in better draftsmanship of such contracts. The policies called for deduction of the indebtedness on final settlement, which was not clearly defined. The court probably construed the contract, and accordingly enforced it, in a way different from that contemplated by the draftsman. There is, however, nothing in the opinion to indicate that, had the policy provided for deduction of indebtedness from the reserve before application of the balance to the purchase of extended insurance, the deduction would be improper.[15]

S. M. M.

UNINCORPORATED ASSOCIATIONS—TRADE UNIONS—ADJUDICATION OF INTERNAL DISPUTES—[Missouri].—The plaintiffs, forty-two members of a local union, brought a bill against the two individual defendants who were in control of the union, asking, among other things, for the defendants' ouster, for an accounting, and for appointment of a temporary custodial receiver in aid of the principal relief sought. The evidence showed that the defendants had misappropriated the funds of the Local, had mismanaged its affairs, and had threatened to continue to do so; that they had intimidated the members from seeking relief from tribunals established by the union; and that resort to union tribunals was useless because of the influence and control of the defendants. The circuit court appointed a temporary custodial receiver. From the order refusing revocation of the interlocutory decree appointing the receiver the defendants appealed. *Held*, that equity had jurisdiction to appoint a receiver.[1]

This case involves two significant points: (1) the jurisdiction of a court to decide a dispute between the officers of a union and its members before the remedies provided by the rules of the union have been exhausted, and (2) the relation between the appointment of a receiver and recognition of the status of an association as a legal entity.

As a general rule courts will not take jurisdiction over a dispute involving the internal affairs of an association such as a trade union when the member who seeks relief has not exhausted the remedies provided by the association.[2] This is so because the relation between the member and the

15. For general discussion of the problem involved, see Magee, *General Insurance* (1936) 477; Maclean, *Life Insurance* (5th ed. 1939) 195; Heubner, *Life Insurance* (3d ed. 1935) 316; 3 Couch, *Insurance* (1929) 2061, sec. 638; Note (1936) 10 Temple L. Q. 200; Note (1939) 13 Tulane L. Rev. 270; Note (1937) 113 A. L. R. 606.

1. Robinson v. Nick (Mo. App. 1940) 136 S. W. (2d) 374.

2. Mulroy v. Supreme Lodge (1888) 28 Mo. App. 463; Webster v. Rankins (Mo. App. 1932) 50 S. W. (2d) 746, and cases therein cited; Note (1927) 49 A. L. R. 379. The rule holds true generally even where property rights are involved: Cameron v. Internat'l Alliance (1935) 118 N. J. Eq. 11, 176 Atl. 692, 97 A. L. R. 594; Mulroy v. Supreme Lodge, supra; Note (1899) 68 Am. St. Rep. 856, 870. See Chaffee, The Internal Affairs of Associations Not for Profit (1930) 43 Harv. L. Rev. 993, 1020-1029. Sometimes it is stated broadly that courts will not interfere in the internal affairs of an association: McMurray v. Brotherhood (D. C. W. D. Pa. 1931) 50 F. (2d) 968, aff'd (C. C. A. 3, 1931) 54 F. (2d) 923; Wrightington, *The Law of Unincorporated Associations and Business Trusts* (2d ed. 1923) 320.

association is contractual; and so long as the constitution, rules, and by-laws of the association, which constitute the contract, do not contravene the laws of the land and the affairs of the association are conducted fairly and honestly, the courts will refuse to interfere on the theory that decisions of the tribunals set up within the association are binding and conclusive upon the member.[3] However, a well-accepted gloss on the general rule is that a member's right to judicial interference is not barred when the association has not acted within the scope of its own powers,[4] when there has been fraud, bad faith, or oppression,[5] or when an appeal within the association would be useless.[6]

In the instant case the appointment of the receiver to hold the property of the association did not depend upon the status of the association as a legally recognized entity. The action was brought against two individuals who were in control of the property of the association, and not against the association. In theory, the property which they held belonged to the individual members of the association as a group, and not to an entity. There is no question that a receiver may be appointed to preserve the property of individuals such as members of a voluntary unincorporated association.[7]

