

to that of *Bisgood v. Nile Valley*, supra. The company in this case was by its articles of association empowered to sell and dispose of its property for such consideration as it thought fit, and in particular for shares fully or partly paid up, and to divide the consideration among the members of the company. The power of sale was exercisable either in view of a winding-up or not. The company agreed to sell its assets to another company. By the agreement the vendor company was to be wound up, part of the consideration was to consist of partly paid shares to be allotted to vendor company or its nominees. The vendor company was within two months to find people to take up these shares, and if any of them were not taken up, they were to be at the disposal of the purchasing company, and the vendor company was not to be liable to take them up itself. Resolutions were passed for the voluntary winding up of the vendor company and the liquidator was authorized to offer the shares in the new company to the shareholders at the rate of one new share for each share held by them in the old company, and to sell those not accepted and divide the net proceeds of sales among the members of the vendor company. The action was brought by a shareholder of the vendor company to restrain the carrying out of this arrangement, but Warrington, J., without going into the question of the fairness of the scheme held that it was within the powers of the company under its articles of association and dismissed the action. *Bisgood v. Nile Valley* was referred to, but held to be distinguishable.

COMPANY—WINDING-UP—"JUST AND EQUITABLE" ASSETS COVERED BY DEBENTURES—BUSINESS OF COMPANY CARRIED ON BY DEBENTURE HOLDERS—UNSECURED CREDITOR—COMPANIES ACT 1862 (25 & 26 VICT. c. 89) s. 79—(R.S.C. c. 129, s. 8)—(52 VICT. c. 32, s. 5 (D.)).

*In re Melson* (1906) 1 Ch. 841, an unsecured creditor of a limited company applied for a winding-up order. The application was resisted on the ground that the entire assets of the company were covered by debentures and that the business was being carried on by the debenture holders and there would be no assets available for the payment of the petitioners' claim. Buckley, J., nevertheless, held that it was "just and equitable" to make the order asked. *In re London H. E. Institute*, 76 L.T. 98, where a winding-up order was refused in similar circumstances and the decision affirmed by the Court of Appeal was not referred to.