

who refuse to allow the name of the company to be used, then in that case the complaining shareholders may bring an action in their own names, but in such a case the plaintiffs can have no greater right than the company would itself have if plaintiff, and cannot complain of acts which are valid if done with the approval of the majority of the shareholders if such majority have approved of them ; and the cases in which the minority can maintain such an action are confined to those in which the acts complained of are fraudulent or beyond the powers of the company. In the present case the Committee came to the conclusion that there was no principle of law binding the company to distribute the whole of the profits made, or in any way limiting or controlling its power to establish a reserve fund for any amount it might think fit, and that such reserve might properly be invested as the directors might bona fide determine, and the judgment below was accordingly varied. On another point the judgment of the Court below was also varied. It was objected by the plaintiff that one Burland, the managing director, had purchased property which he had subsequently sold to the company at a profit. The Court below had ordered him to account for this profit, but the Judicial Committee held that the company's right was to rescind the sale, but it could not affirm the sale and at the same time claim an account of the profit, their Lordships being of opinion that there was no evidence that Burland had purchased the property for, or as trustee for, the company. Their Lordships also held that under a resolution giving the members of the "staff" a percentage on the stock held by them by way of increase of their salaries, the secretary of the company was included in the term "staff," but not the managing director, and that on the secretary being subsequently appointed vice-president without any mention of salary, he was still entitled to continue to draw the same salary as he had whilst secretary.

COVENANT NOT TO ASSIGN WITHOUT CONSENT—REASSIGNMENT TO ORIGINAL LESSEE—INJUNCTION.

McEacharn v. Colton (1932) A.C. 104, was an appeal from South Australia in which the point is decided that where a lessee covenants not to assign without the consent of his lessor, and with consent he makes an assignment, the covenant runs with the land and the assignee is bound by it and cannot, without the lessor's assent, reassign the lease to the original lessee, and such reassignment may be restrained by injunction.