The first action was brought against Leonard and Parmiter and the new company for an injunction.

During the time Leonard was employed by the plaintiff company, he received from and for the company considerable sums of money. These sums he claims as salary, while the plaintiff company set up that he was false to his charge, and was not entitled to any wages. They also said that there was no by-law for the payment of anything to him, and—he being a director—he was not entitled to receive anything.

The second action was brought to recover the money so received by Leonard.

Taking up the second action first, the learned Judge said that the result of the evidence was, that Leonard, early in June, was canvassing for an opposition book. It was true that he obtained renewals for the plaintiff company; but he transgressed his duty, because it was his duty to obtain a renewal in such a way as not to prejudice future renewals. For the month of June, 1916, he should not be paid any salary at all; but there was no reason why, apart from the effect of his position as director, he should not be paid his salary till June.

The Ontario Companies Act, R.S.O. 1914 ch. 178, sec. 92, requires a by-law for the payment of a director to be confirmed by the shareholders at a general meeting. There was no by-law in this case.

After a review of the Ontario cases—the most recent of which is Re Matthew Guy Carriage and Automobile Co. (1912), 26 O.L.R. 377—the learned Judge said that if the services were such as only a director could perform, he could not recover compensation for them, unless the statute was complied with; but there was no necessity for a by-law to authorise payment for the services of one who, though a director, is employed in a subordinate capacity, and at a reasonable figure. There was nothing in the evidence which indicated that the salary agreed upon was excessive; the work done by Leonard was not done as a director, but as a clerk or subordinate; and there was no reason why he should not be paid $200 a month and expenses.

In the first action, the plaintiff company were properly found entitled to succeed, but the judgment entered was too broad and should be modified.

FERGUSON, J.A., agreed with RIDDELL, J.

ROSE, J., read a judgment, with which LENNOX, J., concurred. They agreed in part with RIDDELL, J., but were of opinion