

DIGEST OF ENGLISH LAW REPORTS.

ULTRA VIRES.

1. Money due to a bank on bills of exchange drawn and accepted by directors of a mining company, indorsed by the company and discounted by the bank, the proceeds of which were applied, in satisfying an overdrawn account (£200) of the company with the bank, and the balance (£900) for the benefit of the company; *held* not due as on a loan within the meaning of the articles which prohibited the directors from contracting any loan beyond £500 without the consent of the shareholders. *In re Cefn Tŷcen Mining Co.*, Law Rep. 7 Eq. 88.

2. A bank (A.), unauthorized to accept as security shares in another bank, except by transfer to a third person, took a transfer of shares in a bank (B.), in which they were named as transferees. This was executed not under seal, but by the signature of the manager. Bank (A.) received dividends on these shares. Bank (B.) being ordered wound up, *held*, that bank (A.) was a contributory.—*Royal Bank of India's Case*, Law Rep. 7 Eq. 91.

3. Though it be *ultra vires* in a banking company to buy shares in another company on speculation, yet it may take such shares on deposit as security, and have them transferred into its own name, and thus become subject to the liability attaching to shareholders in such company.—*Royal Bank of India's Case*, Law Rep. 4 Ch. 252.

See COMPANY, 8; STATUTE.

UNDUE INFLUENCE.

A., a widow, aged seventy-five, within a few days after first seeing B., who claimed to be a "spiritual medium," was induced, from her belief that she was fulfilling the wishes of her deceased husband, conveyed to her through the medium of B., to adopt him as her son, and transfer £24,000 to him; to make her will in his favor; to give him a further sum of £6,000; and also to settle on him, subject to her life-interest, £30,000 (these gifts being without consideration, and without power of revocation). *Held*, that the relation existing between them implied the exercise of dominion and influence by B. over A.'s mind; and that as B. had not proved that these gifts were the pure voluntary acts of A.'s mind, they must be set aside.—*Lyon v. Home*, Law Rep. 6 Eq. 655.

USAGE—See CUSTOM; SALE, 2-6.

VENDOR AND PURCHASER OF REAL ESTATE.

1. On a sale by order of court, the purchaser will not be compelled to take an equitable title without the legal estate being got in, except,

perhaps, where a dry legal estate is in an infant.—*Freeland v. Pearson*, Law Rep. 7 Eq. 246.

2. The plaintiff contracted to purchase of the defendant a house described in the particulars of sale as "freehold," subject to certain conditions. Condition 5 was: "That abstract of title will commence with a conveyance of April 17, 1860, and no purchaser shall investigate or take any objection in respect of the title prior to the commencement of the abstract." Condition 9 was: "If any error or misstatement shall appear to have been made in the particulars of sale, it is not to annul the sale, but shall entitle the purchaser to compensation." The abstract of the deed of April 17, 1860, recited an indenture, and also other conveyances, by which the property was conveyed to the defendant's testator in fee, subject (so far as the premises were subject thereto) to the covenants and conditions in the said indenture. The plaintiff asked further explanations of what these covenants and conditions were, which was refused. *Held*, that the plaintiff was entitled to an unincumbered freehold title, under the deed of April 17, 1860, and was therefore entitled to rescind the contract.—*Phillips v. Cuddeghugh*, Law Rep. 4 Q. B. 159.

3. The owner of an estate agreed to sell it to A., representing it as containing 1,520 acres. A. agreed to sell it to a company, and part of the price was paid by them to him, £75,000 in cash, and £75,000 in bonds of the company, and A. paid the vendor £50,000 as a deposit. It appeared that the estate contained only 1,100 acres, and A. thereupon wrote to the vendor declining to complete. The company afterwards rescinded the contract, and A. brought an action against the vendor, which was compromised by repayment of the deposit and rescission of the contract. The company filed a bill against A. and some other defendants, who had agreed to share with him, for a return of the £75,000, and of the bonds. *Held*, that the bill was maintainable, that the company might rescind for misrepresentation, though they might have been able to ascertain the extent of the estate, and that they were entitled to repayment of the £75,000, and to a return of the bonds, and had a lien on a portion of the £50,000 repaid to A., which had been paid into court.

The contract provided that the estate, as to extent of acreage, should be taken to be conclusively shown by certain deeds. *Held*, that this was merely conveyancing condition as to identity, and that, coupled with the representa-