

the execution creditors of McGuire. Teetzel, J., appears to be well justified in his observation: "As respects the company and Murphy, both of whom had notice of the injunction, it is perfectly plain that, while the agreement for sale may not be impeachable as fraudulent as against creditors, the method of carrying it out was primarily adopted for the purpose of enabling McGuire and Company to evade the injunction and to circumvent the plaintiff McPherson in his efforts to realize his judgment out of McGuire and Company's interest in the license and the right to cut timber thereunder, and I must say that upon this record the course pursued by the Traders Bank was such as without which the dishonest purpose of McGuire and Company could not have been so nearly accomplished."

So far as the respondents, The Temiskaming Lumber Company, are concerned, their position does not appear to be one whit better. By the time of the formation of the company in January, 1910, things had reached the stage of legal proceedings against A. McGuire and Company, and an injunction had been obtained against that firm against parting with its property. When, accordingly, the offer to sell to the Temiskaming Company, dated the 11th January, 1910—that is to say, more than a fortnight before even the first meeting of provisional directors—was considered, "it was resolved that said offer be accepted subject to this: that the transfer of said license shall not be made until the pending injunction against A. McGuire and Company, restraining the transfer of the said license, shall have been disposed of, but in the meantime that the company shall go upon the limits and carry on the operation of cutting and removing timber therefrom." The pending injunction was not disposed of *in foro contentioso*, but, as narrated in the appellants' case, "a bond with sufficient sureties was executed by and on behalf of the respondents, and approved by the Court for the sum of \$10,000, to secure an approximate amount sufficient for the payment of all the said writs of execution (*i.e.*, both McPherson's and Booth's), and the logs were taken possession of by the respondents."

Their Lordships incline to the opinion that, with reference to the particular matter in issue in this suit, namely, the cutting of the timber and the rights therein, McGuire and Company simply continued as before the formation of the Temiskaming Company, so far as the transaction of transfer was concerned, Annie McGuire took the entire purchase-