

COMPANY—PREFERENCE SHARES—ORDINARY SHARES—DISTRIBUTION OF PROFITS—RIGHTS OF DIFFERENT CLASSES OF SHAREHOLDERS INTER SE.

*Will v. United Lankat Plantations Co.* (1914) A.C. 11. This was an appeal from the decision of the Court of Appeal (1912), 2 Ch. 571 (noted ante vol. 49, p. 104) reversing a judgment of Joyce, J. The simple question was whether shares entitled to a cumulative preferential dividend of 10 per cent. per annum, in priority to ordinary shares, were entitled also to participate further in the profits of the company available for dividends. The Court of Appeal held that they were not entitled to anything more than the 10 per cent. and the House of Lords, Lord Haldane, L.C., and Lords Loreburn, Kinnear and Atkinson affirmed the decision.

MORTGAGE—COLLATERAL AGREEMENT—CLOG ON REDEMPTION—WHETHER COLLATERAL AGREEMENT ENFORCEABLE AFTER REDEMPTION.

*Kreglinger v. New Patagonia M. & C. S. Co.* (1914) A.C. 25. The law relating to mortgages has undergone considerable change by reason of the repeal of the usury laws, and the doctrines of equity which, in conformity to those laws, had imposed restrictions on a mortgagee stipulating for any other advantage than interest on his money, have had to be modified so that, although any stipulation for more than interest was formerly void in equity, a collateral advantage may now be stipulated for by a mortgagee, provided that he does not act unfairly or aggressively, and provided that the bargain does not make the security irredeemable, or restrict or clog the right to redeem. So that it is now no longer true, as was said in *Jennings v. Ward*, 2 Vern. 520, "that a man shall not have interest for his money and a collateral advantage beside the loan of it." The Lord Chancellor points out, that as statutes are altered or modified, the rules of equity which have been framed with regard to them, must also needs be modified; the jurisdiction of equity being of an elastic character. In the present case the mortgagees had stipulated at the time of making the loan, which was secured by a floating charge on the mortgagee's undertaking (the mortgagor being a limited company), that the mortgagor should not for a period of five years from that date sell sheepskins to any person other than the mortgagees, so long as the latter were willing to buy at the best price offered by any other person, and that the mortgagor should pay to the mortgagees a commission on all sheepskins sold by the mortgagor,