

tween them, viz., that if the assets were so transferred the defendant would hold them for plaintiff. Defendant made no objection, and offered the obligation of himself and his wife for a re-conveyance of the property if the proposed scheme did not go through. Plaintiff's evidence of this understanding is corroborated by Mr. Porter who was present at an interview between plaintiff and defendant in Toronto.

Following this, plaintiff and defendant went to the office of Mr. Eastwood, a solicitor in Toronto, and defendant instructed the solicitor to prepare the obligation mentioned. The solicitor raised some objection to the giving of such a document on the ground that if its existence became known it would be apparent that the proposed sale and transfer were not bona fide, and the plaintiff was assured he had nothing to fear from the absence of such a document.

Other interviews took place at the solicitor's office, and at a later day a conveyance was prepared by him from plaintiff to defendant of all the estate devised to the plaintiff by his father's will; the consideration named in the conveyance was \$500. At no time was any mention made of the necessity or advisability of plaintiff's wife joining in the conveyance; nor was she made a party to it. Plaintiff signed the deed on March 23rd in Campbellford, and it was then registered, after which the \$500—which had been given by the defendant to Mr. Payne, a solicitor of Campbellford—was paid by cheque to plaintiff. Plaintiff sent the cheque to Erickson, Perkins & Co., the brokers in Toronto with whom he had been doing business and where he continued afterwards to do business, and it was there placed to his credit. On April 8th, plaintiff instructed the brokers to transfer his account to defendant, and on April 9th, defendant in writing accepted the transfer.

To settle the partnership difficulties between plaintiff and his brother, arbitration was, in March, proposed under the terms of the partnership agreement; defendant offered to act as plaintiff's arbitrator, and plaintiff signed an appointment to that effect.

From the time of the making of the conveyance to defendant, and the payment of the \$500, defendant took no further interest in the proposed incorporation.

Plaintiff having made satisfactory terms of settlement with the members of his family, he saw the defendant in Toronto in May. The latter declared that it was useless to