

Per DUFF, J.:—A finding of fact, based entirely upon the inference which the trial judge has drawn from the evidence before him, may be freely reviewed by the Court of Appeal. (*Hood v. Eden* (1905) 36 S.C.R. 476, at 483.) A principal who, knowing that an agent with a limited authority is assuming to exercise a general authority, stands by and permits third persons to alter their position on the faith of the existence in fact of the pretended authority, cannot afterwards, against such third party, dispute its existence.

Decision of Harrison, Co., J., affirmed.

R. T. Elliott, for plaintiff. *Barnard*, for defendant Duns-
muir. *Helmcken*, K.C., for Harrison.

Hunter, C.J., Martin, J., Morrison, J.] [Nov. 16, 1905.]

LASELL v. THISTLE GOLD COMPANY.

Agreement—Corrupt or illegal consideration—Promise of benefit to employee—Fraud on company by its manager.

L. being manager and part owner of a mining company, which was in financial difficulties, and owing him some \$1600 on account of salary, agreed with H. that the latter should acquire the outstanding debts of the company, obtain judgment, sell the property at sheriff's sale and organize a new company, in which H. was to have a controlling interest. L. was to refrain from taking any steps towards winding up the company, and in consideration therefor he was to be given in the new company a proportionate amount of fully paid-up and non-assessable shares to those held by him in the old company. He also agreed not to reveal this understanding to certain of the shareholders.

Held (Morrison, J., dissenting), that if there was any consideration for H.'s promise it was an illegal consideration, a fraud on the shareholders, and a breach of trust on the part of the manager. A man who occupies the position of superintendent or manager of a mine is not to facilitate the remedies of creditors but to protect the interests of the company.

Bloomfield, for plaintiff (respondent). *Belyea*, K.C., and *Morphy*, for *Hannah*, defendant (appellant).