

had been improperly disposed of by the trustees in breach of trust, but with the knowledge and consent of the beneficiaries. The fund in question consisted of two sums of £5,000 each, which had been brought into settlement by a husband and wife respectively, the £5,000 settled by the husband being settled on him for life, and after his death for his wife for life; and the £5,000 settled by the wife being settled on her for life without power of anticipation, and after her death for her husband for life, and after the death of the survivor both funds were directed to be held on trusts for the issue of the marriage. The husband having got into difficulties, the trustees, with the consent of husband and wife, lent the fund settled by the wife to the husband, but though the wife knew of and consented to this loan she did not know and was not informed that it would be a breach of trust. Pending the action the trustees had made good the fund, and they now claimed that the interest of both the husband and wife should be impounded to recoup them for the loss occasioned by the breach of trust. The husband had assigned his interest after the breach of trust, and the assignee had notice of the mortgage given by the husband to secure the moneys advanced to him by the trustees, and that such moneys were part of the trust funds. It was claimed that the trustees were not entitled to impound the husband's interest to the prejudice of the assignee. Romer, J., however, held that the equity of the trustees to impound the husband's interest was entitled to prevail over the claim of the assignee; and he held that the Trustee Act, 1893 (see 54 Vict., c. 19, s. 11 (O.)), although it leaves it in the discretion of the court to impound the share of a beneficiary or not, as in the circumstances it shall see fit, nevertheless does not do away with the law as it stood prior to the statute, and that the equity of trustees to impound the interest of a beneficiary still attaches to the fund prior to any order of the court, so as to affect an assignee of the beneficiary; but as regards the interest of the wife, who was restrained from anticipation, he held that it was the duty of the trustees to protect her against breaches of trust, and as they knowingly committed the breach of trust, even though at her request, he refused to remove the restraint on anticipation so that her life interest could be impounded to recoup them for any loss thus sustained. With regard to his decision in *Ricketts v. Ricketts*, 64 L.T. 263, the learned judge