

LIABILITY OF DIRECTORS.

The liability of directors, if living, and of their estates, if dead, for moneys improperly received by them, and for moneys improperly paid by them to shareholders by way of dividend, is of long duration, even where no actual dishonesty is alleged against them. This appears from the case of *Re Sharpe; Re Bennett; Masonic and General Life Assurance Company, v. Sharpe*, 65 L. T. Rep. N. S. 76, where the liquidator of a company in the year 1890 sued the representatives of two deceased directors of the company for moneys improperly received by the directors, and for moneys improperly paid by them to the shareholders of the company by way of dividend, between the dates of June, 1869 and July, 1878. The moneys had been taken from the capital of the company. The company had made no profits, and no profit-and-loss account had been made up. The directors had no justification for believing that any profits had been made; and the payments were not warranted by the articles of association of the company. Under these circumstances the action, as against the representative of one of the directors, was compromised by leave of the court, by payment of part of the moneys improperly received and paid by them, and Mr. Justice North, on the 2nd June, 1891, gave judgment for the repayment out of the estate of the other director of the residue of such moneys, as there was nothing to show that the defence to the claim was prejudiced by the delay in bringing the action, and the creditors of the company ought not to lose their rights through the delay of the liquidator in enforcing them.—*Law Times (London)*.

PUBLICATION OF ERRONEOUS ENTRY.

The case of *Lord Annaly v. The Trade Auxiliary Company*, 25 Ir. Law Times Reports, p. 57, before the Court of Appeal in Ireland, is of considerable interest upon the point of the liability of persons publishing facts officially although erroneously recorded and of public interest. The action was brought to recover damages for libel by reason of the

defendants having published in *Stubbs' Weekly Gazette* a statement accurately copied from an erroneous entry in the register of judgments to the effect that a judgment had been recovered against the plaintiff in his personal capacity, whereas it had been rendered against him only as executor of his father, deceased; the inuendoes imputing respectively that the statement implied that the judgment was an existing liability against the plaintiff's estate and effects, and that the judgment creditors were creditors of the plaintiff, and that the plaintiff was unable to discharge his obligations; while in one paragraph it was alleged by way of special damage that a creditor of the plaintiff had in consequence brought an action against the plaintiff to recover an amount secured by the joint promissory note of the plaintiff, his brother, and his late father.

The court held in a considered judgment, affirming the judgment of the Exchequer Division, that the defendants were not liable, and the Lord Chancellor in delivering judgment held that because the Queen's Bench officer in preparing the certified minute made an error, it in no respect entitled the registrar, who was ignorant of it, to decline registering. Once registered, all the particulars copied from the certified minutes into the registrar's book were published for all purposes and became public property. Knowledge of and notice of judgments may be of the highest interest and importance to many sections of the public. The defendants in their publication merely facilitated the public in gaining a knowledge which it was intended should be open to all, and saved the public from trouble. The defendants were not liable in libel for their *bona fide* publication of a public book kept by a public officer in a public department. The judgment of Lord Cottenham in *Fleming v. Norton*, 1 H. of L. Cas. 263, was, his Lordship held, really conclusive: "I found my opinion upon this, that the publication of the fact proposed to be inserted in the appellant's list has been made by the act of Parliament in certain registers, the contents of which are public property and the publication of them authorized."—*Law Times (London)*.