

CARTWRIGHT, MASTER.

OCTOBER 28TH, 1903.

CHAMBERS.

SASKATCHEWAN LAND AND HOMESTEAD CO v.
LEADLEY.*Pleading—Defence and Counterclaim—Action Brought in Name of
Company—Illegal Proceedings—Directors.*

The defendants other than John T. Moore submitted to the order reported ante 850. Defendant John T. Moore amended his defence by striking out the 9th paragraph and adding 16 others. By para. 9 he set out that on 30th June last he was, and still is, a shareholder in the said company. Para. 10 stated his appointment on 30th March, 1898, as director. Then para. 11 took up the proceedings in June last, and after setting them all out very fully and alleging numerous irregular and illegal acts on the part of those who were the substantial plaintiffs, asked on behalf of himself and other shareholders in the same interest, by way of counterclaim, a declaration that the whole proceedings of 14th July, 1903, were illegal and void, including the election of directors.

Plaintiffs moved to strike out the new paragraphs, on the grounds that by the former order the matter was res judicata, and that this was not a proper ground of counterclaim and was embarrassing.

J. J. MacLennan, for plaintiffs.

W. H. Blake, K.C., for defendant John T. Moore.

THE MASTER.— . . . The amendments conclude by asking the Court to set aside the pretended election of directors in July last. This involves the question of who are shareholders and who compose the company. Such relief may properly be asked by any shareholder feeling himself aggrieved. In the present action it cannot at this stage be said to be improperly set up by way of counterclaim. The action seeks to have certain transactions between the company and the mortgagees set aside, and that the company be allowed to redeem. It may be that the company as such may be quite willing to ratify these proceedings and to cure any defects in them. This would leave it open to any dissatisfied shareholder to bring his action to open the matter. But it might be a substantial ground of defence that the company, acting through a majority of the shareholders, had confirmed the impeached release of the equity of redemption, and that the minority, however dissatisfied, must submit to anything