

of 21 February, 1916, was a sufficient compliance with the articles, and that the first two persons elected as directors at the adjourned meeting in lieu of the two who retired were validly elected and he granted the injunction as asked.

MORTGAGE—SETTLEMENT OF DEBENTURES—TRANSFER TO TRUSTEE OF SETTLEMENT—NON REGISTRATION OF TRANSFER—NEGLIGENCE OF TRUSTEE—SETTLOR'S SUBSEQUENT EQUITABLE MORTGAGE BY DEPOSIT—PURCHASER FOR VALUE WITHOUT NOTICE—PRIORITIES—QUI PRIOR EST IN TEMPORE POTIOR EST IN JURE.

*Coleman v. London County and Westminster Bank* (1916) 2 Ch. 353. The facts of this case were as follows. In 1893 forty-five debentures of a limited company, secured by a trust deed, were settled by the registered owner upon trust for herself for life, with remainder to her three sons in equal shares, and she executed a deed of transfer of the debentures to Edward Coleman the sole trustee of the settlement, and he had possession of the transfer and debentures, but did not register the transfer in the books of the company. Edward Coleman was also sole trustee of the debenture trust deed. In 1894 one of the sons assigned his share for value to Florence Coleman. In 1911 the settlor who was a director of the company, and in some way then had possession of the forty-five debentures deposited them with the defendants, who were bankers of the company, as security for the company's overdraft, and signed the usual declaration of charge. Before taking the charge the bank ascertained that the settlor was the registered owner of the debentures in the books of the company, and they had no notice of the settlement. The bank two years afterwards gave notice of their charge to Edward Coleman as the trustee of the debenture trust deed which he acknowledged, but made no reference to the settlement. In 1914, after Edward Coleman's death, the defendants first had notice of the settlement, and of the transfer to Edward Coleman, and they at once took a transfer of the forty-five debentures from the settlor, and got an assignment of the interest of two of the sons under the settlement, and were registered as owners in the books of the company. The present action was brought by Florence Coleman, and the executors of Edward Coleman, claiming fifteen of the debentures in priority to the bank. Neville, J., who tried the action, held that neither Edward Coleman's omission to register his transfer, nor his silence when he received notice of the bank's charge,