INTEREST—3 & 4 W. 4, C. 42, S. 28 (R.S.O., C. 44, S. 86)—MONEY PAYABLE ON A CONTINGENT EVENT—DEFAULT OF PERSON ENTITLED TO PAYMENT.

In *London, Chatham & Dover Ry.* v. *South-Eastern Ry.* (1892), 1 Ch. 120, by an agreement between the plaintiffs and defendants, moneys were payable from time to time within a certain time after the verification of accounts: and if the company entitled to receive payment failed to verify its accounts within a specified time, the payments on account were to cease until verification was made. The plaintiffs, who were entitled to payment, failed to verify their accounts as required owing to pressure of business; and there was besides a dispute between the parties as to the right of the plaintiffs to an account of certain traffic receipts of the defendants, upon which the balance payable to the plaintiffs would depend. The present action was brought claiming, among other things, a declaration that the plaintiffs were entitled to an account of the traffic receipts in dispute and for payment of the balance due. The plaintiffs were held entitled to the account of the traffic receipts, and the question then arose whether they were entitled to interest on the balances which would have been payable if the accounts had been duly verified, and the Court of Appeal (Lindley, Bowen, and Kay, L.JJ.), overruling Kekewich, J., were of opinion that they were not entitled to interest either in the general account or in the account of the traffic receipts in dispute, as no certain time was fixed for payment, nor any demand for payment, or notice of claim of interest made within 3 & 4 W. 4, c. 4, s. 28 (R.S.O., c. 44, s. 86); and also because the plaintiffs themselves were in default in verifying the accounts, and could not therefore claim that they had been prevented by the defendants from ascertaining the balance due, and demanding payment and interest. In the judgment of Lindley, L.J., will be found a useful review of the cases on the subject of interest, and the principles on which it is allowed in equity.

COMPANY—WINDING UP—DIRECTORS, LIABILITY OF—DIVIDENDS PAID OUT OF CAPITAL—STATUTE OF LIMITATIONS—STALE DEMAND.

In re Sharpe (1892), 1 Ch. 154, was an action brought by a joint stock company, which was in liquidation, against the personal representatives of two deceased directors to recover from them moneys improperly paid out of the capital of the company as dividends when the company had made no profit. The company was incorporated in January, 1868, and never earned any profits, but, with the sanction of the directors, dividends were annually paid out of the capital from July, 1869, to July, 1878, contrary to the articles of association. The amount thus paid aggregated £4,500. The company was subsequently ordered to be wound up, and the present action was commenced by the liquidator on the 4th of June, 1889. The claim was resisted on the ground that it was barred by the Statute of Limitations, and, if not, that the claim was nevertheless a stale demand and would not be enforced in equity. The Court of Appeal (Lindley, Bowen, and Fry, L.JJ.) agreed with North, J., that as the directors were in the position of trustees the Statute of Limitations (21 Jac. 1, c. 16) did not apply, and, the recent Statute of Limitations relating to trustees