

BANK OF MONTREAL

Established 1817

Capital Paid up, \$16,000,000 Reserve Fund, \$16,000,000
 Undivided Profits, \$1,293,952
 Total Assets, \$302,980,554

BOARD OF DIRECTORS

H. V. Meredith, Esq., President

R. B. Angus, Esq. E. B. Greenshields, Esq. Sir William Macdonald
 Hon. Robt. Mackay Sir Thomas Shaughnessy, K.C.V.O. C. R. Hosmer, Esq.
 A. Baumgarten, Esq. C. B. Gordon, Esq. H. R. Drummond, Esq.
 D. Forbes Angus, Esq. William McMaster, Esq.

Head Office: MONTREAL

General Manager—Sir Frederick Williams-Taylor, LL.D.

Assistant General Manager—A. D. Braithwaite, Esq.

Branches and Agencies { Throughout Canada and Newfoundland;
 Also at London, England;
 And New York, Chicago and Spokane in the United States.

A GENERAL BANKING BUSINESS TRANSACTED

C. SWEENEY, **W. H. HOGG,**
 Supt. of British Columbia Branches Manager,
 Vancouver, Vancouver Branch.

THE Merchants' Bank of Canada

ESTABLISHED 1864

HEAD OFFICE, MONTREAL

Paid-up Capital - \$7,000,000
 Reserve Fund - \$7,248,134

President.....Sir H. Montagu Allan
 Vice-President.....K. W. Blackwell
 E. F. Hebden, General Manager
 T. E. Merrett, Superintendent and Chief Inspector

211 Branches in Canada, extending from the Atlantic to the Pacific

Agents in Great Britain: The London Joint Stock Bank, Ltd.; The Royal Bank of Scotland
 New York Agency.....63 and 65 Wall Street

General Banking Business Transacted
Savings Departments at all Branches

Deposits received of One Dollar and upwards, and interest allowed at 3 per cent. per annum.

VANCOUVER, B. C.

Granville and Pender Streets G. S. HARRISON, Mgr.
 Hastings and Carrall Streets FRANK PIKE, Mgr.

PACIFIC COAL MINES DECISION.

Mr. Justice Clement's judgment in Pacific Coal Mines, Ltd., vs. Messrs. John Arbuthnot et al., was recently made public. It indicates that, in the opinion of His Lordship, the plaintiff company was justified in all the major claims on which the suit was based. The bond issue of \$1,500,000, authorized by Act of Parliament on March 1, 1911, and carried into effect at a meeting of the shareholders in Victoria on March 1, 1911, is declared invalid. The company, therefore, will revert to its status prior to that date of this reorganization, having regard, of course, to appeals which, undoubtedly, will be entered by the defendants. The 1,050 shares given to Dr. H. E. Young by Mr. Arbuthnot are found to have been an illegal issue.

The action was brought to have it declared that a certain issue of debentures of a million and a half dollars was illegal and void, and that they should be delivered up to be cancelled, and also that the defendants, Mr. Arbuthnot and associates, should be declared trustees as to the profits they had made from certain properties which they had acquired and turned into the company, one lot of which was known as the Garesche-Green lands, or Hodgson stakings, sold to the company at \$75,000 in cash, and \$1,320,000 in shares, and the other property known as the South Wellington and the Richardson property, which was acquired by the defendant Arbuthnot and turned over to the company at \$50,000.

The judgment holds that the issue of debentures was illegal and void, and that they should be delivered up to be cancelled. It also holds that the defendants, including the Trust Company, shall repay to the plaintiff company all moneys paid on account of the debentures, with interest at 5 per cent. from the date of payment, with the right to the Trust Company to indemnity against the other defendants in respect of any debentures that they are unable to deliver up to be cancelled, with a reference to the registrar to inquire and ascertain what those dealings, if any, have been.

The judgment also declares that the shares cancelled at the time of the issue of the debentures are the property of the parties then surrendering the same.

With reference to the lands known as the Garesche-Green lands, and the Hodgson stakings, the Judge holds that the defendants were not trustees in the acquisition of these lands for the plaintiff company, but declares that the defendants ought not to get a larger number of shares in respect of these lands than would cover at par the actual value of those lands on the 21st of March, 1908, the date of their transfer to the plaintiff company, and directs a reference to ascertain the value at that date, and also as to the amount expended in the acquisition and prospecting of those properties down to March 21, 1908.

The judgment further restrains all dealings with shares to be restored to the plaintiff company, and states that the \$105,000 worth of shares given to Hon. Dr. Young were taken from the treasury of the company, that they were not made up by contribution from the vendors, that they should be returned, and in no event should they be issued to the defendant Arbuthnot.

It is decided that the defendant Arbuthnot should be paid for the South Wellington shares and the Richardson property transferred by him to the company, their actual worth on the 21st of March, 1908, with interest at 6 per cent. from that date, less such sums as have been paid to him on account, irrespective of the profit he made on the turnover of such property to the plaintiff company.

The Judge is of opinion that the question of the Richardson property having been acquired by defendant Arbuthnot for the company, was not sufficiently before the Court, and does not pronounce any opinion on it, but the judgment is without prejudice to any further action by the company in respect of that property.