

must have been indorsed by Mrs. Feldman and placed in the Bank of Ottawa at Smith's Falls on the day it was given; as on 12th June the National City Bank received payment of it through the New York clearing house. Feldman's account of why he paid Schechter \$200 was unsatisfactory. He spoke of having borrowed \$100 from Schechter; but what it was for, or when borrowed, was not disclosed. If one were permitted to conjecture, I should say that Schechter was paid the \$200 for his time and trouble and expense in coming from New York to assist Feldman in carrying out his scheme of having his business transferred to his wife, and, in order to do that, to have a chattel mortgage executed to Schechter, and thus protect Feldman's estate from his creditors. And as I consider the whole was a scheme to defraud Feldman's creditors, I should say the \$2,000 was also received by Schechter from Feldman to meet the cheque the latter had given when it reached New York.

I find that when Feldman gave the chattel mortgage to Schechter he owed the Union Bank \$17,600, and other creditors \$2,500.

I find that before 1st June, 1908, Feldman had sold the greater part of his stock of iron, and that his assets of every description, including the equity in his house and lot—the latter he told Constable McGillivray he would be willing to take \$2,500 for—was between \$12,000 and \$15,000, and would not realize that sum under a forced sale.

In *Merchants Bank v. Clark*, 18 Gr., Mowat, V.-C., at p. 595, said: "There is no evidence whatever except that of the parties themselves that this transaction was really a sale, or that the alleged purchase money was paid: and it has frequently been observed that a transaction of this kind ought not to be held sufficiently established by the uncorroborated testimony of the parties to it." He also said, at p. 599: "The whole account of the defendants is so unlike what takes place in the case of real purchases made in good faith, that I think it impossible on the uncorroborated evidence of the parties to hold that the transaction in question is proved to have been a real sale, intended bona fide to pass the property." See also *Morton v. Nihan*, 5 A.R. 20.

Mr. Lavell, who was acting as solicitor for both parties, should have informed Schechter—if he was really lending the money to the chattel mortgagor, Feldman—that the latter was largely indebted to the plaintiffs, who had sued him for part of their claim: *Burns v. Metson*, 28 S. C. R. 207.