

Courts, you would not realize anything on your payments. As it is, we are able to carry out your contracts as before, except that you will be put to the inconvenience of making your payments direct to Montreal."

After the transfer some of the contractors continued making payments to the Montreal company, but the number had been diminishing from the time of the cancellation of the registry, so that from 1,500 who were making payments at the time the business of the union and association was taken over, it fell to 500 at the time Doran left the company on 26th July, 1904. According to the affidavit the Toronto company received from the union and association all the moneys intrusted to those concerns on the contracts, which I do not assume to mean anything more than the home fund and possibly the contingent account. Between that and his leaving the company he says the company had used about \$5,000 of the home fund moneys improperly to pay salaries and expenses, and to pay 3 of the partners in the association for having turned over the business. He does not distinguish between the Toronto company and the Montreal company as to how much each had so improperly used. He says that, when he left, there was due on matured contracts at least \$5,000, to meet which the company had no "money" save a few hundred dollars which it kept for current expenses, and he says the company was then hopelessly insolvent and he believes it is utterly impossible for it to fulfil the terms of the contracts made and assumed by the company, and the objects for which the moneys were intrusted by the company had, in his judgment, totally failed, and it is beyond the company's power to fulfil the trusts imposed on the moneys and undertaken by the company. Elsewhere in the affidavit he says the company, at the time of taking over the businesses, had no assets and had none when he separated from the company, except some office furniture worth about \$500, "and the trust moneys and properties received from said association and union and persons holding contracts with said company." What he means by this, in the light of his other statements, and which company he means, he does not explain. A "report of business up to 30th April, 1904," issued by the company from Montreal, and on which his name is printed as president, states the "number of contracts issued 2,860, amount of contracts \$2,365,000. Number of contracts matured 86. Amount ad-