

NORMAN MANLEY LAW SCHOOL  
Council of Legal Education

LEGAL EDUCATION CERTIFICATE  
SECOND YEAR SUPPLEMENTARY EXAMINATIONS, 1981

LAW OF ASSOCIATIONS  
Thursday, August 20, 1981

Instructions to Students

- a) Time: 3½ hours.
- b) Answer FIVE questions only.
- c) In answering any question a candidate may reply by reference to the Law of Jamaica, the Bahamas, Belize or the British Virgin Islands, but must state at the beginning of the answer the name of the relevant territory.
- d) Students are expected to answer questions, where necessary, by reference to Table A of the Jamaica Companies Act, 1965 or of the U.K. Companies Act, 1948.
- e) It is unnecessary to transcribe the questions you attempt.

QUESTION 1

Advise the Papine Kickers Football Club as to the relative advantages of registration under an Act of Parliament.

QUESTION 2

Advise Henry Moore, the Liquidator of Marview Ltd. on the following:

- (a) John Parks has a Bill of Sale on the company's motor car as security for a loan of \$60,000 but the motor car is valued at only \$20,000 on the open market.
- (b) A Writ of Summons entitled Bill Cowan v Marview Ltd. and endorsed for damages for breach of statutory duty was delivered at the company's factory at 3 Industrial Terrace this morning.

- (c) Mr. Moore wishes to do the following:
- i) retain you as the company's attorney; ✓
  - ii) compromise Mr. Cowan's claim. ✓

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QUESTION 3

The Articles of Partnership of Henley and Perkins (Successors) state, inter alia:

- (a) No partner has authority to order goods exceeding \$1,000 in value without the consent of the other partners;
- (b) if any partner retires, he is not to practise as an architect in Kingston for a period of 4 years;
- (c) the firm shall not be dissolved by the retirement of any partner.

Advise Mr. Bolt, who has just joined the firm, on the following matters:

- (i) Mr. Henley has now retired and wishes to introduce his son into the partnership but Mr. Perkins does not agree;
  - (ii) in December 1980, Richard, an associate of the firm, had induced the secretary of a rival firm of architects to steal some blue prints from her boss who is now threatening to sue the firm;
  - (iii) Mr. Henley has set up business as a draughtsman in Duke Street, Kingston;
  - (iv) in January 1981, Perkins had without the knowledge of his co-partner entered into a business arrangement to design the houses in a low income housing scheme for a construction company on a 70:30 profit/loss sharing scheme; the project had sustained a loss of \$100,000;
  - (v) in May 1981, Perkins had ordered stationery amounting to \$2,000 in value and the suppliers are now pressing for payment.
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QUESTION 4

Mrs. Anne Holder states:

On 1st April 1970 she and her husband Paul were signatories to the Memorandum and Articles of Association of a company, P. A. Investments Ltd., Paul for 1 share and Anne for 10 shares. At the first general meeting Paul, Anne and their daughter, Lisa, were appointed directors of the company. At the first directors' meeting Paul was appointed Managing Director and Anne, Secretary. Since 1974, P. A. Investments Ltd. has acquired several assets through loans from Paul. At a directors' meeting in January 1980, Lisa and Anne voted against Paul for the dismissal of Mary, the company's typist. Since then Paul has reacted by not calling any directors' meetings, closing the company's bank account at the Bank of Surrey and transferring the balance to his personal account. In February 1981, on the advice of his lawyer, Paul formed a new company in which he owns 99% of the shares and Mary is the sole director; he has been using this company, instead of P.A. Investments Ltd., to place all his investments.

Write a letter to Paul's attorney on behalf of Mrs. Holder.

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QUESTION 5

Advise the Secretary of the Boston Dominoes Club on the following:

- (a) At the annual general meeting held last week, a resolution was unanimously passed to the effect that the Club should contribute \$100 to the political campaign of the Club's patron. Bob Miller, who has just returned to the island after a month's absence is objecting on the ground that the money would be better spent if it were given to the JAMAL Programme.
  - (b) He wants to have Bob Miller expelled from the Club because he opposes every resolution that is proposed, is very argumentative and no meeting that he has attended has ever gone smoothly.
  - (c) He has just been served with a Writ in an action being brought against him by the Sweet C Club; the Writ is endorsed with a claim for (a) breach of contract, (b) \$130 - two months' arrears of subscriptions, and (c) an injunction restraining him from entering the Club premises or dealing with any of the Club's guests.
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QUESTION 6

Outline the procedural steps and/or rules (and advise on evidence where appropriate) for any THREE of the following:

- (a) Application for the late registration of a charge;
  - (b) reduction of capital;
  - (c) a Derivative Action;
  - (d) a private company going public.
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QUESTION 7

Advise Norman on the following:

- (a) he wishes to transfer 30% of his shares in the Gleaner Company Ltd. to his brother;
  - (b) he bought 400 shares in the Jamaica Public Service Co. Ltd. in May 1981, but to date all he has is the receipt for his money;
  - (c) his company which was formed with the sole object of constructing a bridge across the Kingston harbour has been offered a contract to build a factory in the Cayman Islands.
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QUESTION 8

Advise the Board of Directors of Pomp Ltd. who propose to do the following:

- (a) lend \$50,000 to Mixit Ltd. to pay dividend to its shareholders;
- (b) take as a security for the loan a Bill of Sale on a truck the property of Mixit Ltd.; however a search at the office of the Registrar of Companies discloses that Mixit Ltd. has issued a Debenture to the Middlesex Bank; one of the clauses of the Debenture prohibits Mixit Ltd. from creating any charge having priority to the Debenture;

- (c) sell 100 acres of land for \$100,000 and use \$50,000 to pay a dividend to the majority shareholder for his contribution to the success of the Company and transfer \$50,000 to Reserve.
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