

case the articles of the company provided that the signatories thereof were to be directors until such time as six of them should nominate another director in their place; also that the qualification of a director was to be the holding £100 in shares, but that he might act before acquiring the qualification, but that he was to acquire it within three months from his appointment, and unless he should do so was to be deemed to have agreed to take the shares. The six signatories, within three months of their appointment, signed a paper appointing a director in their place. Two of them never otherwise acted as director, and never acquired their qualification shares. Wright, J., held that these two, by accepting office and acting as directors, had agreed to take the qualification shares, and that they were not relieved from the agreement by their resignation within the three months. The majority of the Court of Appeal (Lord Herschell, L.C., and Davey, L.J.), however, overruled this decision, and held that the directors who resigned within the three months were under no obligation to take the qualification shares. The value of this decision is somewhat impaired by the dissent of Lindley, L.J., *facile princeps* in this branch of law, who coincided with Wright, J., and we confess, with all due respect, that the reasoning of Lindley, L.J., appears to us preferable to that of the majority of the court.

ADMINISTRATION—CREDITORS' CLAIM—AMENDMENT OF BANKRUPTCY WITH CONSENT OF CREDITORS—SECRET AGREEMENT WITH CREDITOR—FRAUD.

*In re McHenry, McDermott v. Boyd*, (1894) 3 Ch. 365; 7 R. Nov. 199, which was an action for the administration of the estate of James McHenry, deceased, the claim of Levita, a creditor, for £6,000, was disallowed by North, J., under the following circumstances: McHenry, the deceased, had been adjudicated bankrupt, and he, being desirous of obtaining an annulment of the bankruptcy, induced some of the creditors to sell their debts to two trustees for McHenry, who were, as assignees, to consent to the annulment. Among the debts so assigned was one due to Levita for £25,000, for which he was paid £2,000, and a promise made to him that after the annulment he should be paid a further sum of £5,000, which was the debt now in dispute. This agreement was not disclosed to the court or to any other creditor, and the court made an order annulling the bankruptcy on the consent of the creditor. North, J., disallowed the claim on the ground that