

SECOND DIVISIONAL COURT.

FEBRUARY 6TH, 1920.

## \*RE DOMINION PERMANENT LOAN CO.

*Company—Winding-up—Contributories—Holders of Shares Partly Paid-up—Companies Act, R.S.O. 1897 ch. 205, sec. 15 (3)—Acceptance by Shareholders of another Company of Shares of Company in Liquidation—Issue of Full \$100 Share where Person Entitled to Fraction of Share—Liability for Balance Due on Shares—Creditors.*

Appeal by the liquidator of the company from the judgment of LENNOX, J., 16 O.W.N. 295.

The appeal was heard by MEREDITH, C.J.C.P., RIDDELL, LATCHFORD, and MIDDLETON, JJ.

J. W. Bain, K.C., and M. L. Gordon, for the appellant.

I. F. Hellmuth, K.C., and J. J. MacLennan, for Edward Acheson and others, respondents.

MIDDLETON, J., read a judgment in which he said that, under the agreement of the 2nd April, 1902, which he assumed to be valid and effectual, the shareholders of the "Provincial" accepted shares in the "Dominion" paid-up by the transfer of assets; "but, in case the amount of stock . . . to which any shareholder is entitled is for a fraction of a share or a number of shares and a fraction, then in either of such cases the stock to be issued for such fraction shall be one share with the amount of such fraction paid-up, and the shareholder to whom such stock is allotted shall have the privilege of paying up the balance of such share of stock so issued."

The shares spoken of were shares of \$100 each of permanent stock.

Pursuant to this agreement, certificates were issued for the "fractions" in this form:—

"Permanent Stock Certificate \$100 share.

"This is to certify that A.B. is the registered holder of one share, numbered ———, of the permanent stock in the above-named company, subject to the by-laws thereof, and that the sum of \$——— has been paid on the said share."

These certificates were signed by the president and general manager of the company and sealed with its corporate seal.

What the learned Judge regarded as of vital importance was that no attempt was made to constitute the shareholders of the

\* This case and all others so marked to be reported in the Ontario Law Reports.