

1876. is \$350. This was all the cash capital we had. Our sales in one year reached \$22,000. I was married; my partner was single. We were not, from the outset of the business, able to meet our liabilities. In July, 1873, our notes began to be protested. Mr. *Brown* was our largest creditor at this time. I went down on or about the 30th August, 1873, for the purpose of assigning to Mr. *Brown* some notes and accounts, and paying other creditors some money. I took a list of the accounts with me; I had not seen Mr. *Brown* previous to this on the subject of assigning the notes and accounts to him. *Brown* had not asked me before I got to Hamilton to assign the notes and accounts. *Brown* had notified me when the paper became due, but had not brought any pressure to bear upon me. I went down voluntarily on the 30th August for the purpose of making this assignment. I felt that *Brown* was handling our account delicately, and that unless I did something I could not get any more goods from him. I mean that *Brown* seemed disinclined to advance any more goods to us. When I got down *Brown* told me that my account was larger than I had arranged it should be when I first purchased my stock. He asked me whether I was prepared to pay him any cash. I told him I was not. I told him I had brought some accounts and some notes down, which I was willing to assign to him. Mr. *Brown* then prepared the assignment, and I signed it. This was all that was said affecting the assignment at this time. * * I think I also told *Brown* our paper had gone to protest. * * *Brown* seemed a little surprised when I told him we had let our paper go to protest; this was before the assignment was signed. * * Up to the time the assignment to defendant was signed there was no proposition for any further advance to me by Mr. *Brown*. * * Our debt to *Brown* was in the neighbourhood of \$2,450. * * After the assignment I got some more goods from Mr. *Brown*, I think in the neighbourhood of \$400. * * I told Mr. *Brown* at the time the transfer of debts was

Keays
v.
Brown.

Statement.