

mill for the conveyance of mill-wood. The expenditure was necessary if the company was to use mill-wood. The defendant supplied the company with mill-wood under an agreement that it should be paid for on the basis of its relative value to round wood for pulp and coal for fuel. The wood was invoiced by the defendant at \$2.00 per thousand of mill cut on account of which he paid himself \$57,391.30, leaving a balance due of \$10,589.57. The mill-wood was of a poor quality. No practical test was made of its relative value to round wood and coal. In the absence of any other than an approximate estimate the court held that it should be charged at \$1.90 per cord for pulp wood and .90 per cord for fuel wood, on which basis the defendant had overpaid himself \$2,432.92. The defendant resigned his position as managing director at the end of ten months, and the company ceased to use mill-wood. The company sought to charge the defendant with the cost of the fuel house and conveyors, which were no longer of use, as an unauthorized and improper expenditure and made for the defendant's benefit. The defendant had always been willing to have the price of the mill-wood determined by an actual test. Charges of fraud against the defendant were preferred in a number of sections of the bill, which was unsupported at the hearing.

Held, that the defendant should not be charged with the cost of the fuel house and conveyors; that the decree in plaintiff's favour for the balance due by the defendant on overpayment should be without costs; and that the defendant should have the costs of the sections of the bill alleging fraud.

Powell, K.C., *Teed*, K.C., and *Hanington*, K.C., for plaintiffs.
Pugsley, Atty.-Gen., *Currey*, K.C., and *Sarnhill*, for defendant.

Barker, J.]

WHITE v. HAMM.

[March 25.

Fraudulent conveyance—13 Eliz., c. 5—Injunction.

A conveyance by an insolvent debtor in good faith and for valuable consideration though made with intent to defeat creditors to the knowledge of the purchaser is not void under 13 Eliz., c. 5.

The defendant in an action for false arrest immediately after a verdict in his favour was set aside and a new trial ordered, conveyed a farm to his wife, which subsequently she conveyed to W., the purchase money being alleged to be paid partly by cash and partly by notes. At the time the conveyance was made by the defendant he was free of debt, and it was doubtful what the result of the action would be. The plaintiff succeeding in the action sought to set the conveyance aside as made without consideration and fraudulent under 13 Eliz., c. 5. An application for an interim injunction restraining the transfer of the land by W. was granted.

Belyea, for plaintiff. *Currey*, K.C., and *Wilson*, K.C., for defendants.