N.B.] FARRELL *v.* MANCHESTER. [June 16.

Company—Paid-up shares—Sale through broker—Prospectus—Misrepresentation — Liability of directors — Rescission — Delay.

F. in June, 1903, purchased paid-up shares of an industrial company's stock on the faith of statements in a prospectus prepared by a broker employed to sell them. In January, 1904, he attended a meeting of shareholders and from something he heard, suspected that some of the statements on which he had relied were untrue and after investigation he demanded his money back from the broker and also wrote to the president and secretary of the company repudiating his purchase and asking for cancellation and repayment. He repeated such demand at later meetings of the company and, in December, 1904, brought suit for rescission and repayment.

Held, that the delay in bringing suit from January to December did not operate as a bar to the suit and plaintiff was entitled to recover against the company. And also that he could not recover against the directors who had instructed the broker to sell the shares as they were not responsible for the misrepresentations in the prospectus prepared by the broker.

Judgment of the Supreme Court of New Brunswick (38 N.B. Rep. 364), affirming the decree of the judge in equity (3 N.B. Eq. 508), reversed. Appeal allowed with costs.

Ewart, K.C., and *J. M. Price*, for appellant. *Harrington*, K.C., and *Teed*, K.C., for respondents.

N.S.] GOULD *v.* GILLIS. [June 16.

Company—Sale of shares—Misrepresentation—Fraud—Action for deceit—Accord and satisfaction.

G., holder of 400 shares in an industrial company handed over 290 to the president to be sold. The president gave them with some of his own and some of the company's stock to an agent who canvassed, among others, J. A. G., representing to him, and believing, that it was all treasury stock. J. A. G. thereupon purchased 25 shares of the stock held by E. L. G., giving his note for the purchase money, which was endorsed over to the latter. Later on J.A.G. discovered that the stock did not belong