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JUDICIAL COMMITTEE OF THE PRIVY COUNCIL.

LONDON, 7 April, 1897.

Present: LORD HERSCHELL, LORD WATSON, LORD MACNAGHTEN, LORD MORRIS and LORD SHAND.

LAROCQUE, appellant, v. BEAUCHEMIN ET AL., respondents.

*Joint stock company—Subscription of stock—Payment in cash—
Article 4722, R. S. Q.*

Article 4722 of the Revised Statutes of Quebec provides that "the capital stock of all joint stock companies shall consist of that portion of the amount authorized by the charter, which shall have been bona fide subscribed for and allotted, and shall be paid in cash."

HELD (affirming the judgment of the Court of Review, Montreal, Q. R., 9 S. C. 73):—*Where there is no fraud or simulation, and the transaction is in good faith, anything which is in law equivalent to a payment, or which would be in law sufficient evidence to support a plea of payment, is a "payment in cash" within the meaning of this section.*

LORD MACNAGHTEN:—

The appellant is the liquidator of a company called "La Compagnie de Papier de Sorel," incorporated in 1886, under an Act of the Provincial Legislature of Quebec known as "The Joint Stock Companies Incorporation Act." The authorized capital stock of the Company was \$100,000, divided into 1,000 shares of \$100 each. The subscribed capital was \$55,000, or 550 shares.

The respondents are some of them shareholders and the rest the representatives of deceased shareholders in the company.