of the society—remuneration to officers, wages, etc.—were to be paid by a board of management; and out of the surplus the policies were to be paid as they became claims; and any surplus of the surplus, after making the foregoing payments, was to be divided upon certain terms amongst the policy-holders. There was, of course, no obligation upon the policy-holder to continue paying his premium. If he chose he could drop his policy; and in case the company became insolvent or unable to carry on, and had to be wound up, the only assets would be the funds in the hands of the company, and any property acquired by the company. The policy-holders