

The mortgage to the plaintiffs contains this provision: "In case default shall be made in payment of the interest on said bonds or debentures or any of them secured by these presents when the same shall become due and payable according to the terms hereof, the principal of all the said bonds and debentures shall immediately become due and payable."

On January 1st, 1912, coupons for the half-yearly payment of interest on these bonds became due, and this interest not having been paid, plaintiffs on February 27th, 1912, brought action against the defendants the Brantford Street Railway Company and the Grand Valley Railway Company, claiming payment of the whole sum of \$125,000 and interest, and foreclosure, and possession of the lands and premises and assets covered by the mortgage, and for a receiver. Later on an amendment was made, adding a claim for sale of the properties and assets.

On May 29th, 1912, on the application of the Trust and Guarantee Company, Limited, Edward B. Stockdale was appointed receiver on behalf of the applicants, as trustee for the holders of mortgage bonds issued by defendants, the Grand Valley Railway Company, of all that company's "railways, undertakings, revenues . . . property . . . with power to pay out of any money coming to his hands as such receiver, any debts of that company having priority over the claims of the said debenture holders."

The present action came on for trial on June 5th, before His Lordship the Chancellor, when he ordered that the receiver be added as a party defendant, that he be forthwith served with the order and the pleadings and that the action should be set down for trial on June 12th.

On the opening of the trial on that date, it was shewn that on June 11th the defendants had paid to the plaintiffs all arrears of interest, and an undertaking satisfactory to the plaintiffs was given for payment of plaintiffs' costs up to the time of such payment.

It was conceded by the plaintiffs that the arrears of interest having been paid, they could no longer claim that the principal was overdue by reason of non-payment of interest.

The plaintiffs, notwithstanding this, contended that they were entitled to possession of the mortgaged properties and assets and to the appointment of a receiver on the ground that defendants had committed breaches of their covenants