

Palmer's Company Law, it is said: "We have now to consider what it is which constitutes membership. It is a point of the first importance in the law of companies, and to answer it we must turn to s. 23 of the Act of 1862; that section provides as follows: 'The subscribers of the memorandum of association of any company under this Act shall be deemed to have agreed to become members of the company whose memorandum they have subscribed, and upon the registration of the company shall be entered as members on the register of members hereinafter mentioned (s. 25, see *infra*, p. 101), and every other person who has agreed to become a member of a company under this Act, and whose name is entered on the register of members, shall be deemed to be a member of the company.'

"This section, it will be observed, deals with two classes:

(1) Those persons who have subscribed the company's memorandum of association. (2) Those persons who have agreed to be members, and whose names are entered in the register. These and these only can strictly be called members in the sense of having acquired the full status of membership: *Nicol's Case* (1884), 29 C.D. 421.

"A person may, therefore, become a member or shareholder in any of the following ways: (1) By subscribing the memorandum of association before its registration; (2) by agreeing with the company to take a share or shares, and being placed on the register of members; (3) by taking a transfer of a share or shares, and being placed on the register of members; (4) by registration on succession to a deceased or bankrupt member; (5) by allowing his name to be on the register of members or otherwise holding himself out or allowing himself to be held out as a member.

"Where membership is constituted otherwise than by subscribing the memorandum of association, entry in the register of members is by s. 23, made a condition precedent to membership. The complete status of membership in such case is not acquired unless and until it can be predicated of the person that he is, within the words of the section, one 'who has agreed to