

which may easily be suggested, it would be too much to hold that a society of private persons, associated together in undertakings which, though certainly beneficial to the public, are, notwithstanding, matters of private property, is to be deprived of their civil rights *inter se*, because, in order to make their common objects more attainable, the Legislature may have conferred upon them the character of a corporation."

The exceptions to the rule are (1) where the act done or proposed to be done is *ultra vires* the company, and (2) where there has been fraud or where the majority of a company propose to benefit themselves at the expense of the minority.

As to (1), it is obvious that the act cannot be sanctioned by the company, and therefore the court can interfere: *Simpson v. Westminster Palace Hotel Limited*, 8 H.L.C. 712; *Hodge v. Great Western Railway*, 17 L.T. Rep. 453, L. Rep. 3 Ch. 262.

Vice-Chancellor Wigram in *Bagshaw v. Eastern Union Railway*, *supra*, speaking of acts *ultra vires* the company, says: "A single dissenting voice would frustrate the wishes of the majority. Indeed, in strictness, even unanimity would not make the act lawful."

As to fraud, *Atwood v. Merryweather*, L. Rep. 4 Eq. 464n, is a good example. There M., appearing as sole vendor, sold property to the company for £7,000, of which M. received £4,000 and W. took £3,000. This transaction was not disclosed, and M. and W. together had sufficient votes to secure a majority at the shareholders' meeting: (cf. also *Spokes v. Grosvenor Hotel Company*, 76 L.T. Rep. 679, (1897), 2 Q.B. 124.

It is not fraud for a shareholder or a majority of shareholders to carry a resolution in their favour where they have an interest in the subject-matter of the vote: *Burland v. Earle*, 85 L.T. Rep. 553, (1902) A.C. 83; e.g., a resolution of a general meeting to purchase a vessel at the vendor's price was held to be valid notwithstanding that the vendor himself held the majority of shares in the company: *North-Western Transport Company Limited v. Beatty*, 57 L.T. Rep. 426, 12 A.C. 589. The court, however,