

affairs, to charge that individual with knowing, at a particular point of time, the precise condition of a specific portion of his property, especially when the imputation of such knowledge involves the guilt and consequences of fraud.

But assuming, for the sake of the argument, that Mr. Neff did know of this lien, the question still remains, whether his knowledge is the knowledge of the corporation, and binding upon it?

There is not a particle of testimony that the mortgagor, Freeman, communicated the information to Neff in his official capacity and for the purpose of being disclosed to the directors of the Company of which he was the president. If Neff had knowledge of the lien at all, it was acquired in a general way, in conversations with Freeman about his affairs, and certainly with no direct view to this particular transaction, or for the purpose of being communicated to the Company over which he presided. This is most manifest from the whole scope and tenor of the evidence, and hence the legal question arises, whether knowledge picked up in this way by a director of a corporation in his private and not in his official capacity, with no view to the transaction in question, shall so far affect the corporation with notice as to invalidate that transaction upon the ground of fraud?

It appears to me that the sound and safe rule on the subject is this, that notice given to a director of an incorporated institution privately, or which he acquires from rumor, or through channels open to all alike, and which he does not communicate to his associates at the Board, will not bind the institution. But that if the notice is given to him officially, for the purpose of being communicated to the Board, although such notice should not be so communicated, the institution is bound by it.

This appears to me to be the reasonable doctrine, and to be maintained by the weight of authority, though, as remarked by *Mr. Justice Story*, in his treatise on *Agency*, it is not very easy to affirm what is the prevailing rule, since the authorities are not entirely agreed. *Story on Agency, sec. 140 (a)*. The