

company which had been ordered to be wound up, and the validity of the debentures was questioned by the defendant company on the ground of an alleged want of consideration, that they were improperly issued, and were a fraudulent preference. It appeared that the company had been formed for the purpose of taking over the business of a man named Prince. Prior to the formation of the company Prince was indebted to Seligman, for which indebtedness Seligman held a mortgage on the business premises, debts, and goodwill of Prince's business. By the articles of association the company was to indemnify Prince against the debts and liabilities shown on a balance sheet which included Seligman's and other claims, and the company had power to borrow or raise money on debentures. Prince and his brother were sole acting directors, and they issued debentures to Seligman and the other creditors named in the balance sheet, which were accepted by them in satisfaction of these debts. Shortly afterwards the company was ordered to be wound up. Under the circumstances the Court of Appeal (Lindley, Lopes, and Rigby, L.JJ.), held, reversing Williams, J., that although the debentures were not issued literally for the purpose of borrowing or raising money, yet their issue to pay debts for which the company was liable was within the powers of the directors, and that there was no conflict of interest between Prince and the company, and the debentures were issued for the benefit of the company and were valid. The Court of Appeal agreed with Williams, J., that the issue of the debentures was not a fraudulent preference.

PRACTICE—JURISDICTION—PERSON CARRYING ON BUSINESS WITHIN JURISDICTION
IN NAME OF FIRM—SERVICE OF WRIT—ORD. XLVIII. A., RR., 3. 11. (ONT. RULE
318.)

MacIver v. Burns, (1895) 2 Ch. 630; 12 R. Oct. 691, was an action brought for an account of a partnership theretofore existing between the plaintiff and James, George, and John Burns. John Burns, one of the partners, was out of the jurisdiction, but he carried on a business within the jurisdiction under the name of G. & J. Burns, it being his sole business and there being no partner. The plaintiff served the writ on John Burns by serving a copy on the manager of the business of G. & J. Burns. John Burns applied to set aside the service and all subsequent pro-