

**COMPANY—DIRECTORS—ARTICLES OF ASSOCIATION—VESTING OF
MANAGEMENT IN DIRECTORS—GENERAL MEETING OF SHARE-
HOLDERS—RESOLUTION INCONSISTENT WITH ARTICLES OF ASSO-
CIATION.**

Salmon v. Quin (1909) 1 Ch. 311 was an action brought by the plaintiff a director of the company to restrain the company and his co-directors from acting on a resolution passed at a general meeting of the company, as being contrary to the articles of association. The defendant company was formed for carrying on a draper's business, and by the articles of association it was provided that the business of the company should be managed by the directors, and it was also provided that no resolution of the directors having for its object the borrowing of money, the entering into any contract exceeding £1,000 in amount on the acquisition by purchase, lease or otherwise of premises, etc., should be valid or binding unless not less than 24 hours' notice in writing should be given to the managing directors, Axtens and Salmon, and neither of them should have dissented before or at the meeting at which such resolution should be passed. A resolution was passed by the directors for the acquisition of premises at a cost of £2,100. From this resolution Salmon the plaintiff dissented. A general meeting of shareholders was called at which a resolution for the acquisition of the property in question was also passed; and it was to prevent that resolution being acted on that the action was brought. Warrington, J., thought the resolution was not inconsistent with the articles of association and refused the injunction but the Court of Appeal (Cozens-Hardy, M.R., and Farwell, L.J.), held that he was wrong, and reversed his decision, being already of opinion that the resolution objected to, was an attempt to alter the articles of association which constitute a contract not merely between the shareholders and the company but between each individual shareholder and every other.

**VENDOR AND PURCHASER—SALE OF SLAG AND CINDERS—SLAG TO
BE SEVERED AND REMOVED BY PURCHASER—INTEREST IN LAND—
BREACH OF CONTRACT—DEFECT IN TITLE OF VENDOR—DAM-
AGES—SALE OF GOODS.**

Morgan v. Russell (1909) 1 K.B. 357 was an action by a vendor to recover the price of certain slag and cinders agreed to be sold to the defendants, in which the defendants counter-claimed for damages for breach of contract by the plaintiff.