

paid by the company to them in cash and shares. There are at most but two issues of fact between the parties, viz., as to the existence of the alleged fiduciary relationship, and as to the appellant and his associates having purchased the businesses for less than they received from the company; and what is not relevant to these issues relates to the state of the account, on the footing that the liability of appellant and his associates is established. It is admitted that they received from the company a sum in cash and stock far in excess of what they paid, and the only matters really in controversy are their liability to account for the profit, and, if liability be established, the amount for which they are answerable. In this view of the case, there is no difficulty in directing that discovery as to details of the expenditures made by the appellant and his associates in acquiring the businesses, or consequential discovery as it is termed, should be postponed until their liability to account has been established; nor will the plaintiff be prejudiced by such a course being taken; while, if it is not taken, and it turns out that plaintiff fails to establish liability, the appellant will have been compelled to make discovery as to matters in which neither plaintiff nor defendant company has any interest. It is the practice of the Court, as a general rule, to postpone consequential discovery until liability has been established: *Great Western Colliery Co. v. Tucker*, L. R. 9 Ch. 376; *Re Leigh's Estate*, 6 Ch. D. 256; *Benbow v. Low*, 16 Ch. D. at p. 98; *Parker v. Wells*, 18 Ch. D. 477; *Vermineck v. Edwards*, 29 W. R. 189; *White v. Ahrens*, 26 Ch. D. 717; *Fennessy v. Clark*, 37 Ch. D. 184; *Hurst v. Barber*, 12 P. R. 467; *Graham v. Temperance and General Life Assce. Co.*, 16 P. R. 536; *Dickerson v. Radcliffe*, 17 P. R. 586; *Sydney Cheese and Butter Factory Assn. v. Brower*, 19 P. R. 152; *Evans v. Jaffray*, 3 O. L. R. at p. 341; *Bray on Discovery*, p. 125; *Leitch v. Abbott*, 31 Ch. D. 374; *Elmer v. Creasy*, L. R. 9 Ch. 69, and *Owen v. Morgan*, 39 Ch. D. 316, distinguished.

As to the sum of \$250,000 said to have been paid to the National Trust Company for underwriting the shares of defendant company, the appellant ought not to be required to make further answer. He admitted that this payment was made, and no object is to be gained by requiring him to repeat that admission. If plaintiff establishes the liability of appellant and his associates to account, and they seek to discharge themselves pro tanto by this payment, it will form an item in the account, as to the particulars of which the appellant should not now be required to answer. If plaintiff seeks to charge appellant and his associates as directors of