

LIMITED COMPANY—SURRENDER OF SHARES—RELEASE OF SHAREHOLDERS FROM LIABILITY.

In *Bellerby v. Rowland & M.S.S. Co.* (1902) 2 Ch. 14, the Court of Appeal (Collins, M.R., Stirling and Cozens-Hardy, L.JJ.) have been unable to agree altogether with the judgment of Kekewich, J. (1901) 2 Ch. 265, (noted ante vol. 37 p. 773). The action it may be remembered was brought to rectify the register of shareholders of a limited company, so as in effect to cancel the surrender of certain shares which had been made to the company and to declare the surrenderers still entitled thereto. The shares in question were for £11 each on which only £10 had been paid, and the company's articles empowered the directors to accept a surrender of any member's shares on such terms as might be agreed, and in pursuance of this provision certain of the directors surrendered some of the shares held by them, with a view of making good to the company a loss which had been incurred. The company had since become prosperous and the directors desired to be restored to their former position. Kekewich, J., though of opinion that the surrender was illegal, yet refused to rectify the register on the ground that the justice of the case did not require it. The Court of Appeal agreed that the surrender was bad, but they overruled Kekewich, J. in so far as he refused to order a rectification of the register, on the ground that the surrender was invalid and the surrenderers had never ceased to be the holders of the shares. It may be noted that they waived all claim to past dividends.

COMPANY—WINDING UP—PRIVATE EXAMINATION—SOLICITOR OF WITNESS—UNDERTAKING OF SOLICITOR NOT TO DISCLOSE EXAMINATION OF CLIENT—COMPANIES ACT 1862 (25 & 26 VICT. C. 89) S. 115—(R.S.C. C. 129, S. 81).

In *re London & Northern Bank* (1902) 2 Ch. 73, this was a winding up proceeding in which an examination of a witness was taken by the liquidator under the Companies Act (25 & 26 Vict. c. 89) s. 115. (R.S.C. c. 129, s. 81). The witness was attended by his solicitor who was himself summoned as a witness and who was also solicitor for third parties with whom the liquidator was in litigation, and for the purposes of which litigation the examination was taken. The liquidator objected to the solicitor being present at all, and also to his managing clerk attending, except on the terms of undertaking not to disclose the information obtained on the examination. Byrne, J. held that the examination was of a