

Mrs. Clark, or her nominee, \$27,500 par value of the common stock and to do everything necessary to complete and carry out the transfer according to the agreement, and to take over and assume the business and assets and take possession under said agreement.

At the meeting of 25th July W. A. Clark was appointed general manager.

The company never appear to have passed any formal by-laws.

The agreement with Mrs. Clark bears the seal of the plaintiff company and the signatures of the president and secretary. I presume it was executed after the shareholders' meeting on 20th October, pursuant to the resolution.

There is no record of any meeting either of the directors or shareholders subsequent to 20th October, and there is no record of any other business of any kind having been done in the corporate name, but everything was carried on in the name of the unlimited company, as before.

The unlimited company had opened an account with the defendants in November, 1904, following upon a letter written by the company to the defendants' manager on 28th November, the material parts of which are: "Dear Sir: Our Mr. Clark called upon you some time ago in reference to opening an account in your bank. We would require a line of from \$10,000 to \$12,000, secured by warehouse receipts upon creamery butter, to be stored with the Toronto Cold Storage Company, or Canada Cold Storage Company, Montreal. Also a line of one or two thousand upon our own note, secured by our general account assets as shewn you in our statement. I may say that the latter amount of credit would only be required for a short time during the winter season, when our business is principally local. . . ."

From the opening of the account until 23rd October, 1905, the bank had not received any warehouse receipts. On that date the bank account was overdrawn by \$10,258.01, and there was under discount an unsecured note for \$1,700, due November, 1905.

When the 5 warehouse receipts were indorsed to the bank, on 23rd October, 1905, Clark, in the name of the unlimited company, and as manager, signed a promissory note for \$6,000 at three months, "with interest until paid," which was discounted, and the full \$6,000 placed to the credit of