item, and in addition say that the evidence of the respondent, John T. Moore, is not corroborated in a material point, nor does the evidence establish a novation.

"The receipt given by Edward Leadlay was for a note for this amount ($3,279.22), and if the note was not paid at maturity, no credit can be allowed therefor on the mortgage debt, unless the note is taken in lieu of money, or its equivalent. In other words, there must be an express contract shewing that the acceptance of the note, and the giving of the receipt therefor, was to be in satisfaction of the mortgage *pro tanto*, whether the note was paid, or not. There is no evidence to support any such contract."

Now, it seems to require some boldness, in view of the position thus taken by the Moores and the mortgagees, which resulted in the Court determining in favour of their contention, for the appellant to now come forward and attack the finding of my brother Kelly, upon the ground that the position he then took was not in accordance with the truth, and now to take te position that the then appellants' version of the transaction was the true one.

That these two notes were paid by the mortgagees and that the mortgagees were repaid what they had paid in respect of them by the now respondents when the property was redeemed, is not open to question, and there is therefore no ground for the appellants' contention that the release which he subsequently obtained from the Leadlays operated to discharge him from his indebtedness on the notes.

There is not a shadow of ground for any such contention. Nothing was owing by the appellant to the Leadlays when the release was executed. The mortgagees had succeeded in establishing that they were entitled to be paid their mortgage debt, including what they had paid on account of the floating indebtedness of the company, and upon redemption at all events the notes became the property of the respondents.

The result of what has taken place is that the appellant, by his improper conduct and breach of trust, has made the company of which he was the manager director, liable for these two debts of his, and he is bound, as the learned trial Judge has found, to repay what the company has paid, with interest.

The next item is one of $8,166.66, which, it is said, was improperly charged by my learned brother Kelly to the ap-