

Kerr, Brown & McKenzie as creditors for this note, but they did this simply in assumed compliance with the opinion of Messrs. Burton & Bruce, and the facts which had happened, and they never agreed with Kerr, Brown & McKenzie, to recognize them as the creditors for \$10,155, unless legally so entitled, on the contrary Brown, Gillespie & Co. still objected to this ranking, while Kerr, Brown & McKenzie insisted on it as their strict legal right, and in this position of affairs Kerr, Brown & McKenzie signed the composition deed only, but not the statement, and no amount is set opposite their names or that of any other creditors as amounts for which they were creditors.

5. At the meeting of Brown, Gillespie & Co.'s creditors, held on 19th Feb'y, 1868, these facts were stated, and subsequently, objection was made to the ranking of Kerr, Brown & McKenzie for the \$10,155 note, and inspectors were appointed at this meeting, to examine Brown, Gillespie & Co.'s statement.

Before these inspectors made their reports, Kerr, Brown & McKenzie retired the \$10,155 note from the Bank of Montreal. Subsequently the inspectors made their report, which, after stating the offer made to be a fair one, refers to this \$10,155 note transaction in these words:—

“Since the meeting of creditors on the 19th inst.,
“the ranking of one creditor has been reduced from
“\$10,155 to half that amount, the committee are of
“opinion that the amount thus saved to the estate,
“would effect so trifling a change in the total dividend, that it should not render any new proposition
“necessary.”

6. The deed was subsequently assented to by all