

by defendant to the plaintiffs for damages from \$400 to \$180, which latter sum shall be paid forthwith by defendants to the plaintiffs," the plaintiffs were entitled to costs on the High Court scale.

2. The effect of a defence by the life tenant, that payments had been made by her on an existing mortgage in excess of the amount due for interest thereon, and she "should be subrogated to the mortgagee's rights"; and by the purchaser, that he had bought the timber for value without notice raised the question of title to an interest in land to a greater value than \$200 and the County Court had no jurisdiction.

Tremear, for the appeal. C. A. Moss, contra.

Teetzel, J.]

[Jan. 9.

RE POWELL AND LAKE SUPERIOR POWER CO.

Arbitration—Non-compliance with direction of Court—Refusal to state special case—Setting aside award.

On a motion to set aside an award,

Held, that an arbitrator to whom an award had been remitted "to find and make his award as to the ownership" of certain property had not not complied with that direction by vesting the property in one of the parties as owner.

Held, also, that an application having been made bona fide to him before the award was signed to state certain questions of law in a special case for the opinion of the Court or to adjourn the matter until an application to the Court to direct him to state a special case had been disposed of, his refusal to do so was a ground for setting aside the award.

In re Palmer & Co. (1898) 1 Q.B. 131 followed.

Douglas, K.C., and S. C. Wood, for the appeal. Watson, K.C., contra.

Divisional Court.] SOVEREIGN BANK v. GORDON. [Jan. 26.

Bill of exchange—Indorsement in blank—Alteration to special indorsement—Subsequent substitution of name of new special indorsee.

A bank being the holders in due course as collateral security to the account of a customer of a promissory note indorsed in blank put their name with a stamp immediately above the indorser's name thus converting the indorsement into a special one. Subsequently and after maturity of the note the account was taken over by the plaintiff bank, the intention being that the note in question and other collateral notes should pass with the account. The manager of the transferring bank handed the notes to the manager of the plaintiff bank, who with a stamp superimposed upon the name of the transferring bank, the name