

Corelli drew a cheque upon the Commercial Bank of Manitoba, payable to the Equitable Life Assurance Society or order, and had it marked by the bank with its acceptance stamp and sent to the agents of the Equitable Society in Toronto. The bank immediately afterwards suspended payment, whereupon Corelli regained possession of the cheque, scored out the word "order" and inserted "bearer," initialing the alteration. He then lodged the cheque with the Hochelaga Bank as security for an advance, and the latter made a claim upon the liquidator of the Commercial Bank for the amount of the cheque. The liquidator contested the claim, and proposed if the claim were not allowed, to set off the indebtedness of Corelli to the Commercial Bank against the balance there would then be at the credit of the account.

It was held that there was a material alteration in the cheque, and that the holder could not recover from the drawee.

SUPREME COURT, CANADA

Clarkson et al. vs. McMaster*

An unregistered chattel mortgage is void as against creditors.

The facts of the case are as follows :

On 10th October, 1893, one A. L. Davis executed a chattel mortgage in favor of McMaster & Co., covering all his goods, stock, and other assets, the consideration being stated as \$1,600.63. Davis was then indebted to other persons in large amounts, his statement of his affairs showing liabilities of \$2,901.71—a large portion of this being overdue,—and nominal assets of \$4,600.

At the time of the execution of the chattel mortgage it was agreed between Davis and McMaster & Co. that the mortgage would not be registered, Davis being apprehensive that registration of the mortgage would affect his credit. On 7th November, 1893, McMaster & Co. took possession of the mortgaged property, and on 13th November Davis made an assignment to the

*ED. NOTE.—Judgment in this most important case has just been rendered, and copy of the judgment comes to hand as the first forms of the *JOURNAL* are going through the press—too late to permit of comment.