

COMPANY—CERTIFICATE OF SHARES—NOTE ON CERTIFICATE THAT
TRANSFER WILL NOT BE REGISTERED WITHOUT ITS PRODUCTION
—REGISTERING TRANSFER WITHOUT PRODUCTION OF CERTIFI-
CATE.

Rainford v. Keith (1905) 1 Ch. 296 is one of those cases in which it would seem more in accordance with natural justice if the decision had been the other way. A certificate of shares in a limited company bore upon its face a note to the effect that no transfer of the shares therein mentioned could be registered without the production of the certificate. One C., the owner of the shares, deposited the certificate, together with a transfer of the shares, with the plaintiff as security for an advance. Subsequently, unknown to the plaintiff, C. sold the same shares to one Y., and lodged with the company for registration a transfer of the shares to Y. without the certificate, but with a written declaration of C. that the certificate was in the possession of a friend, but not as security for a loan or other consideration. C. was a servant of the company, and the directors, acting in good faith, and relying on the declaration, registered the transfer to Y., and issued to him a certificate as owner of the shares. The plaintiff afterwards applied to the company to register his transfer, and registration was refused; he, therefore, brought the action claiming damages against the company for having wrongfully registered the shares in Y.'s name: but Farwell, J., held that the company was not liable, and that the note on the certificate did not amount to a representation to, or a contract with, the holder of the certificate, that the shares would not be transferred without its production, but was only a warning to the holder to take care of the certificate, because without its production he could not compel the company to register a transfer.

COMPANY — WINDING-UP — CREDITORS—"FINAL DIVIDEND"—AC-
CEPTANCE OF "FINAL DIVIDEND"—SURPLUS ASSETS—FURTHER
CLAIM FOR INTEREST—ACCORD AND SATISFACTION.

In re Duncan (1905) 1 Ch. 307. The company in liquidation had acted as brokers and received from certain customers moneys in respect of what were held to be illegal gambling transactions. The customers were held entitled to prove a claim in the winding-up for the amounts remaining in the company's hands as deposits. Two dividends were paid, amounting together to 20s. in the pound, and each creditor gave a receipt for the last dividend, describing it as "the amount payable to me in respect of the second and final dividend." After making these payments a surplus of assets remained in the liquidator's hands, and the cred-