undertaking to a new company for partly paid shares in such new company. The shares in the defendant company were £1 shares and the scheme for the sale of its undertaking provided that the consideration for the sale was to be an equal number of £1 shares in the new company on which only 17s. 6d. was paid. These new shares it was proposed to allot to the shareholders in the defendant company in the proportion of one new share for every old share they held, and those who refused to accept such allotment were to be compensated for their shares in the defendant company by the price to be realized from the sale of such new shares as they refused to accept. This Eve, J., considered to be a legitimate arrangement, but the Court of Appeal (Cozens-Hardy, M.R. and Buckley, and Moulton, L.JJ.) regarded it as a scheme for levying an assessment on the shareholders of the defendant company, and imposing an increased liability in respect of their shares, with the alternative of being dispossessed of their status as shareholders in the defendant company and therefore ultra vires and in contravention of s. 161 of the Companies Act 1882 (see 7 Edw. VII. c. 34, s. 188 (O.)). The arrangement was attempted to be supported as being authorized by the original memorandum of association, but the Court of Appeal held that it was not competent to validly provide for any such arrangement in the memorandum of the association.

COMPANY—VOLUNTARY WINDING UP—CONTEMPORANEOUS RESOLUTION TO WIND UP, AND FOR RECONSTRUCTION—INVALIDITY OF SCHEME FOR RECONSTRUCTION.

In *Thomson* v. *Henderson's Transvaal's Estates* (1908) 1 Ch. 765 another question affecting the same company is discussed. Contemporaneously with the scheme for reconstruction referred to in the last case and which was held to be invalid, a resolution had been passed for the voluntary winding up of the defendant company, and the object of this action was to determine whether the resolution for winding up was valid, notwithstanding that the reconstruction arrangement was held to be invalid. Eve, J., held that it was, and the Court of Appeal (Cozens-Hardy, M.R., and Moulton, and Buckley, L.JJ.) affirmed his decision, as Buckley, L.J., put it the passing of the resolution to wind up altered the status of the company from a going concern to one in liquidation, and though the object for which the resolution was passed may have failed, yet it was like a woman