

and for the purpose of promoting a new company to take over the property so to be purchased. The property in question was subject to debentures for £100,000 and a mortgage for £10. The syndicate agreement provided that if a new company was formed, four members of the syndicate named therein should be directors of the company, and these four were also appointed trustees, to do what was necessary to carry out the objects of the syndicate, with power to purchase, as an interim investment of the syndicate's funds, any debentures of the old company. It was also provided that any sale to a new company was to be subject to certain agreements for giving the contract for advertising and furnishing refreshments to firms in which members of the syndicate were interested. The syndicate purchased the mortgage and some of the debentures much below the amount they ultimately realized, and made a profit of £20,000, of which the share of the four trustees was £6,341. They subsequently bought the property of the defunct company for £140,000, and resold it to one Close as trustee of the new company for £180,000, and it was declared that the purchase was not to be in any way avoided by any secret profit made by the promoters or any of them, nor should the vendors be required to account for any such profit. The new company was thereafter formed, and the four trustees became directors thereof, and ratified and affirmed the agreement made by Close with the syndicate, and it was agreed that any profits made by the syndicate from interim investments were not included in the sale to the new company. The new company thus formed, having been ordered to be wound up, the liquidator claimed that the four directors should make good to the company the £6,341, which they had made as above-mentioned. Wright, J., was of opinion that they were in no fiduciary relation to the company at the time the purchases of the mortgage and debentures were made, and were therefore not liable to account. The Court of Appeal (Lindley, M.R., and Rigby and Collins, L.JJ.), however, were of a different opinion; they considered that the syndicate trustees owed a duty to the new company when formed, not to make any profit out of it