chase until the market for chemical wood had so fallen that the value of the property had greatly diminished, and until, after failing to secure a renewal of the first of the two notes for $900, they were sued by Charles A. Gentles.

The appeal should be allowed with costs, and judgment be entered in favour of Charles A. Gentles, the plaintiff, for the amount of his claim, with costs, and the counterclaim should be dismissed with costs.

HIGH COURT DIVISION.

BRITTON, J. JANUARY 15TH, 1916.

RE PORT ARTHUR WAGGON CO. LIMITED.

SMYTH'S CASE.

Company — Winding-up — Contributory — Agreement to Take Shares in Company to be Formed—Inapplicability to Company Actually Formed—Acceptance of Shares—Acting as Director — Estoppel —Acquiescence—Allotment—Necessity for—Companies Act, R.S.C. 1906 *ch.* 79, *sec.* 46—*Common and Preferred Shares.*

Appeal by W. R. Smyth from an order of the Master in Ordinary, in the winding-up of the company under the Dominion Winding-up Act, R.S.C. 1906 ch. 144, confirming the placing of the appellant's name upon the list of contributories in respect of 50 shares of the company's preferred stock, of the par value of $100 each.

Strachan Johnston, K.C., for the appellant.

A. McLean Macdonell, K.C., for the liquidator.

BRITTON, J., said that the contention of the appellant was, that he never applied or subscribed for any of the shares of the company, that he never was the owner of any preferred shares, and that no such shares were allotted to him.

The appellant signed his name opposite a seal in a stock-book. On the first page was the signature and seal of D. C. Cameron, and on the second that of W. R. Smyth, each dated the 24th September, 1909, and each witnessed by H. I. Lindsay. The company had not then been incorporated or organised. The agreement was simply one between the two signers. Each agreed with the other to become incorporated as a company,