

the company was ordered to be wound up. Hesketh claimed to be paid out of the deposit, compensation for breach of the agreement to build the embankment as having caused a depreciation in the value of his land. Warrington, J., held he was entitled thereto; but the Court of Appeal (Buckley and Kennedy, L.JJ.) reversed his decision holding that the breach of this collateral agreement was not necessarily a result of the abandonment of the undertaking. As Kennedy, L.J., puts it: "The question is whether an embankment within the meaning of the covenant could not be constructed although the tramroad was not constructed. In my opinion it could." . . . "The abandonment of the tramroad did, no doubt, necessitate the abandonment of the embankment as an embankment carrying a tramway, but it did not necessitate the abandonment of the embankment in the sense of rendering it impossible to fulfil the covenant for such an embankment as would prevent the ingress of tidal water over the respondent's marsh land, and so increase the value of that land." The appeal was accordingly allowed.

COMPANY—DEBENTURES—GUARANTEE—RELEASE OF GUARANTOR
—MAJORITY OF DEBENTURE HOLDERS BINDING DISSIDENT.

Shaw v. Royce (1911) 1 Ch. 138. In this case the plaintiff was the holder of debentures in the defendant company, forming part of an issue secured by a trust deed, and guaranteed by the Law Guarantee Trust Co. which was the trustee. By the trust deed a sinking fund for the redemption of the debentures was to be established and the company was to pay the Trust Company 10s. per cent. on the amount of the outstanding debentures. A general meeting of the debenture holders was empowered to assent to any "arrangement or compromise" proposed to be made between the company and the debenture holders, provided it was one which the Court would have power to sanction under the Companies Arrangement Act, 1870, or any statutory modification thereof, if the company were being wound up, and the requisite majority at a meeting of debenture holders had assented thereto and a resolution duly passed at a meeting of the debenture holders was to be binding on all debenture holders whether present or not at the meeting. The company was in voluntary liquidation, and at a meeting of debenture holders a resolution was passed releasing the guarantors the Trust Co. from the guarantee, increasing the interest of the debenture debt, and abolishing the sinking fund, and appoint-