Contracts—Use of Parol Evidence to Determine Meaning of Word "Wife"— [Minnesota].—Several years prior to his death, the deceased abandoned his wife under circumstances designed to create the impression that he had committed suicide. Under an assumed name in another community, he went through a ceremonial marriage with the defendant who married him in good faith. Together with a third party he organized a corporation in this community and to keep control in the other on the death of either, each took out a life insurance policy payable to a trust company which agreed to deliver the stock of the deceased to the survivor and to pay the proceeds of the policy to the wife of the first to die. The corporation paid the insurance premiums and the proceeds were to compensate the widow for the loss of the stock. On the death of the deceased the trust company collected the proceeds of the policy and paid them to the defendant. The legal wife of the deceased then brought this action against both the trust company and the recipient to recover the proceeds of the policy. *Held*, the money was properly paid. Two claimants under the word "wife" made it ambiguous and parol evidence of the surrounding circumstances identified the recipient as the person intended. *In re Soper's Estate*, 264 N.W. 427 (Minn. 1935).

The classical rule of interpretation admits parol evidence only when the words are ambiguous, *i.e.*, when they might be construed differently by reasonable persons. *In re Willson*, 171 Cal. 449, 153 Pac. 927 (1915); *In re Root's Estate*, 187 Pa. 118, 40 Atl. 818 (1898). A growing class of cases has adopted a more liberal rule which permits parol evidence of the surrounding circumstances to show what the parties actually intended whether or not the words seem ambiguous. *King v. Turner*, 109 Okla. 77, 234 Pac. 564 (1925); *Thomle v. Soundview Pulp Co.*, 181 Wash. 1, 42 P. (2d) 19 (1935). The court in the principal case while paying lip service to the classical rule demonstrated a weakness inherent in the use of the word "ambiguous"; for if the word "wife" is called ambiguous, when in legal contemplation it can apply to one and only one person, the class of ambiguous words seems infinite. Admitting parol evidence to define such a word is really to adopt the more liberal view. Nor does this liberal rule in seeking for the parties' intended meaning of a word require limiting the scope of the true parol evidence rule which applies only when evidence is offered to vary, alter, or contradict a meaning agreed upon by the parties. *Dahmer v. Wensler*, 350 Ill. 23, 182 N.E. 799 (1932); *Schradin v. Bealer Co.*, 117 N.J. Eq. 443, 176 Atl. 321 (1935); 5 Wigmore, Evidence § 2470 (2d ed. 1923). Whichever rule is adopted, it should be equally applicable to wills, deeds, and contracts; but the problem of construction in the contract and deed cases is complicated by the possibility of two inconsistent intentions. In the principal case, however, this problem did not arise. Since the trust company was ignorant of the plaintiff's existence at the time of the execution of the contract, it could have meant only the person then known to it as the deceased's wife.

In cases similar to the principal one on the facts, the classical rule has uniformly given way to the admission of parol evidence and a like result has been reached. See *Wolff v. Elliott*, 68 Ark. 326, 57 S.W. 1111 (1900) ("wife" in a deed); *Elliott v. Elliott*, 117 Ind. 380, 20 N.E. 264 (1889) ("wife" in a will); *Hardy v. Smith*, 136 Mass. 328 (1884) ("husband" in a will). These cases seem to demonstrate the inefficacy of the classical rule. Nevertheless, although parol evidence should always be admitted to show the real intention, there remains the question of how persuasive such evidence must be to overthrow the normal meaning of a word. Where words having a legal meaning, as "wife" in the principal case, are used in a legal document, there is a natural inference that they were intended to operate in their legal sense. Such words could

raise a rebuttable presumption that the legal meaning was intended, rather than the irrebuttable presumption employed by the classical rule, or the apparent lack of any presumption under the liberal rule. *Cf.* 94 A. L. R. 226 (1935). The burden of introducing evidence and of proving by a preponderance of such evidence that the words were meant in other than the normal sense should be on the party denying the normal meaning. Such a presumption would do much to eliminate the possibility of successful fraudulent claims, which the liberal rule with no presumption would allow. Although application of a rebuttable presumption in the principal case would not have changed the result, since the surrounding circumstances showed conclusively that the recipient of the insurance money was the only person considered by the contracting parties, the court's adoption of the extreme liberal view seems unnecessary.

Corporate Reorganization—Constitutional Rights of Dissenting Classes under § 77B(b)(5)—[Federal].—In a reorganization proceeding under § 77B of the Bankruptcy Act, the debtor proposed various plans which were rejected by the bondholders as a class. The final plan, vague in terms, proposed to scale the bondholders' claims down twenty per cent, giving in exchange new bonds secured by a mortgage on the property formerly encumbered, or in the alternative, to appraise the value of dissenting bondholders' interests and pay them in cash. The debtor, anticipating refusal of the bondholders to accept the plan, relied on § 77B (b)(5) which provides for the adoption of a plan that has not received the required assents of creditors. From a final order dismissing the plan and proceedings, the debtor appealed. *Held*, decree affirmed; § 77B (b) (5) is unconstitutional. *In re Tennessee Publishing Co.*, 81 F. (2d) 463 (C.C.A. 6th 1936).

Section 77B (b) provides that a plan of reorganization ". . . . (5) shall provide in respect of each class of creditors of which less than two-thirds in amount shall accept such plan . . . . adequate protection for the realization by them of the value of their interests claims, or liens . . . . either as provided in the plan (a) by the transfer or sale of such property subject to such interests . . . . or (b) by a sale free of such interests, claims or liens at not less than a fair upset price and the transfer of such nterests, claims or liens to the proceeds of such sale; or (c) by appraisal and payment . . . . in cash of the value . . . . of such interests, claims or liens . . . . or (d) by such method as will in the opinion of the judge, under and consistent with the circumstances of the particular case, equitably and fairly provide such protection. . . . . " 48 Stat. 914 (1934), 11 U. S. C. A. § 207 (b) (supp. 1935).

This section, in terms, seems to apply to all reorganizations, whether the group actively reorganizing represents senior creditors, junior creditors, or stockholders. In cases where senior creditors employ the section to force a plan on junior classes, clauses (a) and (b) are probably constitutional as they provide for the junior classes all to which they were originally entitled. However, clause (c) is probably unconstitutional if used to cut out a junior class which has a likelihood of realizing upon its claims in the event of foreclosure of the senior lien. *Louisville Land Bank v. Radford* (295 U.S. 555 (1935)) strongly suggests that the payment of the appraised value of a security interest is not an adequate substitute for the creditor's ordinary remedies, although the Frazier-Lemke Act, held unconstitutional in that case, was more drastic than section 77B (b) (5) (c) in giving the debtor six years in which to pay most of the appraised val-