

shareholders should have the option of taking shares in the new company, in proportion to their respective holdings in the old. One Bayliss, one of the shareholders of the company, applied for shares in the new company, and sent with his application a cheque for the required deposit. The bankers of the company with whom the application was lodged omitted to forward the application to the liquidator, who thereafter sold off all the shares in the new company, including those which should have been allotted to Bayliss. The liquidator distributed all the assets of the old company, except the proceeds of shares unapplied for, and he had no shares which he could allot to Bayliss. Under these circumstances, Stirling, J., held that he had no jurisdiction upon a summary application by Bayliss in the winding-up proceedings against the liquidator, to declare the latter liable in damages.

EXECUTOR LEGATEE—MORTGAGES—PRIORITIES OF EQUITABLE TRANSFEREES—NOTICE.

In *Graham v. Drummond*, (1896) 1 Ch. 968, a testator who had covenanted in a settlement for the payment of an annuity during the joint lives of himself and wife and the life of the survivor of them, bequeathed certain railway stocks to his widow, whom he appointed his executrix. He died in 1882. The executrix proved the will, and in 1886 she transferred the railway stock to her bankers to secure a debt of her own. In 1892 she gave the plaintiff a charge on the same stock to secure advances made to her. Neither the bankers nor the plaintiff had any notice of any unsatisfied debt of the testator, and the plaintiff gave notice to the bankers of his claim. The bankers subsequently sold the stock, and after deducting their own claim, paid the balance of the proceeds into Court; the trustees of the settlement claimed that the money was still an asset for the satisfaction of the testator's debt upon his covenant for the payment of the annuity. The plaintiff, on the other hand, claimed it by virtue of his charge, and Romer, J., held that he had the better right, being of opinion that the rule that a purchaser for value from an executor who