

*Eastman v. Bank of Montreal* and *Young v. Spiers* were decisions upon assignments made before the Ontario Act respecting Assignments and Preferences came into operation. These decisions are now no longer law. See per Street, J., in *Molsons Bank v. Cooper*, 26 O.R. 575, at p. 584.

In that Act (R.S.O. 1897, c. 147,) s. 20, sub-ss. 4 and 5 enact:

(4). "Every creditor in his proof of claim shall state whether *he holds any security for his claim or any part thereof*; and if such security is on the estate of the debtor, or on the estate of a third party for whom such debtor is only secondarily liable, he shall put a specified value thereon and the assignee under the authority of the creditors may either consent to the right of the creditor to rank for the claim after deducting such valuation, or he may require from the creditor an assignment of the security at an advance of ten per cent. upon the specified value to be paid out of the estate as soon as the assignee has realized such security; and in such case the difference between the value at which the security is retained and the amount of the gross claim of the creditor shall be the amount for which he shall rank and vote in respect of the estate."

(5). "If a creditor holds a claim based upon negotiable instruments upon which the debtor is only indirectly or secondarily liable, and which is not mature or exigible, such creditor shall be considered to hold security within the meaning of this section and shall put a value on the liability of the party primarily liable thereon as being his security for the payment thereof; but after the maturity of such liability and its non-payment, he shall be entitled to amend and re-value his claim."

A clear distinction is laid down between two classes of cases. In such cases as the *Eastman* case and the *Molson Bank* case (if the question arose in assignments under the Act) the bills and notes deposited by the debtor as securities for the debt would have to be valued on filing the claim, and the creditor would only be entitled to rank for a dividend on the balance of the claim. To this extent therefore the old rule that the creditor is entitled to rank for the full amount of his claim and to realize any securities as well, provided he does not receive in all more than 100 cents on the dollar must be considered as no longer law.

In cases arising under the 5th sub-s. different considerations arise. If the debtor who has made an assignment is only indirectly