of the subject matter as an implied condition, is discharged by the destruction of the subject matter, has been generally followed both in England and this country. The principal case, however, seems to have made a new application of this principle.

CONTRACTS—VIOLATION OF PENAL STATUTE—TRANSACTION VOID.—The statute of Kansas makes it a misdemeanor to accept any obligation in writing for which a patent right forms any part of the consideration, unless the words "given for a patent right" are inserted in the instrument. This is an action on two promissory notes, for which the consideration was a transfer of a patent right and in which this fact did not appear. *Held*, that the contract was void. *Pinney* v. *First National Bank* (1904), — Kas. —, 75 Pac. 119.

The great weight of authority is with this case, in holding that a contract, the making of which is a misdemeanor, is void although not expressly declared so by statute. *Wood* v. *Armstrong*, 54 Ala. 150, 25 Am. Rep 671; *Dillon* v. *Allen*, 46 Iowa 299, 26 Am. Rep. 145; *Brackett* v. *Hoyt*, 29 N. H. 264. Contra, *Lindsey* v. *Rutherford*, 56 Ky. (17 B. Mon.) 245. Nevertheless in cases arising under statutes similar to that of Kansas, there has been a great diversity of opinion as to the effect of the omission of the words "Given for a patent right." There have been many decisions to the effect that such omission does not render the contract void even between those who have knowledge of the facts. *Kraft* v. *Gingrich*, 12 Pa. County 605; *Haskell* v. *Jones*, 86 Pa. St. 173; *Streit* v. *Waugh*, 48 Vt. 298; *Tod* v. *Wick*, 36 Ohio St. 370. The weight of authority at present, however, seems to be with the principal case in holding the contract void and that a note is not good in which the requisite words are omitted, at least unless in the hands of a *bona fide* holder, who is unaware of the purpose for which it was given. *Sandage* v. *Studebaker Mfg. Co.*, 142 Ind. 148, 41 N. E. Rep. 380, 34 L. R. A. 363, 51 Am. St. Rep. 165; *Mason* v. *McCleod*, 57 Kas. 105, 45 Pac. 76, 41 L. R. A. 548, 57 Am. St. Rep. 327.

CORPORATIONS—DISSOLUTION—RIGHTS OF MINORITY STOCKHOLDERS.—The statute under which the defendant corporation was organized provided for the dissolution of corporations formed under it, and the sale of all corporate property, upon a vote to that effect by the holders of a two-thirds majority of the stock. Plaintiff was a minority stockholder. A syndicate was formed to buy up all the stock of the corporation, and upon plaintiff's refusal to sell, the syndicate which already possessed more than a two-thirds majority, caused a resolution to be passed directing a dissolution. At the sale the corporate property was purchased by an agent of the syndicate, and was afterward conveyed to a new corporation, formed by the members of the syndicate, for the purpose of carrying on the identical business of the previous corporation. *Held*, that plaintiff should have had an injunction restraining the dissolution proceedings. *Theis* v. *Spokane Falls Gas Light Co., et al.* (1904), — Wash. —, 44 Pac. Rep. 1004.

It was insisted by the respondents that the statute conferred an unqualified right upon them to dissolve. The existence of such a right the court admits, in any case where a *bona fide* attempt to dissolve is made, but it denies that under the statute, even though absolute in its terms, "a two-thirds majority, or any majority, had a right to juggle with the corporation and the law" for the purpose of freezing out a stockholder. The corporation was in a prosperous condition, and no good reason existed for dissolution. The plaintiff could not be compelled to relinquish his investment, and the proceedings are in the nature of a fraud and gave equity jurisdiction to interfere. There seem to be

no precedents governing the exact question raised in this case. In the absence of statute, it seems to be the rule that a prosperous corporation cannot be dissolved against the protest of a single stockholder. *Kran* v. *Johnson*, 9 N. J. Eq. 401. COOK ON CORP. Sec. 670 and cases cited.

CORPORATIONS—INSOLVENCY—PREFERENCES TO OFFICERS.—The entire stock of the defendant corporation was owned by the five individuals who composed its board of directors. At the time of the acts in question the corporation was plainly insolvent, with assets about one half the amount of its debts. Some of these debts were owing to the directors. In accordance with an agreement between the directors, A resigned from the board, and B, C and D, (E, the fifth director, not acting), thereupon executed an assignment of all the assets to a trustee, to sell and distribute the proceeds in discharge of claims, in the following order: First, taxes and expenses; second, work and labor, this being a claim of B and C; third, attorney fees; fourth, a note of the corporation to A: fifth, various notes of the corporation upon which C, and D were liable as indorsers. Plaintiff is an unsecured creditor, and as a result of this arrangement nothing remains out of which he may recover his debt. *Held*, that the assignment is invalid. *City National Bank* v. *Goshen Woolen Mills Co. et al.* (1903), — Ind. App. — 69 N. E. Rep. 206.

This holding is admittedly contrary to the decision in a recent case in the Indiana Supreme Court, *Nappanee Canning Co.* v. *Reid, et al.* (1902), 159 Ind. 614. The present case is transferred to the Supreme Court as provided by statute in such a case. The validity of assignments of insolvent corporations giving preferences, has occasioned much disagreement. *Catlin* v. *Eagle Bank* (1826), 6 Conn. 233, is a leading case allowing preferences without restriction, and *Wood* v. *Dummel* (1824), 3 Mason 308, went to the other extreme, and forbade them entirely under the trust-fund theory in regard to assets of insolvent corporations. The weight of modern authority is that preferences to ordinary creditors are valid, but invalid when in favor of directors and officers of the corporation. CLARK AND MARSHALL CORPORATIONS, section 780 a. A's resignation previous to the assignment is said not to affect her position as an officer. *Mallory* v. *Kirkpatrick*, 54 N. J. Eq. 50. The trust fund theory has been repudiated in this state. *First Nat. Bank* v. *Dovetail Co.*, 143 Ind., 550; *Nathan* v. *Lee*, 152 Ind. 232; *Henderson* v. *Indiana Trust Co.*, 143 Ind. 561. The course of judicial decision in Indiana has been to allow great freedom in the making of preferences, even when in favor of officers. *Nathan* v. *Lee*, *supra*, and *Henderson* v. *Indiana Trust Co. supra*, held valid the preference of claim upon which directors were sureties, and in *Levering* v. *Bimel*, 146 Ind. 545, a direct preference in favor of a director is declared lawful, where his vote was not necessary to authorize it. In *Nappanee Canning Co.* v. *Reid*, 159 Ind. 614, a preference of a claim upon which a majority of directors were sureties, was sustained, and it was broadly stated that "there is no sufficient legal reason why they (directors) should be denied the right of preference in the event that the corporation becomes insolvent." Statutes, either prohibiting or regulating preferences, in such cases, have been enacted in New York, Massachusetts, Michigan, New Jersey, and Virginia.

EQUITY—JURISDICTION—PARTITION—OIL LEASES.—Thomas P. Zinn was the owner of a tract of oil land. He conveyed to Preston G. Zinn the oil and gas underlying the land, but this conveyance was not recorded. He then conveyed the land to the defendant, Granville F. Zinn, by warranty deed,