3. Robinson v. Nick (Mo. App. 1940) 136 S. W. (2d) 374, 385; Bradford v. Grand Internat'l Brotherhood (1937) 188 La. 819, 78 So. 362; Dewar v. Minneapolis Lodge (1923) 155 Minn. 98, 192 N. W. 358, 32 A. L. R. 1012; Cameron v. Internat'l Alliance (1935) 118 N. J. Eq. 11, 176 Atl. 692, 97 A. L. R. 594 (contract against public policy); Gaestel v. Brotherhood (1936) 120 N. J. Eq. 358, 185 Atl. 36 (irregular proceeding); Robinson v. Dahm (Sup. Ct. 1916) 94 N. Y. Misc. 729, 159 N. Y. Supp. 1053; Pratt v. Rudisule (1936) 249 App. Div. 305, 292 N. Y. Supp. 68 (irregular proceeding); Note (1900) 49 L. R. A. 353. See Smith, *Law of Associations, Corporate and Unincorporate* (1914) c. II; Comment (1922) 31 Yale L. J. 328.

4. Gardner v. East Rock Lodge (1921) 96 Conn. 212, 113 Atl. 308; Swaine v. Miller (1897) 72 Mo. App. 446 (law for suspension of Local against reason and void); Slater v. Supreme Lodge (1898) 76 Mo. App. 387 (plaintiff expelled without twenty days notice of hearing as required by the constitution); Webster v. Rankins (Mo. App. 1932) 50 S. W. (2d) 746 (elected officers prevented from taking office by unconstitutional assumption of powers by defendants); Rueb v. Rehder (1918) 24 N. M. 534, 174 Pac. 992, 1 A. L. R. 423; Lo Bianco v. Cushing (1935) 117 N. J. Eq. 593, 177 Atl. 102 (member expelled contrary to association's rules); Irwin v. Possehl (Sup. Ct. 1932) 143 N. Y. Misc. 855, 257 N. Y. Supp. 597.

5. Capra v. Local Lodge No. 273 (1938) 102 Colo. 63, 76 P. (2d) 738; Hall v. Morrin (Mo. App. 1927) 293 S. W. 435.

6. McMahon v. Supreme Council (1893) 54 Mo. App. 468; State ex rel. Schrempp v. Grand Lodge (1897) 70 Mo. App. 456; Rueb v. Rehder (1918) 24 N. M. 534, 174 Pac. 992, 1 A. L. R. 423; Walsche v. Sherlock (1932) 110 N. J. Eq. 223, 159 Atl. 661; Local No. 373 v. Internat'l Ass'n (1936) 120 N. J. Eq. 220, 184 Atl. 531. Cf. Kunze v. Weber (1921) 197 App. Div. 319, 188 N. Y. Supp. 644 (remedy in association not prompt enough); Neal v. Hutcheson (Sup. Ct. 1916) 160 N. Y. Supp. 1007 (lack of sufficient remedy within union); Collins v. Internat'l Alliance (1935) 119 N. J. Eq. 230, 182 Atl. 37 (public interest involved).

7. Chalghian v. Internat'l Brotherhood (1933) 114 N. J. Eq. 497, 169 Atl. 327; Collins v. Internat'l Alliance (1935) 119 N. J. Eq. 230, 182 Atl. 37; Mullins v. Merchandise Drivers Local (1936) 120 N. J. Eq. 376, 185 Atl. 485; Grohoma Growers Ass'n v. Tomlinson (1938) 182 Okla. 17, 76 P.

Since a trade union is generally such an association, the issue of the status of the association as a legal entity does not arise.[8]

In the instant case a Missouri court apparently for the first time has appointed a temporary receiver for the property of a trade union. Although there are many cases in which a receiver has been appointed for unincorporated associations,[9] only in a few New Jersey cases have receivers been appointed for trade unions.[10]

L. E. M.

(2d) 404; Payne v. Little Motor Kar Co. (Tex. Civ. App. 1924) 266 S. W. 597. See Laski, The Personality of Associations (1916) 29 Harv. L. Rev. 404.

8. See Forrest City Mfg. Co. v. Internat'l Ladies' Garment Workers' Union (1938) 233 Mo. App. 935, 111 S. W. (2d) 934; Note (1933) 18 ST. LOUIS LAW REVIEW 236; Stone v. Guth (Mo. App. 1937) 102 S. W. (2d) 738 (association distinguished from partnership); Aalco Laundry & Cleaning Co. v. Local No. 366 (Mo. App. 1938) 115 S. W. (2d) 89 (suits by member of voluntary associations in behalf of all members); National Pigments & Chemical Co. v. Wright (Mo. App. 1938) 118 S. W. (2d) 20 (capacity of voluntary unincorporated association to sue and be sued).

9. See cases cited supra note 7.

10. See cases cited supra note 7.