

on his security, and the assignee must pay ten per cent. over that value if he desires to acquire the security ; and it **has been** held that the assignee must act without delay if he intends to take over the security, as otherwise the creditor will be entitled to consider himself the absolute purchaser of it, and that his, so to speak, statutory offer to sell had been refused. See *Bell V. Ross*, 11 A.R., 458. The security of a third person for the debtor need not be valued, and such guarantor could not, and cannot now, rank on the estate as a creditor until he has actually paid the debt, so as to, in effect, substitute himself for the original creditor, and formerly such a guarantor, not having made a payment, was not considered a creditor so as to debar him from taking a valid security from an insolvent debtor, even though it were clearly apparent that he would ultimately be called upon for a payment under his guarantee. This anomaly has now been remedied by 55 Vic., Cap. 25.

The personal guarantee of an individual member of a firm is in the same position as a stranger's, and therefore need not be valued. See *re-Jones*, 2 A.R., 626.

It appears that if a creditor were to obtain from a debtor customers' notes, payable, say, to bearer, or otherwise, so that the debtor did not endorse them, it would be very doubtful, reading sub-sections 4 and 5 together, whether the creditor would be compelled to value them or not.

Sub-section 2 of Section 7 provides, that, "If at any time a creditor desires to cause any proceeding to be taken which, in his opinion, would be for the benefit of the estate, and the trustee under the authority of the creditors or inspectors refuses or neglects to take such proceedings, after being duly required so to do, the creditor shall have the right to obtain an order of the Judge authorizing him to take the proceedings in the name of the trustee, but at his own expense and risk, upon such terms and conditions as to indemnity to the assignee, as the Judge may prescribe, and thereupon any benefit derived from the proceedings shall belong exclusively to the creditor instituting the same for his benefit,