

insurance Company, could not attend its annual meeting last week. The meeting was a very enthusiastic one and with reason. A dividend of 5 per cent. and a bonus of 2 1-2 per cent. was declared, and \$160,805 was the amount added to reserve. Besides industrial life assurance, the London and Manchester provides sickness, and medical aid. For a trifling weekly premium as low as five cents a doctor is provided free when wanted, in addition to other benefits.

Sir John Mowbray's old place on the board of the Clerical Medical and General Assurance Society has been taken by Wilfred Joseph Cripps, a barrister, justice of the peace, county councillor, author, a fellow of the Society of Antiquaries and a Companion of the Bath. He is still a comparatively young man, and will have great influence on behalf of the Society of which he is now chairman.

#### RECENT LEGAL DECISIONS.

**REMUNERATION OF COMPANY DIRECTORS.**—In an action by a person claiming as mortgagee of a Company director, to recover moneys alleged to be due to the director from the New Beeston Cycle Company in respect of directors fees, Mr. Justice Cozens-Hardy has laid down the following:—

The terms of the implied contract between a director who has accepted office and acted, and the company, namely on his part to serve the company on the terms of the articles, and on the company's part that he shall receive the remuneration provided by the articles—are cross-contracts, and are not inter-dependent.

An article providing that the office of a director shall be vacated, if he cease to hold the due qualification, does not apply to the case of a qualification never possessed.

An article providing a sum for the remuneration of the board in each year, applies to every member of the board, including a *de jure* director, who has not acquired his qualification shares under the articles.

The omission to apply for and obtain such shares from the company, is not such a breach of duty as to constitute a defence to any claim for remuneration.

Where the articles provide a sum for the remuneration of the board "in each year," no remuneration can be claimed, *except* for a complete year, and there is no apportionment in respect of an incomplete year. 47 W. R. 462.

**MORTGAGE OF A PUBLIC-HOUSE.**—On a mortgage of a public-house, the good-will is not included, unless expressly mentioned. This has been decided by Mr. Justice North, of the Chancery Division of the High Court of Justice in England. One Bennett was the owner of the Buck's Head, upon which he made a mortgage in fee, and nothing was said about the good-will. Under his will he disposed of the good-will of his business in one direction, and his real estate in another. The Buck's Head having been sold for £11,550, including the good-will, the question arose whether the good-will, which was valued at £2,617,

ought to bear any portion of the mortgage debt, or whether the mortgage debt ought to fall entirely on the sum realized on the sale, deduction being made of the value of the good-will. 47 W. R. 406.

**LIABILITY OF AN INACTIVE CO-TRUSTEE.**—Upon the dissolution of the Second East Dulwich, 745th Starr-Bowkett Building Society, two trustees were appointed under the deed of dissolution. One of these was a small tradesman, who trusted entirely to the other, who was experienced in the affairs of building societies. The latter absconded, and proceedings were taken against both to recover the moneys which had disappeared. As a result, the inactive trustee discharged his obligation by paying a sum of about £400, but he objected to pay the costs of the proceedings. In giving judgment for payment of the costs as well, Mr. Justice Kekewich, of the English Chancery Division, made the following remarks:—

It is with the utmost reluctance that the court orders a trustee of this kind to pay costs, not only because it is settled practice, but because of the natural and proper sympathy with a trustee who gratuitously undertakes duties in a charitable trust, which are often very irksome, so that no one desires to judge his conduct by too rigid lines. The Legislature has passed the Judicial Trustee Act, excusing trustees for certain breaches of trust, but that act does not apply here. Conduct, to excuse a trustee, must be honest and reasonable. The word 'honest' is used in many senses. A trustee is honest, if he has not done anything dishonest. Now, there is nothing against the trustee here, there is no suggestion that he has done anything dishonest, he has paid the money which was found to be due to the society from his co-trustee, and is so far acquitted of dishonesty in the usual sense of the word. But in another sense he is not honest. It seems to me that a man who accepts such a trusteeship, and does nothing, swallows wholesale what is said by his co-trustee, and never asks for explanation, and accepts flimsy explanations, is dishonest. He poses here before us as a poor man, the victim of his co-trustee. No doubt he was imposed upon, but he suffered himself to be imposed upon. He brought himself into the difficulty, and I could not allow him to have costs that would diminish the sum recovered. But should I make him pay the costs? If I did, then the fund in court would be intact for those entitled to it; if I allowed him cost, the costs would come out of the fund, costs incurred by his own conduct. He ought to have insisted on accounts being filed in a reasonable time, and it would have been unnecessary to pursue the enquiries, and to incur all these costs. If he does not pay the costs, then the parties entitled will get less than they ought. So, having regard to his conduct, I should not be doing justice to the plaintiffs, if I did not make him pay the costs. It is hard on the trustee, but I must consider the parties entitled. If I decided in favour of the trustee, the parties would suffer. 47 W. R. 408.