

breach of an implied warranty on their part, that the society had power to borrow.

Very similar in its facts to *Cherry v. Colonial Bank* was *Weeks v. Propert*, L.R. 8 C.P. 437. There the defendant, a director of a company, was party to the issuing of an advertisement stating that the company was prepared to receive proposals for loans on the security of debenture mortgages. The plaintiff in response to the advertisement offered to lend £500, which was accepted, and a debenture therefor was issued to the plaintiff, which was subsequently declared by a court of law to be invalid, as being beyond the borrowing powers of the company. The advertisement was held to be an implied warranty that the company had the necessary borrowing powers, and that the debenture to be issued would be valid and binding on the company, which the defendant was personally bound to make good; and *Chapleo v. Brunswick Building Society*, 6 Q.B.D. 706, and *Fairbanks v. Humphreys*, 18 Q.B.D. 54, are decisions to the same effect. But where a company had power and were bound to issue the debentures contracted for, but did not do so, in such a case the directors were held to incur no personal liability for breach of warranty because the default was the company's: *Elkington v. Hunter* (1892), 2 Ch. 452.

In *Rashdall v. Ford*, L.R. 2 Eq. 750, the plaintiff being desirous of investing money in railway bonds applied to the secretary of a railway company, who wrote offering him a bond of the company for £1,500, and stated that the company were not yet in a position to issue permanent debentures, but that they expected to be able to do so in four or five months' time. The plaintiff advanced his money on the security of the bond offered to him: with the bond, which was signed by the secretary, was sent a prospectus shewing that the company had been incorporated and that three persons named were directors. The bond proved to be invalid; and the action was brought against the directors, but the bill contained no obligations of fraud, misrepresentation of fact, or misapplication of the money, nor was there any allegation that the directors knew anything about the transaction, and the secre-