

Afterwards, the defendant Anna K. Johnston bought from Frank the Strathroy property, and, from the assignee of her mother, Amelia, the Toronto property, both subject to the mortgage for \$600, which she assumed. Finally, in July, 1901, the defendant Anna K. Johnston purchased from her mother, Amelia, her supposed equity in the six shares of C. stock, subject to the \$600 mortgage.

This action was brought against Mrs. Amelia Johnston, Frank K. Johnston, and Anna K. Johnston, to recover the amount of both mortgages, and, in default of payment, for foreclosure of the interest of the defendants in the stock.

The defendant Amelia delivered no defence; the defendants Anna and Frank admitted the making of the mortgage of the 1st October, 1897, and the transfer of six shares of C. stock to the plaintiffs, but put the plaintiffs to the proof of the mortgage of July, 1897; they brought into Court the arrears upon the mortgage of October, and the plaintiffs accepted the amount in satisfaction of such arrears.

The defendant Amelia was examined by the plaintiffs for discovery, and parts of her examination were read by the plaintiffs at the trial, the other defendants objecting that the examination was not evidence against them.

The trial Judge gave judgment in favour of the plaintiffs, and the defendant Anna appealed.

P. H. Bartlett, London, for the appellant.

T. H. Luscombe, London, for the plaintiffs.

The judgment of the Court (STREET and BRITTON, JJ.) was delivered by

STREET, J.:—The defendant Amelia Johnston held all the six shares in trust for her children: as to two shares, the trust is declared on the face of the certificates; as to the other four, the words “in trust” are sufficient to put a person dealing with her upon inquiry, and her evidence (put in by the plaintiffs) shews that they were held in trust for her children. . . . The company are affected with notice that she was not the owner of the shares and had no power to mortgage them, just as any other person advancing money upon the shares would have been. . . . There is no evidence of any authority to her to deal with the property, and she had no more right, as far as appears, to mortgage these shares than if they had stood in the names of her children, instead of in her name in trust for them. . . . Section 53 of the R. S. O. ch. 205 relieves the company from the duty of seeing to the execution of any trust to which any shares are subject, and enables the company to pay money to a shareholder who holds shares upon any trust, without seeing that the money is properly dealt