

genuine, and that it would be necessary to send the certificates to London to get new certificates in favour of the transferee. It was contended by the plaintiff that he had altered his position on the faith of the certificate, and that the company was bound by the act of its agent as done in the ordinary course of business, and was estopped by the statement of the managing director from disputing the certificate, and was bound to register the plaintiff as transferee of the shares in question in accordance with the certificate. Bingham, J., and the Court of Appeal (Smith, M.R., and Collins and Romer, L.JJ.,) gave effect to this contention; the House of Lords, however, have unanimously reversed that decision, and hold that a company is not precluded by such a certificate from shewing the true state of facts, and is not bound by the fraudulent representation of its secretary, and that the company was not estopped by the statement of the managing director.

**MORTGAGE — COVENANT — JUDGMENT ON COVENANT — MERGER — RATE OF INTEREST — INTEREST SECURED BY MORTGAGE NOT COVERED BY JUDGMENT.**

*Economic Life Ass. Socy. v. Usborne* (1902) A.C. 147, was an appeal from the Irish Court of Appeal. The question involved was a simple one. The appellants were holders of a mortgage securing principal money and interest thereon at 5 per cent., with a covenant that in case of default the mortgagor would pay interest at 5 per cent. on so much of the principal as should remain unpaid. The appellants recovered judgment on the covenant in the mortgage for the principal money and interest in arrear. Subsequently another mortgagee, on behalf of himself and other mortgagees, brought an action for the appointment of a receiver and applied for payment of rents and tolls received to the respective mortgagees according to their priorities. It was contended that the appellants were only entitled to recover interest subsequent to their judgment at the rate of four per cent. on the ground that the covenant was merged in the judgment, and the Irish Court of Appeal so held. The House of Lords (Lord Halsbury, L.C., and Lords Shand, Davey, and Brampton) came to the conclusion that though under the judgment the right of action on the covenant was merged, yet that, nevertheless, the appellants were entitled to retain their security until paid the full amount of principal and interest thereon at 5 per cent. The general effect of the decision may