

COMPANY—WINDING-UP—RESCISSION OF CONTRACT TO TAKE SHARES—PROCEEDINGS COMMENCED BEFORE WINDING-UP ORDER.

In re General Railway Syndicate (1900) 1 Ch. 365, was an appeal from a decision of Wright, J. (1899) 1 Ch. 770 (noted ante vol. 35, p. 487), holding that a shareholder was too late to obtain a rescission of a contract to take shares on the ground of misrepresentation, after a winding-up order had been made. The shareholder sought to obtain this relief by counterclaim in an action brought by the company for calls commenced before the winding-up order, but the counterclaim was not delivered until after the winding-up order had been made, though the defendant had previously made affidavit in answer to a motion for speedy judgment, stating his intention to counterclaim for rescission of the contract to take shares on the ground of misrepresentation, and on that ground got leave to defend. The Court of Appeal (Lindley, M.R., and Williams and Romer, L.JJ.,) were unable to agree with Wright, J., and held that the shareholder had commenced his proceedings for rescission in time, and was not precluded by the winding-up order from claiming a rescission of the contract.

SALE BY COURT—PURCHASER FOR VALUE WITHOUT NOTICE—CONVEYANCING AND LAW OF PROPERTY ACT, 1881, (44 & 45 VICT., C. 41), S. 70—(ONT. JUD. ACT, S. 58 (11).)

In *Jours v. Barnett* (1900) 1 Ch. 370, the Court of Appeal (Lindley, M.R., and Rigby and Williams, L.JJ.,) have affirmed the decision of Romer, J. (1899) 1 Ch. 611 (noted ante vol. 35, p. 408), to the effect that the Conveyancing and Law of Property Act, s. 70. (Ont. Jud. Act, s. 58 (11)), does not validate the title of a purchaser at a sale by the Court, as against persons who were not parties to, or bound by, the proceedings in which the sale takes place, and whose interests the Court did not in fact intend to sell.