REVIEW OF CURRENT ENGLISH CASES.

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COMPANY—SHARES—EXECUTORS—PROBATE—TRANSFER BY EXECUTORS TO ONE OF THEMSELVES—NOMINAL CONSIDERATION—BREACH OF TRUST—NOTICE—REVOCATION BY ONE TRANSFEROR—REFUSAL TO REGISTER TRANSFER—DIRECTOR'S QUALIFICATION.

Grundy v. *Briggs* (1910) 1 Chy. 444 was an action against three directors of a limited company to restrain the defendants from preventing the plaintiff from acting as a director, and to rectify the register of shareholders by registering him as the owner of fifteen shares in the following circumstances. One James Grundy died entitled to 112 shares of the stock of the defendant company, he made a will appointing the plaintiff and four other persons his executors. The probate of the will was produced to the company and the executors were registered as the owners of the shares. Subsequently the plaintiff was elected director, and with the object of qualifying him the executors executed a transfer to the plaintiff of fifteen shares for a nominal consideration. Before this transfer was registered one of the executors notified the company that he withdrew his signature, and that the transfer was a breach of trust and requested the company not to register it. The directors of the company thereupon refused to register the transfer, and subsequently informed the plaintiff that he had ceased to be a director by reason of his not having acquired the necessary qualification, and thenceforward excluded him from the directors' meetings. Eve, J., who tried the action, held that the plaintiff was entitled to succeed, and that the refusal to register the transfer was not justifiable, because the company were not warranted in gratuitously assuming that the transfer necessarily involved a breach of trust, or, in the absence of any specific reason being given for the withdrawal of the signature, in refusing to register the transfer. He held that the proper course for the directors to take would have been to notify the objecting executor that they would register the transfer unless within a specified time he obtained the order of the court prohibiting its registration. He therefore held that the plaintiff was entitled to have the transfer registered. But in