

ORIGINATING SUMMONS—SERVICE OUT OF THE JURISDICTION.

In re Campbell (1920) 1 Ch. 35. Under the English Rules of practice it is held by Eve, J., that an originating service cannot be served out of the jurisdiction. Under the Ontario Rules, however, the contrary is the case. See Ontario Rules 3 (j), 25.

TENANT FOR LIFE AND REMAINDERMAN—WILL—CONVERSION—
POSTPONEMENT OF CONVERSION—UNAUTHORIZED INVESTMENTS—RATE OF INTEREST TO WHICH TENANT FOR LIFE ENTITLED IN RESPECT OF UNAUTHORIZED INVESTMENTS.

In re Beech, Saint v. Beech (1920) 1 Ch. 40, deals with a point which is deserving of the attention of trustees. By the will in question the testator left his estate to trustees upon trust to sell, but with full power to postpone sale. Part of the estate was invested in securities not authorized for trustees to take, and conversion had not taken place. These investments were yielding 5 per cent., and the question submitted to the Court was what rate of interest as between the tenant for life and a remainderman should be paid to the tenant for life in respect of such investments. Eve, J., thought that although on the authorities the rate should be only 3 per cent. yet in view of the present altered condition of the money market, he decided that the rate should now be 4 per cent.

COMPANY—REDEMPTION OF DEBENTURE STOCK UNDER PAR—
PROFIT ON TRANSACTION—CAPITAL OR INCOME.

Wall v. London Provincial Trust (1920) 1 Ch. 45. This was an action by a preferred shareholder of the defendant company to restrain it from paying a dividend, in the following circumstances: The objects of the company were defined to be: (a) to acquire and hold stocks, shares and securities of the classes therein specified and from time to time to change them for others of a like nature, and (b) to borrow on debenture stock and to redeem and pay off any moneys so borrowed. In pursuance of clause (b) the company issued debenture stock. In 1918, owing to the general fall in the value of securities, the directors were enabled to redeem £29,312 of this debenture stock at a discount of 22 per cent., and now claimed the right to carry the whole amount of this stock to revenue account and out of which they proposed to declare the dividend in question. It was admitted that the securities held by the company had fallen to an extent approximately equivalent to the discount at which the debenture stock had been redeemed. The plaintiffs moved for an injunction