

them. In this case the plaintiff became a purchaser of shares in a mining company on the faith of a prospectus issued by the directors, in which it was stated that the reports of certain engineers therein mentioned were "prepared for the directors." As a matter of fact, the reports had been prepared at the instance of the vendors from whom the company had purchased the mine, but there was no evidence that they were incorrect or exaggerated. Romer, J., held the defendants liable, and that they were under no obligation to prove that the reports were untrue or exaggerated, as he considered that question irrelevant; but the Court of Appeal (Lindley, Bowen, and Kay, L.JJ.) reversed his decision, holding that in the absence of proof of fraud by the defendants, or of their having made the statement in question with a reckless disregard of whether it was true or not, which would be fraud, they were not liable even though the statement were false and had been negligently made. Lindley and Kay, L.JJ., without basing their opinion on that ground, also were of opinion that, even if fraud had been proved, it was also a material fact to be proved affirmatively by the plaintiff that the reports were in fact untrue. Though the action was dismissed, the defendants were refused their costs.

In connection with this case, it may well to note that a recent Provincial Statute (54 Vict., c. 34, ss. 4-6) materially modifies the law as laid down by the House of Lords in *Peck v. Derry*, 14 App. Cas. 337, as to the liability of directors to damages occasioned by misrepresentation in prospectuses issued by them.

WILL—DOUBLE PORTIONS—SATISFACTION OF LEGACY.

In *re Lacon*, *Lacon v. Lacon* (1891), 2 Ch. 482, the doctrine regarding the ademption of legacies comes under discussion. The testator bequeathed his shares in a partnership business to his three sons equally as tenants in common. At the date of his will he had 21 shares in the business, and Ernest, one of his sons, was employed as manager of the business at a salary; the other two sons were not employed in the business. Subsequently to the making of the will, Ernest pressed for an increase of salary, and the testator thereupon arranged a new deed of partnership whereby Ernest was admitted as a partner, the testator making over to him 2 of his 21 shares, Ernest accepting the position, and relinquishing his salary as manager, but receiving instead his proportion of profits as a partner, which was greater in amount. The question then arose, on the testator's death, whether Ernest was to be considered a purchaser for value of the two shares thus transferred to him, or whether they were to be regarded as a part satisfaction of his legacy. Romer, J., decided that the gift of the two shares was in the nature of a portion, and that the presumption against double portions arose, and that therefore the legacy to Ernest had been adeemed as to two of the shares thereby bequeathed to him; but the Court of Appeal (Lindley, Bowen, and Kay, L.JJ.) inclined to the opinion that the circumstances under which the gift of the two shares had been made were such as to indicate that they were not intended as a portion, but by way of remuneration for his services as manager; but that even if they were given by way of portion, they were agreed that the presumption against double portions was rebutted by the cir-