by him, and for damages for breach of duty: the defendant counter-claimed for wrongful dismissal. The Court of A[illegible] (Cotton, Bowen and Fry, L.JJ.) held (reversing Kekewich, J.) that the receipt of a commission from the ship-building company was a good ground for dismissal, although it was not discovered until after the dismissal had taken place; and though it had happened several months previously, and might have been an isolated act; and that the defendant must account for the bonuses received from the ice and carrying companies, although the plaintiffs would not themselves have been entitled to the bonuses, not being shareholders; and that as the defendant's salary was payable yearly, he was not entitled to any part of the salary for the current year in which he was dismissed. Cotton, L.J., at p. 357, says:—"If a servant, or a managing director, or any person who is authorized to act, and is acting, for another in the matter of any contract, receives, as regards the contract, any sum, whether by way of percentage or otherwise, from the person with whom he is dealing on behalf of his principal, he is committing a breach of duty." And further on, he says: "When an agent entering into a contract on behalf of his principal, and without the knowledge or assent of that principal, receives money from the person with whom he is dealing, he is doing a wrongful act, he is misconducting himself as regards his agency, and, in my opinion, that gives the employer, whether a company or an individual, and whether the agent be a servant, or a managing director, power and authority to dismiss him from his employment as a person who by that act is shown to be incompetent of faithfully discharging his duty to his principal." And he goes on to say that the employer has this legal right, whenever he discovers the offence, even though it may have been committed long ago and been an isolated act; though after knowledge, if he continue the servant in his employment, he may thereby condone the offence. See *Priestman* v. *Bradstreet*, 15 O.R., 558.

BUILDING SOCIETY—ARBITRATION—ACTION AGAINST DIRECTORS, MEMBERS OF SOCIETY, FOR RETAINING MONEYS OF SOCIETY.

Municipal Building Society v. *Richards*, 39 Chy. D. 372, was an action by a building society against former directors, and the former secretary of the society, to recover moneys alleged to have been improperly retained by them The defendants were members of the society, and by the 49th rule of the society, it was provided that disputes between the society and members thereof should be settled by arbitration. The defendants applied to stay the action, and to refer the dispute to arbitration. But it was held by Stirling, J., and his decision was affirmed by the Court of Appeal (Cotton, Bowen & Fry, L.JJ.), that a claim by a society against its officer for misappropriating and keeping in his hands moneys of the society, was not a dispute between the society and a member thereof "in his capacity of a member," and the motion was therefore refused.