

some of the books and papers of his own and of the company relating to these transactions. It was not shewn that the company had the necessary certificate to enable it to commence or carry on business. The whole matter of pretending to issue stock was wholly without the authority of by-laws or resolutions or even of meetings of directors or shareholders. The liquidator contended that the appellants were estopped from denying that they were shareholders. There was no application for shares on behalf of McInnis, Moyer, or Weldon; and the application signed by Petty—which he did not know was an application—was an uncompleted document.

The main features of the transactions as summarised by the learned Judge were: (1) an illegal and unauthorised issue; (2) a want of application or subscription for shares; (3) an agreement not complied with on the part of the company or of the person assuming to sell shares; (4) promissory notes made by the persons purchasing, intended by them to be in full satisfaction, and accepted as such by the person selling—these notes being payable to the order of the company and endorsed by the company, and some of them in the hands of strangers, presumably for value; (5) certificates issued for fully paid shares; (6) no allotment of shares, and no evidence on the part of the person making the sales. In these circumstances, an estoppel could not be found, and the appeals should be allowed; costs of the trial of the issues and of the appeals to be paid by the liquidator out of the assets of the company.

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CHAMBERS V. LE BURTIS—LENNOX, J.—MAY 20.

*Mortgage—Power of Sale—Pretended Exercise of—Fraud—Setting aside Conveyance.*—Action by Diana Chambers to set aside a conveyance of land by the defendant Susan Le Burtis to the defendant Henry Read Sealey, purporting to be in pursuance of a sale made under the power of sale contained in a mortgage executed by the plaintiff in favour of the defendant Le Burtis. The action was tried without a jury at Woodstock. The learned Judge finds that the alleged sale was a collusive and pretended one, and gives judgment declaring that the impeached transaction is fraudulent and void against the plaintiff and setting aside the conveyance with costs. W. T. McMullen, for the plaintiff. S. G. McKay, K.C., for the defendants.