

MIDDLETON, J.

OCTOBER 1ST, 1915.

## RE BECK TRUSTS.

*Trusts and Trustees—Trust Company—Three Separate Trusts—Consolidation—Advances by Trust Company in Respect of one Trust—Balances Due by Trust Company in Respect of other Trusts—Set-off—Insolvency of Trust Company—Rights of Liquidator—Beneficiaries.*

Appeal by the liquidator of the Dominion Trust Company from a report of the Master in Ordinary.

The appeal was heard by MIDDLETON, J., in the Weekly Court at Toronto.

N. W. Rowell, K.C., for the appellant.

H. T. Beck, for the adults concerned.

E. C. Cattnach, for the Official Guardian, representing the infant Doris Beck.

MIDDLETON, J., said that it appeared that there were three distinct trust funds: one arising under the will of the late V. S. Beck, which directed one fund to be held and the income to be used for the support of the testator's two daughters until they attained the age of 21 years, and after each daughter attained majority the income to be paid to her for her sole use; and upon the death of the daughter the fund was to be held for the benefit of her children, to be divided on the youngest attaining 21 years. If either child died without issue, then the surviving child and her issue were to take the whole. The insurance moneys were held, \$2,500 in trust for Helen Beck, and \$500 in trust for Doris Beck. An order was made in the matter of the trusts of the will on the 20th February, 1915, appointing a new trustee and referring to the Master to take an account of the dealings of the trust company with the estate funds. Subsequently an order was made in the matter of the insurance policies, also appointing a new trustee, and referring to the Master to take an account of the dealings of the trust company with the insurance moneys.

Although the three trust funds were separate, the trustees treated them as in truth one fund, and their first accounts brought in before the Master dealt with the trusts on that footing. Subsequently the trustees filed further accounts, in which the trust funds were separated, with the result that it appeared