

TRUSTEE—BREACH OF TRUST—LIABILITY OF LEGACY TO TRUSTEE
TO MAKE GOOD HIS DEFAULT AS TO RESIDUE—ASSIGNEES OF
TRUSTEE.

In re Towndrow, Gratton v. Machen (1911) 1 Ch. 662. By the will of a testator a specific legacy, subject only to prior interests therein, was given to the trustee of the will, but he took no interest in the residue whereof he was trustee. He settled part of the legacy while still reversionary and mortgaged the other part. Several years afterwards he misappropriated part of the residue. The legacy having fallen into possession had been paid into Court in an action for the execution of the trusts of the will. The residuary legatees now sought to attach the legacy to make good the breach of trust of the trustee in respect of the residue, and their claim was opposed by the beneficiaries under the settlement, and the mortgagee of the legacy; and Parker, J., held that the rule that a defaulting trustee cannot claim any share in the trust estate until he has made good his default did not apply to the present case because the trustee was not entitled to any share or interest in the residue, and that as the specific legacy and residue were held upon entirely distinct trusts, one fund was not liable to indemnify the other, and therefore the assignees of the legacy were entitled to it free from any lien or equity in respect of the assignor's default.

EQUITY OF REDEMPTION—ASSIGNMENT OF EQUITY OF REDEMPTION
—IMPLIED OBLIGATION OF ASSIGNEE OF EQUITY OF REDEMPTION
TO INDEMNIFY ASSIGNOR—EXPRESS COVENANT OF INDEMNITY
—EXCLUSION OF IMPLIED INDEMNITY—CONTINGENT REVER-
SIONARY INTEREST.

Mills v. United Counties Bank (1911) 1 Ch. 669. The plaintiff in this case, was, under the will of his father entitled to a one eleventh share of the testator's real estate expectant on the death or second marriage of the testator's widow, contingently on his being alive at the date of the death or second marriage of the widow, and his share was susceptible of augmentation in the event of any other of the testator's children dying prior to the death or marriage of the widow. This interest the plaintiff mortgaged to the defendants and secondly to his father-in-law, one Mobberley. The defendants having commenced an action against the plaintiff an arrangement was come to which included the purchase by the defendants of the plaintiff's equity of redemption in the contingent reversionary interest under his