

to the Stewart, Howe & May Co.; so that not a dollar of cash had been put into the venture.

For the purpose of obtaining the supplementary letters patent, Meek subscribed for one hundred shares of stock. On the 9th of December, a meeting of the shareholders of the company was held, at which all the shareholders were present or represented. At this meeting the hundred shares were allotted to Meek, and it was directed that a stock certificate should issue to him. See minutes of the meeting of that date, attested by Meek himself as President. This allotment is also recognised by the directors—See minutes of directors' meeting of the same day.

Upon the strength of this subscription, the application was made and the supplementary letters patent were issued; the necessary affidavit proving the subscription for more than ninety per cent. of the stock being made and lodged with the Department.

Thereafter—on the 23rd of January, 1909, Meek transferred a patent for a skirt supporter and waist holder to the company, in consideration of the allotment to him of 260 shares of the stock of the company as paid-up stock.

It does not appear from the minutes that this 260 shares includes the 100 shares for which Meek had subscribed.

In September, 1909, the company determined to increase its capital stock from \$150,000 to \$200,000. It was again necessary that ninety per cent. of the capital should have been subscribed; that is, 90 per cent. of \$150,000. Meek treated himself, and his associates treated him, as a stockholder in respect of both sums, and application was made for the supplementary letters patent upon that basis. The papers deposited shewed that Meek was a stockholder in respect of this hundred shares upon which nothing had been paid.

In making the annual returns to the Government, as required by the statute, for the year 1908, Meek is shewn as a stockholder in respect of 891 shares, on which \$10,000 is unpaid; and in the return made in February, 1910, he is shewn as a stockholder for 926 shares, on which \$10,000 is unpaid. This proves conclusively that the \$10,000 stock was not supposed to be part of the 260 shares allotted for the patent.

Meek himself verifies these returns, not merely by his signature, but by his oath; and his explanation that the amount was carried forward by a mere oversight cannot be accepted, as the returns were apparently prepared in typewriting, but a correction is made in ink, shewing the \$10,000 as still due.