£10,000 which he divided into ten shares of £1,000 each. One of these shares lapsed. The Vice-Chancellor held that this lapsed share of £1,000 did not pass as residue to the nephews and nieces, but was undisposed of. The decision is based upon the construction of the words of gift. "The question is whether the word 'residue,' as used in the second clause, must be understood to describe the general residue of the testator's estate or only the excess of the estate over the sum of £10,000. The word 'residue' in its large and general sense comprehends whatever in the events which happen turns out to be undisposed of; but if it appears that the word 'residue' is used in a more restricted sense, in that restricted sense the Court is bound to construe it."

Applying that reasoning here, the widow has a gift of all the property excepting $25,000. Her claim must fail, because nowhere has the testator given her any part of this $25,000.

The contention against the widow is made stronger when we find that after this general gift, which I have so far assumed to be a residuary gift, there follows what is in terms a residuary gift to the executrix and executor, under which the $7,500 may well pass.

It was admitted before me in argument that the executrix and executor could not take beneficially, but would take as trustees for, the next of kin. See *Yeap Cheah Neo* v. *Ong Cheng Neo,* L. R. 6 P. C. 381.

There will therefore be a declaration that the $7,500 is to be distributed as upon an intestacy. The costs of all parties should be paid out of this fund.

The appeal to Divisional Court was heard by Hon. Sir Wm. Mulock, C.J.Ex.D., Hon. Mr. Justice Clute and Hon. Mr. Justice Riddell, on the 9th May, 1912.

I. F. Hellmuth, K.C., for David H. Piper and others.

E. C. Cattanach, for the Official Guardian.

Their Lordships (V.V.) (9th May, 1912), dismissed the appeal with costs.