

AGREEMENT—ILLEGAL CONSIDERATION—STIFLING PROSECUTION.

Jones v. Merionethshire Building Society (1891), 2 Ch. 587, is a decision of Williams, J. The facts of the case were that the secretary of the defendants had embezzled money of the defendants' and that they had threatened him with prosecution; that he thereupon wrote to the plaintiffs (his mother and brother) informing them of the strait he was in and entreating them to come to his aid, and that unless the claim was settled by a certain day the defendants were likely to prosecute him. The plaintiffs thereupon waited upon the defendants and paid a part of the amount embezzled in cash, and gave their promissory notes to secure the balance. Nothing was said to, nor was any agreement made by, the defendants about abstaining from prosecuting. The Court, however, found as a fact that the defendants must have known that the plaintiffs' object in settling the claim was to prevent their relative from being prosecuted. The action was brought to recover the money and promissory notes which had thus been paid and given to the defendants. Williams, J., gave judgment in favor of the plaintiffs. It may be well to observe that in transactions of this kind a party making the payment, or giving the security, to relieve his relative from a prosecution is not *in pari delicto* with the person to whom the payment is made or the security is given.

COMPANY—TRANSFER OF SHARES—CONFLICTING EQUITIES TO SHARES.

Moore v. North-Western Bank (1891), 2 Ch. 599, was an action to determine the right to certain shares in a joint stock company. The shares stood in the name of Bradbury, the trustee of the will of J. L. Moore. The plaintiffs were beneficially entitled under the will. Bradbury had fraudulently deposited transfers of the shares with the defendants as security for a debt due by himself to them. By the terms of the articles of association every transfer of shares was required to be approved by the directors before registration. The transfer to the bank had not been approved or registered by the company when notice of the plaintiffs' claim was received by them. Under these circumstances Romer, J., held that the plaintiffs were entitled to the shares in preference to the bank. He says at p. 602: "As between two persons claiming title to shares in a company like this, which are registered in the name of a third party, priority of title prevails, unless the claimant second in point of time can show that as between himself and the company, before the company received notice of the claim of the first claimant, he the second claimant has acquired the full *status* of a shareholder; or at any rate that all formalities have been complied with, and that nothing more than some purely ministerial act remains to be done by the company, which as between the company and the second claimant the company could not have refused to do forthwith; so that as between himself and the company he may be said to have acquired, in the words of Lord Selborne (*Société Générale de Paris v. Walker*, 11 App. Cas. 20, 29), 'a present, absolute, unconditional right to have the transfer registered, before the company was informed of the existence of a better title.'"