

perly explained by the learned trial Judge. The sum of \$50 per share is paid in by the subscriber; he receives \$3 per annum on this, payable semi-annually in cash by way of dividend—the remainder, if any, of the “profits earned,” i.e., of the dividend properly declared, is retained by the company;” when, and not till when, the sum of the amounts so retained amounts to \$50, the stock becomes paid-up stock, and thereafter the dividend is not upon \$50 per share, but upon \$100 per share. It is plain that the shareholder on this plan does not realise a dividend upon his interest in the company, once there is some “balance of the earnings” to be “credited to the stock, until the amount of the several “balances” is \$50—his dividend in the meantime is only upon the \$50 originally paid in. He may have in addition to the \$50 originally paid on a share, surplus earnings or dividends to the amount of \$49.99 applied upon his share, making his interest in the company \$99.99, and yet receive a dividend only upon \$50. It is obvious that the best of good faith is called for on the part of the directors, who have it in their power to enable a shareholder to double his income.

In the present case there is no doubt of the *uberrima fides* of the directors or of their competency as business men—and the “Reserve Fund,” composed of all the surplus money of the company which could be at all considered applicable to a dividend, falls far short of sufficient to pay \$50 on each share like those of the plaintiff. (This is the only fact which the learned trial Judge does not mention, which I think can be material). Even supposing the formation of the “Reserve Fund” was improper (and I do not say that it was), it is at the most and at the worst but a piece of bad book-keeping, by which the plaintiff is not, as yet at least, injured. No money has been or is intended to be paid out of the company by reason of the formation of this fund, and no money is lost—it is but a matter of internal regulation and management.

The gist of the complaint is, of course, that the company have not, year by year, applied on their books to the plaintiff's stock any dividend, but they have, on the contrary, transferred to the “Reserve Fund” the sum of \$36.43 previously credited upon her stock. This is mere book-keeping, and has not in fact deprived her of anything; but she says that she was entitled to have the credit remain, and that year by year her stock should receive a credit on the books of the company so that she might know at any time the amount of her investment in the company.

I can find nothing expressly binding the company to credit