

the same town. The plaintiffs claimed an injunction to restrain the defendant from holding employment in any rival bank contrary to the terms of the bond. The defendant was willing and offered to pay the £1000, but Butt, J., held the plaintiffs entitled to an injunction, and his decision was affirmed by the Court of Appeal (Cotton, Lindley & Bowen, L.JJ.)

COMPANY—RATIFICATION BY COMPANY OF PARTICULAR ACT OF DIRECTORS IN EXERCISE OF AUTHORITY  
—ALTERATION OF ARTICLES.

*Grant v. United Kingdom Switchback Co.*, 40 Chy. D. 135, is a decision of the Court of Appeal (Cotton, Lindley and Bowen, L.JJ.), affirming a judgment of Chitty, J., on a question of company law. The articles of the *T. Company* authorized the sale of part of its undertaking to any other company, and contained a provision prohibiting any director from voting in respect of any contract in which he is interested. The directors of the *T. Company* entered into a contract to sell part of its undertaking to the *U. Company*, of which all the directors of the *T. Company*, except one, were directors. A general meeting of the *T. Company* was called by a notice stating that it was called to consider a resolution for approving and adopting the agreement, but not stating any ground for a meeting being necessary. The resolution was passed as an ordinary resolution, and not as a special resolution. The plaintiff was a shareholder of the *T. Company*, and brought his action against both companies to restrain them from carrying out the sale, and it was held by the Court that though a resolution giving the directors powers to do certain acts in future which they were not authorized by the articles to do, would be an alteration of the articles, and would require to be passed as a special resolution, the adoption of a contract which was within the objects of the company, but which the directors had entered into without authority, was not an alteration of the articles, and could be effected by an ordinary resolution; and it was also held that the resolution of the general meeting was not invalidated by the fact that the notice calling the meeting did not suggest any reason why the contract could not be carried into effect without the sanction of a general meeting.

COMPANY—WINDING UP—DIRECTOR—TRUSTEE—BREACH OF TRUST—BROKERAGE.

*In re Faure Electric Co.*, 40 Chy. D. 141, was an application in a winding up proceeding against directors to make them liable for alleged acts of misfeasance in the execution of their office. The articles of association provided that no transfers of shares not fully paid up should be registered unless "approved" by the directors. M., a stock jobber, offered to take a large number of £10 shares at par, paying £2 per share at once, provided the directors paid a commission to the stock-broker who had introduced the shares to him. The directors agreed to this and allotted the shares to M., he paying £2 per share, and they paid a commission of 2s. 6d. per share to the broker, the total amount of the commission so paid being £937 10s. M. subsequently transferred the shares to P., who was already a shareholder and had recently been elected a director, and the directors sanctioned the transfer, believing P. was a proper person to take a transfer of the shares, and having been advised by their solicitor that there was no valid objection to it. P. afterwards became bankrupt, being indebted to the company in the balance