

COMPANY — MEMORANDUM OF ASSOCIATION — ASSENT OF PREFERENCE SHAREHOLDERS TO NEW ISSUE OF PREFERENCE SHARES — PREFERENCE SHARES ALL HELD BY ONE PERSON — "MEETING."

In *East v. Bennett* (1911) 1 Ch. 163, the validity of an issue of preference shares by a limited company was in question. By its memorandum of association the capital was divided into preference and ordinary shares, and the company was empowered to increase its capital, but it was provided that no new shares should be issued so as to rank equally with, or in priority to, the preference shares, unless such issue was sanctioned by resolution of the holders of preference shares present at a separate meeting specially summoned for the purpose. The articles contained a similar provision. Shortly after its incorporation a special resolution was passed authorizing an increase of capital. At that time one Bennett who was the holder of all of the original preference shares presided at the meeting and assented to the issue of new preference shares, and his assent was duly recorded in the minute book, and in pursuance of the resolution new preference shares were issued. Warrington, J., held that there was nothing in the constitution of the company to prevent all the preference shares being held by one person and that the word meeting was not to be construed strictly but must be held to apply to the case of a single shareholder, and in the circumstances he was of the opinion that there had been a sufficient compliance with the memorandum and articles and that the new issue of preference shares was valid.

TENANT FOR LIFE AND REMAINDERMAN — SETTLED MORTGAGES — ARREARS OF INTEREST — RENTS AND PROFITS — APPLICATION OF RENTS AND PROFITS — APPORTIONMENT OF RENTS AS BETWEEN CAPITAL AND INCOME.

In *re Coaks, Coaks v. Bayley* (1911) 1 Ch. 171. This was a contest between a tenant for life and a remainderman as to the apportionment of the rents and profits of mortgaged property the subject of a settlement by will. Prior to his death the testator had entered into receipt of the rents and profits of the mortgaged property and the trustees of his will continued in such receipt. The securities being deficient the question arose as between the tenant for life and the remainderman as to the proper apportionment of the rents. Warrington, J., determined that the trustees must apply each instalment of rent received since the testator's death from each mortgaged property, in satisfaction of