

NORMAN MANLEY LAW SCHOOL
Council of Legal Education

LEGAL EDUCATION CERTIFICATE
SUPPLEMENTARY EXAMINATIONS, 1977

LAW OF ASSOCIATIONS

Instructions to Students

- a) Time: 3½ hours.
- b) Answer FIVE questions only.
- c) Except where otherwise instructed on the paper, in answering any question a candidate may reply by reference to the law of Jamaica, the Bahamas, or Belize, but must state at the beginning of the answer the name of the relevant territory.
- d) Unless otherwise stated all references to Articles of Association being in the 'usual form' mean that they are in the form set out in Table A of the Jamaican 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 Association of Stable Cleaners as to the relative advantages of registration under an Act of Parliament.

QUESTION 2

Outline the main provisions of the rules relating to the winding up of a Company under the Companies Act.

QUESTION 3

Advise the Liquidator of MOP Ltd. on the following matters:

- (a) Tim Brown is a secured creditor for the sum of \$60,000.00 but the charged land can only fetch \$40,000.00 on the open market.

- (b) The Secretary of MOP Ltd. has handed him a Writ entitled "Mary Jane vs. MOP Ltd." and endorsed for \$10,000.00 for work done and materials supplied. The writ is dated 2nd February, 1977 and was received by registered mail through the post.
- (c) He wishes to do the following:
- (i) employ an attorney-at-law to assist him;
 - (ii) borrow \$10,000.00 on the security of uncharged assets;
 - (iii) compromise Mary Jane's claim.
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QUESTION 4

Advise the Directors of XYZ Ltd. on the following:

- (a) The Company has been making substantial trading losses in the previous 4 years, i.e. 1973 - 1976 inclusive. However, the Scientific Research Council has just confirmed that the land on which the Company's farm is sited is rich in Calcium Carbonate and is likely to fetch a good price on the market. Can they sell the land and lawfully recommend that the profit be declared as a dividend?
- (b) The Preference Shareholders are complaining that they have not been paid any dividend for those years, and that there appears to be no surplus assets in which they can participate.
- (c) As an alternative to the declaration of the dividend, can they lawfully recommend that the Preference Shareholders be paid off?
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QUESTION 5

Mr. Jones, a minority shareholder in Dakum Ltd., wishes to know what are the legal remedies open to him as a minority shareholder to protect his rights in the Company.

QUESTION 6

The Articles of Partnership of Brown, Green (Successors) state, inter alia:

- (a) No partner has authority to order goods exceeding \$100.00 in value without the consent of the other partners.
- (b) If any partner retires, he is not, for a period of 10 years, to practise as an Engineer within 30 miles of the business location of the firm.
- (c) The partnership shall not be dissolved by the retirement of any partner.

Mr. Brown wishes your advice on the following:

- (i) In May of last year Green ordered equipment valuing \$1,000.00 from X Supplies Ltd., their usual suppliers, and he has just learnt of it when the equipment arrived C.O.D.
- (ii) In March 1973, Thomas, an associate of his firm, had bribed the manager of a rival firm of engineers to get some confidential information, and a writ will be filed against his firm soon.
- (iii) Green wishes to introduce his son into the partnership but Brown does not wish to have him in.
- (iv) Green has since retired from the firm, and has set up business in the neighbouring town.
- (v) On the day before his retirement, Green's driver was involved in an accident in which two persons were injured.

QUESTION 7

The Memorandum of MOP Ltd. provides that the company may borrow money; the Articles provide that the Managing Director may borrow money if his co-directors agree. Without the authority of the Board, Charles, the Managing Director, borrows money in the name of MOP Ltd. from a Bank expressly for the purpose of expanding its factory and to develop a farm. The former purpose is within the objects clause of the Memorandum of MOP Ltd. but the latter is not.

Advise the Bank who made the loan on the legal position.

QUESTION 8

Your instructing attorneys seek your advice on the procedural steps and essential points of evidence in bringing an action against an unincorporated association for wrongful expulsion.
