

the debenture-holders that the question of priority arose. North, J., decided in favour of the debenture-holders; but the Court of Appeal (Lindley, Lopes, and Rigby, L.JJ.) reversed his decision, on the ground that after the interest on the debentures was three months in arrears they still continued "a floating security" until the debenture-holders took steps to enforce them. This result was reached owing to the fact that, although the condition in the bonds expressly enabled the company to deal with its assets until the interest should be three months in arrears, it was silent as to what was then to be done; and the Court of Appeal was of opinion that it would be unjust to creditors of the company if it were still permitted to carry on business and contract debts after the three months, and that then the creditors could be told that none of them could be paid, although the company was still carrying on business. This Lindley, L.J., characterized as a "monstrous result."

LESSOR OR LESSEE—PEACEABLE RE-ENTRY—FORFEITURE OF LEASE—RELIEF AGAINST FORFEITURE—CHOSE IN ACTION—C.L.P. ACT, 1852 (15 & 16 VICT., C. 76), S. 212—(R.S.O., C. 143, S. 22)—JUDGMENT, FORM OF.

In *Howard v. Fanshawe*, (1895) 2 Ch. 531, the plaintiff was equitable mortgagee of two houses for ninety-nine years. The lessee had become bankrupt, and the trustee assigned to the plaintiff all the bankrupt's interest in the lease. Three-quarters' rent being in arrear, the defendants, the lessors, had entered and taken possession of the premises, which were vacant. Subsequent to this the plaintiff tendered the rent in arrear, which the defendants refused to accept. The action was brought to obtain relief against the forfeiture of the lease, the plaintiff relying on the provisions of the C.L.P. Act, 1852, s. 212 (see R.S.O., c. 143, s. 22), which provides that where a lessor brings an ejectment for non-payment of rent in arrear the tenant, or his assignee, may at any time before trial pay up arrears and costs, and all further proceedings shall be stayed; and if the lessee obtains equitable relief against the forfeiture, he is to hold the premises according to the lease and without any new lease thereof. The question was raised whether this applied where, as in the present case, possession had been secured without action. Stirling, J., came to the conclusion that relief might be granted on those terms, although possession had been secured without