

before it became due, and Graham Bros. then delivered it to the Standard Bank of Canada at their office at Stouffville, as collateral security, with other notes, for a debt of \$13,800 owed by them to that bank. The manager of the bank, upon receiving this note, stamped on the back, over the blank indorsement of G. M. Boyd, the words "Pay Standard Bank of Canada or order," thus converting it into a special indorsement to that bank. On 23rd April, 1903, plaintiffs, at their Stouffville office, agreed to take over from the Standard Bank the account of Graham Bros., and paid the Standard Bank the \$13,800, and received from them the collateral notes held by them, including that sued on in this action. The managers of the two banks met to complete the transfer of these collateral notes, and, as each note was handed to the manager of plaintiffs, he stamped the words "Pay to the order of the Sovereign Bank of Canada" over the words already there, "Pay Standard Bank of Canada or order," so as partly to obliterate them, but not so that both indorsements could not be plainly made out. The manager of the Standard Bank initialled the alteration effected by the second stamp.

Upon these facts the Judge found that the intention of the two managers was to transfer to plaintiffs all the title of the Standard Bank to the note, and that the effect was that plaintiffs became the holders of the note and entitled to maintain the action. He found that the note was duly made by defendants, and directed judgment to be entered for the amount of it, with interest and costs. The terms of the order made upon the motion to change the venue were fully stated to the Judge at the opening of the case.

Defendants appealed from the judgment.

The appeal was heard by FALCONBRIDGE, C.J., STREET, J., BRITTON, J.

Grayson Smith, for defendants.

S. B. Woods, for plaintiffs.

FALCONBRIDGE, C.J.— . . . The vital question for decision in this case is whether plaintiffs succeeded in proving what they undertook to prove when the motion to change the place of trial was dismissed.

I agree with the trial Judge in holding that the transaction was intended by the banks to be a transfer from the one to the other, and that plaintiffs are holders in due course. The mode adopted, no doubt with a view of saving a little