

COMPANY—ONE MAN COMPANY—LIMITED LIABILITY—FRAUD UPON CREDITORS—
COMPANIES ACT, 1862 (25 & 26 VICT, c. 89), ss. 6, 8, 30, 43.

In *Salomon v. Salomon*, (1897) A.C. 22, the House of Lords (Lords Halsbury, L.C., Watson, Herschell, Macnaghten and Davey) have unanimously reversed the decision of the Court of Appeal in *Broderip v. Salomon*, (1895) 2 Ch. 323 (noted ante, vol. 31, p. 510), where it was held that it was contrary to the true intent of the Companies Act, 1862, to permit a joint stock company to be formed by a trader selling his business to a company, consisting only of himself and six members of his own family. The House of Lords was unable to find in the circumstances of the case any evidence of any fraudulent scheme on the part of the trader; and the formalities of the Companies Act having been duly complied with, it was held that the company was legally and effectually constituted, and that the vendor of the business could not be made personally liable for the debts of the company, either on the ground taken by Williams, J., that he was the principal, and the company his mere agent or nominee; nor yet on the ground taken by the Court of Appeal, that the formation of the company was a fraudulent device on the part of the trader to enable him to carry on business in the name of the company, with a limited liability, and to obtain as a debenture holder of the company, a preference over the ordinary creditors of the company.

ADMIRALTY—COLLISION—DAMAGES—CONTRACT TO PAY "ALL DAMAGES"—STATUTORY LIMITATION OF LIABILITY—MERCHANT SHIPPING AMENDMENTS, 1862 (25 & 26 VICT., c. 63), s. 54.

Clarke v. Dunraven, The Satanita, (1897) A.C. 59, is the case known when before the Probate and Admiralty Division as *The Satanita*, (1895) P. 248, noted ante, vol. 31, p. 475, in which the House of Lords (Lords Halsbury, L.C., Herschell, Macnaghten, Shand and Davey) have affirmed the judgment of the Court below. The case originated from the collision which took place between the yachts "Valkyrie" and "Satanita" during a race; the owners of both yachts had entered into an agreement to be bound by club sailing rules; and by these rules the owner of any yacht disobeying any of