the note. I find difficulty in concluding that it is deprived of the right of ranking for the full amount by the fact of having received securities from Kerr, Brown & McKenzie, in consideration of doing so—even though made fully aware of the motives of that firm for making such an arrangement. I should consider the Bank only exercising its legal right in ranking, and should think that its reasons for exercising that right could not be inquired into. With us the firm of Brown, Gillespie & Co. would have the right of paying the Bank in full the one half of the debt, as being due by Kerr, Brown & Mackenzie, and 8s. 6d. in the £ on the balance, as being the amount which that firm agreed by the composition deed to lose, and then to claim from the Bank upon payment of the composition on their own half of the note, the securities deposited by Kerr, Brown & McKenzie, subject to the obligation to account to that firm for any surplus after recouping themselves for half the debt, and 8s 6d in the £ on the other half. Or they could with us allow the Bank to rank for the whole amount of the note, and claim on Kerr, Brown & Mackenzie for the dividend appropriated to their half, and if that firm is solvent, this course would appear to be the most simple.

But as I understand the note to have been retired by the firm of Kerr, Brown & Mackenzie, or one of its members, the difficulty seems to me to disappear. I do not think that the mere fact that a third party paying and procuring a subrogation from the Bank of its rights upon the note had a knowledge of the circumstances would prevent his exercising the same remedies that the Bank could. But if such third party were himself bound to indemnify Brown, Gillespie & Co. the case would be quite different. If as