

DEBENTURE HOLDER OF COMPANY—RECEIVER, APPOINTMENT OF, AT INSTANCE OF MORTGAGEE BEFORE DEFAULT—COMPANY—INSOLVENCY.

*McMahon v. North Kent Ironworks* (1891), 2 Ch. 148, was an action by a debenture holder of a limited company, whose security created a charge upon the assets of the company for the appointment of a receiver of the property and assets of the company, which had become insolvent. No default had been made in payment of principal or interest secured by the debentures. The only direct precedent for the application was an unreported decision of North, J., which Kekewich, J., followed and granted the application, appointing a receiver until judgment or further order.

MISTAKE OF LAW—OFFICER OF THE COURT—COMPANY—WINDING UP—ASSETS INCREASED BY HONEST MISTAKE OF SHERIFF—REPAYMENT BY OFFICER OF COURT OF MONEY RECEIVED THROUGH MISTAKE OF LAW.

*In re Opera* (1891), 2 Ch. 154, executions having been placed in a sheriff's hands against the goods of a limited company, the sheriff seized goods and chattels of the company. Subsequently a petition was presented for winding up the company, an order was made for winding up the company, and a liquidator was appointed without prejudice to the rights of the sheriff. After this the sheriff, erroneously believing himself entitled to do so, seized the money received at the doors of the company's theatre, and out of the moneys so received paid the execution creditors and his own fees, and delivered up the balance, together with the goods and chattels seized by him, to the liquidator. Subsequently, on the application of the liquidator, it was held that the sheriff had no right to seize the money taken at the doors after the winding-up order, and he was ordered to pay over the amount so received by him to the liquidator. The goods and chattels which had been under seizure by the sheriff, and which he might have sold to satisfy the executions in his hands notwithstanding the winding-up order, having been sold by the liquidator, the sheriff applied to be refunded out of the proceeds of the goods the amount paid by him to the execution creditors, and his own fees, and Kekewich, J., held that he was entitled to this relief, on the ground that the Court would not allow its officer (the liquidator) to take advantage of a mere mistake of law by retaining money to the prejudice of those who had an honest claim to it, notwithstanding that the mistake under which the liquidator received the money might be one which as between ordinary litigants could not be rectified by the Court.

CONVERSION OF CHATTELS—TRUSTEE, RIGHT OF, TO SUE FOR CONVERSION OF CHATTELS BY CESTUI QUE TRUST—AUCTIONEER, WHEN LIABLE FOR CONVERSION OF GOODS—EVIDENCE—PRACTICE.

*Barker v. Furlong* (1891), 2 Ch. 172, was an action for the conversion of goods and chattels. The plaintiffs were trustees for the goods and chattels in question, and had permitted the *cestui que trust* who was entitled to them for life to have the possession of them; the *cestui que trust*, with the assistance of his brother, sent the goods to an auctioneer, who sold them and handed them over to the purchasers. The action was brought by the trustees against the *cestui que trust*, his brother, and the auctioneer, for the value of the goods and chattels. The