

the wife's after acquired property. In 1879, the wife received £285 which was bound by the covenant, and paid it into her husband's banking account on which she had power to draw. Part of the money was invested in two bonds payable to bearer, which remained at the bank until the husband's death in 1909, and were now in his executor's possession. The action was brought against the executors, claiming the two bonds as bound by the settlement and subject to the trusts thereof. Eady, J., who tried the action held that the money being bound by the covenant when received by the wife, was consequently subject to a trust enforceable in favour of all persons within the marriage consideration, and notwithstanding the lapse of time the trustees were entitled to follow and claim the bonds as trust property, though the legal remedy on the covenant was barred by the Statute of Limitations. The court therefore declared that the plaintiffs were entitled to the two bonds and the interest which had accrued thereon since the husband's death.

SETTLEMENT—TENANT FOR LIFE AND REMAINDERMAN—SHARES IN COMPANY—CAPITALIZATION OF RESERVE FUND—OPTION TO TAKE NEW SHARES—NEW SHARES—CAPITAL OR INCOME.

*In re Evans, Jones v. Evans* (1913) 1 Ch. 23. This was a contest between a tenant for life and remainderman as to the right to certain new shares in a company acquired in the following circumstances. Trustees of a testator's will held 200 shares of £10 each in a limited company. The testator died in 1904. In 1912, the reserve fund of the company exceeded £50,000 and the directors proposed a scheme for distributing a part of this reserve representing accumulated and undivided profits, amongst the shareholders, so that every shareholder would get a bonus of one new, fully paid £10 share for every existing share held by him. Accordingly resolutions were passed by the company empowering the directors to declare a bonus dividend out of the reserve fund sanctioning distribution of a bonus dividend of £10 per share out of the reserve fund; and authorizing the issue and allotment of new shares fully paid up pro rata among the shareholders. The directors then sent a circular letter to each shareholder with a warrant for the bonus dividend, informing him of the allotment of the new shares and giving him an option to accept or refuse the allotment, and stating that if he accepted he was to indorse and return the dividend warrant to the com-