

The Master in fact had allowed it, and the liquidator has not appealed upon the point. Hughes is not entitled to claim the twelve hundred dollars which the company received through his agent's fraud. He is, moreover, in my opinion, liable for Vanderberg's fraud, whether Vanderberg was acting for his own benefit or not. Dicta to the contra were recently expressly dissented from in the House of Lords: *Lloyd v. Grace & Co.* (1912), 28 Times L.R. 547, reversing the decision of the Court of Appeal, [1911] 2 K.B. 489. Hughes is, in my opinion, not entitled to rank on the assets for the twelve hundred dollars, and his appeal should be dismissed with costs.

The cross-appeal also fails. The eight hundred dollars which Hughes received was not the money of the company, but the money of Crosby. It reached Hughes in part payment of shares which Vanderberg had sold for Hughes to Crosby. Had Hughes received the whole two thousand dollars, and not merely part of it, the company would, in my opinion, have no right, whatever Crosby's right might be, to recover these moneys from Hughes. The company had parted with nothing in exchange for Crosby's money, and it has not, I think, in any way become subrogated to the rights which Crosby had, or might have had, if he had not elected the company as his debtor for the eight hundred dollars as well as for the twelve hundred dollars. No costs of the cross-appeal.

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SUTHERLAND, J.

NOVEMBER 19TH, 1912.

POWELL-REES LIMITED v. ANGLO-CANADIAN  
MORTGAGE CORPORATION.

*Contempt—Motion to Commit—Refusal to Answer Questions on  
Examination—Company—Director—Con. Rules 902, 910.*

Application for an order to commit Edwin R. Reynolds, for contempt in failing to comply with the directions and terms of an order of the Divisional Court, dated 23rd September, 1912, and in refusing to answer satisfactorily certain questions alleged to have been properly put to him on his examination, and to produce certain documents as therein required, or in the alternative for an order that he do attend at his own expense and submit to be further examined pursuant to the provisions of the said order.

Paragraph 2 of the order referred to is as follows: "2. And this Court doth under the provisions of Rule 910 in that