

capital of the company. On the one side were debenture-holders whose debentures were a charge on the unpaid capital, and on the other creditors who, after the capital had been called but before it had been paid, had arrested the calls on the shares of the company held in Scotland, by proceedings taken in a Scotch court. The holders of the Scotch shares had no notice of the debentures, and according to the Scotch law the arrestment of the calls was equivalent to an assignment with notice to the debtor, and took priority over an earlier assignment without notice; and it was held by North, J., that the claimant under the Scotch process had the first charge on the proceeds of the Scotch shares, notwithstanding that according to the law of England no notice by an assignee to the debtor is necessary as against a subsequent assignee.

PARTNERSHIP—MISREPRESENTATION BY A CO-PARTNER—CONCEALED FRAUD—LIABILITY OF INNOCENT PARTNER—STATUTE OF LIMITATIONS, (21 JAC. I, C. 16).

In *Moore v. Knight* (1891), 1 Ch. 547, the plaintiff between the years 1867-1874 had deposited with a firm of solicitors various sums of money for investment. One small sum was invested, the rest were in fact embezzled by a clerk of the firm. Accounts were rendered to the plaintiff and representations made to her by, or on behalf of the firm, so as to lead her to believe that the whole of the moneys had been invested, and interest was paid to her by the firm down to the death of one of the partners in 1877, and by the surviving members of the firm down to 1886. In 1886 the fraud was discovered. The partners having all died, the present action was brought against their representatives. The representative of the partner who died in 1877 set up the Statute of Limitations (21 Jac. I, c. 16), and also the English Trustee Act of 1888, enabling trustees in certain circumstances to set up the statute as a bar to claims by their *cestuis que trust*. Stirling, J., however, held that the defence was not tenable except as to the money which actually had been invested, and that the effect of misrepresentations by the members of a firm whereby a fraud was concealed, was to make the firm liable as if the representations were true; and that *Blair v. Bromley*, 2 Ph. 354, 5 Hare 542, did not proceed upon any principle or rule of equity applicable to trustees, but on the effect of misrepresentations by a partner as affecting the liability of the firm, and was unaffected by the Trustee Act, 1888, and therefore governed the case. He therefore declared the plaintiff entitled to recover against the assets of the firm, and if this proved insufficient, then against the separate estates of the members of the firm, with the exception before mentioned as to the sum actually invested, for which the partners who survived after 1877 only were held liable.

PRACTICE—ARBITRATION—AWARD—ARBITRATOR, MISCONDUCT OF—MOTION TO SET ASIDE AWARD—EVIDENCE—ADMISSION BY ARBITRATOR.

In *re Whitely & Roberts Arbitration* (1891), 1 Ch. 558, Kekewich, J., held that on a motion to set aside an award evidence of an admission by one of the arbitrators out of Court that he had made his award improperly, as, for example, by collusion, or in consequence of a bribe, is inadmissible. The decision, we may observe, proceeds not of course upon the principle that proof of such misconduct