

should sell their Taunton businesses to a new company in consideration of shares or debentures of the new company. The plaintiff company and Cornishes Limited also providing the necessary working capital by applying and paying for shares or debentures in the new company. The question was whether this could lawfully be done under the plaintiffs' articles of association. Warrington, J., held that it could, and that it would be a legitimate mode of carrying out the power of uniting and amalgamating the interests of the plaintiff company with those of Cornishes Ltd.

COMPANY—DEBENTURE—TRUSTEES FOR DEBENTURE HOLDERS —
GUARANTEE OF DEBENTURES BY TRUSTEES—RE-INSURANCE OF
RISK—LIQUIDATION OF COMPANY AND GUARANTORS—DEBENTURE
HOLDERS' RIGHTS IN RE-INSURANCE MONEYS.

In re Law Guarantee T. & A. Societies, Godson's claim (1915) 1 Ch. 340. This was a liquidation proceeding and the society in liquidation had guaranteed the payment of the debentures of a brewery company the society being also the trustees for the debenture holders under a trust deed made by the brewery company. The society had re-insured part of their risk as guarantors of the debentures with another insurance company. Subsequently both the company and the society went into liquidation and the debentures remained unpaid. Godson who was the holder of all the debentures of the brewery company claimed to be entitled to the benefit of the re-insurances effected by the guarantors as against the general creditors of the guarantors. Neville, J., however, decided that although there was a fiduciary relation between the guarantors and the debenture holders under the trust deed, there was no such relation between them under the contract by which the payment of the debentures was guaranteed, and therefore that the claimant had no preferential claim on the re-insurance moneys.

COMPANY—WINDING-UP—PETITION OF UNSECURED CREDITORS—
BUSINESS CARRIED ON BY DEBENTURE HOLDER.

In re Cladown Colliery Co. (1915), 1 Ch. 369. This was an application for a winding-up order. The company was hopelessly insolvent and its business was being carried on solely for the benefit of the chairman of the board of directors who held