On the 15th April, 1912, a notice was sent to the plaintiffs by W. L. Pettibone & Co., Newark, purporting to be agents for the Security Mutual, notifying the plaintiffs that the premium on the policy of that company was unpaid and that unless paid by April 20th, the policy would be cancelled and liability for loss under the policy would thereupon cease. To this is appended a postcript: "This is to confirm our notice of the 15th ultimo that this policy has been cancelled on our books." The earlier notice, if there was one, has not been produced. This notification was followed by letters of May 2nd, asking for return of the policy or payment of the full premium, if re-instalment was desired, and of May 17th, demanding return of the policy or cheque by return mail. As both these letters refer to the letter of April 15th, as the notice of cancellation, I think it should be found that that was the first notice actually sent.

On the 25th of May, Charles E. Ring & Co., acting for the National Protector Insurance Company and the Colonial Insurance Co., wrote two letters to the plaintiffs advising them that the premiums on the policies in these two companies remain unpaid, and that unless paid on or before the 30th May, the policy would be cancelled and all liability under it would then cease, and demand would be made for the earned premium to that date.

On receipt of some one or more of these notices, Mr. Goodman saw the defendant, certainly on one occasion, probably on more than one occasion, and was informed by him that the premiums had been duly paid and that the policies were all right.

To understand the situation, it is now necessary to ascertain exactly what had been done by the defendant. He was not an agent for any of the insurance companies. This fact was thoroughly understood by the plaintiffs. It was also known that, owing to the nature of the property to be insured, the risk could not be placed with any of the ordinary companies, but would have to be placed with companies of a class that were ready to accept risky policies; none of these companies having its head office in Ontario.

The Insurance, Brokerage and Contracting Company was a company formed for the purpose of negotiating insurance of this class. Its career had been suspended by a winding-up order; but Mr. Gurofski, C. E. Ring, and one Carroll had purchased the assets of the company in liquidation from the