

The shareholders whose representatives are parties to the action, together with those of the respondents who were themselves shareholders, were the promoters of the company. From them the company bought the property upon which it carried on its business; and they held the whole of the subscribed stock with the exception of 50 shares belonging to Mr. Finlay, the manager.

The action was brought to recover from the respondents in their individual or representative capacities sums amounting in the aggregate to \$25,000. The relief sought was based on fraud and nothing else. The declaration in the action stated that although the nominal and ostensible price of the property was \$35,000, the real price actually paid was \$10,000 only, and it charged that the property was in fact worth no more; the difference, according to the statement in the declaration, was accounted for in the books of the company by means of entries which the appellant as plaintiff alleged to be false and fictitious, making it appear that the promoters had paid up their shares in full while \$25,000 still remained unpaid.

The facts are not in dispute. The property had belonged to a company called "The St. Lawrence Pulp and Paper Company" which failed almost immediately after it commenced operations. The liquidator put the property up for sale by auction in March, 1886. It was then bought by or on behalf of four persons interested in the old company for the sum of \$9,000. The purchasers entered into communication with certain persons described by the respondent Beauchemin, who was one of their number, as "capitalists," with the view of forming a new company and re-establishing the business. M. Beauchemin was called as a witness by the plaintiff. He said that the four purchasers represented that the property which they had bought was worth \$50,000 but that he would not take it at that price, and as the result of negotiations it was agreed that the property should be sold to the new company as soon as it was formed for \$35,000, and that the difference between that sum and the auction price, which by the addition of interest and incidental expenses was brought up to \$10,000, should be for the benefit of the promoters of the new company, that is for the four purchasers, and M. Beauchemin and his friends.

The evidence as to value was clear and uncontradicted. A. M. Pontbriand, a manufacturer living in Sorel, who was interested