

EQUITY OF REDEMPTION—ASSIGNMENT OF EQUITY OF REDEMPTION—IMPLIED OBLIGATION OF ASSIGNEE OF EQUITY OF REDEMPTION TO INDEMNIFY ASSIGNOR—EXPRESS COVENANT OF INDEMNITY—EXCLUSION OF IMPLIED INDEMNITY—CONTINGENT REVERSIONARY INTEREST—MORTGAGE.

*Mills v. United Counties Bank* (1912) 1 Ch. 231. This was an appeal from the decision of Eve, J. (1911) 1 Ch. 669 (noted ante, vol. 47, p. 424). The facts of the case were that the plaintiff being entitled to a contingent reversionary interest in an estate mortgaged it to the defendants, and subsequently to one Mobberley, and thereafter assigned his equity of redemption to the bank, and by the assignment it was provided that the plaintiff was to be released from the mortgage debt, but that the mortgage was to be kept on foot as a protection against Mobberley's mortgage; and it also provided that, upon realization of the plaintiff's contingent interest, the bank should first pay their own debt, then Mobberley's mortgage, and that the balance should belong to the bank absolutely. Before the reversionary interest fell into possession the present action was brought to compel the defendants to indemnify the plaintiff against the Mobberley mortgage. Eve, J., dismissed the action on two grounds, first, that an implied obligation to indemnify would not take effect in the case of a reversionary interest until it fell into possession; and second, that in the present case there was no implied obligation to indemnify, because there was an express stipulation as to the terms of the indemnity, and therefore no further indemnity could be implied. The Court of Appeal (Cozens-Hardy, M.R., and Moulton, and Farwell, L.JJ.) affirmed his decision on the second ground, but did not assent to his view that an implied obligation to indemnify in the case of a reversionary interest does not take effect until it has fallen into possession. They also express the view that the implied obligation by an assignee of an equity of redemption to indemnify his assignor is not in the nature of an implied covenant, but rather an equity which arises independent of contract.

VENDOR AND PURCHASER—SPECIFIC PERFORMANCE—CONTRACT—STIPULATION FOR FORMAL CONTRACT—CONSTRUCTION.

*Von Hatzfeldt, Wildenburg v. Alexander* (1912) 1 Ch. 284 was an action for specific performance of an alleged contract for the sale of a leasehold interest in land. The contract relied on was claimed to be found in correspondence. The plaintiff,