

## **Milroy v Lord 4 De GF & J 264**

<https://lawcasesummaries.com/knowledge-base/milroy-v-lord-4-de-gf-j-264/>

### **Facts**

- Thomas Medley held shares in the Bank of Louisiana (**Bank**).
- The Bank required that the shares be transferred according to regulations in the company constitution.
- Thomas wanted to give the shares to his niece, Eleanor Milroy.
- He signed a deed with Samuel Lord. Lord would hold 50 shares on trust for Eleanor.
- He also gave Lord a power of attorney to receive dividends on the shares and to comply with the company constitution's requirements. Lord did not do this.
- No transfer of the shares into Lord's name had been made.
- Thomas lived for three years after signing the deed with Lord. During these three years, Samuel Lord was receiving dividends and passing them on.
- When Thomas died the shares still remained in his name. Eleanor claimed that the shares belonged to her. Lord claimed that the trust was ineffective.

### **Issues**

- Was Lord in breach of trust?

### **Held**

- The transfer of trust property was not effective.
- No perfect trust had been created.
- Thomas had not properly transferred the shares.
- An ineffective outright transfer could not be regarded as an effective declaration of trust.
- In order for a trust to be valid, the settlor needs to do everything which is necessary to transfer the trust property and make that settlement binding. Thomas had not properly transferred the shares.

### **Quotes**

"In order to render a voluntary settlement valid and effectual, the settlor must have done everything which, according to the nature of the property was necessary to be done in order to transfer the property and render the settlement binding upon him."

(Turner LJ)

### **Full Text**

The full text is available here: <http://www.bailii.org/ew/cases/EWHC/Ch/1862/J78.html>

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