CONTENTS.—PART II.

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NOTES OF CASES.

IN THE ONTARIO COURTS, PUBLISHED IN ADVANCE, BY ORDER OF THE LAW SOCIETY.

QUEEN'S BENCH.

(Continued.)

CROSS v. CURRIE & BROWN.

Promissory note—Accommodation endorser—Innocent holder.

Defendant B. endorsed a promissory note made by defendant C. for the purpose of renewing a former note also endorsed by him for C.'s accommodation. C., instead of retiring the former note, parted with the renewal to plaintiff, a creditor of his, who was at the time aware that B. had been assisting C. in money matters. After the note had been endorsed by C. to plaintiff, C. procured B.'s endorsement of another note at a shorter date, stating that the holders of the original note would not accept the first renewal, and promising to return the latter with the original note. It was found that there was no bad faith on plaintiff's part in taking the note.

Held, that C. had B.'s authority to endorse the note to plaintiff, and that the only notice the law would impute to plaintiff taking the note from C., the maker, was that B. was a surety for him, and perhaps an endorser without value for his accommodation; and therefore,

Held, that plaintiff was entitled to recover against B.

J. A. Miller for plaintiff.

Bethune, Q.C., contra.

GOUINLOCK v. MANUFACTURERS & MERCHANTS' MUT. FIRE INS. CO. OF CANADA.

Insurance—Statutory conditions (Rev. Stat. O., cap.. 162.

To the question contained in an application for insurance, "For what purpose are the premises occupied," the answer was, "Dwelling, &c."

Held, that this meant, dwelling *et cetera*, and that the applicant thereby gave notice that the premises were otherwise occupied for another purpose also, which it appeared was as a drinking saloon. It also appeared that the Company's agent had the fullest knowledge of the saloon being there, and that its presence was in fact the subject of discussion between applicant and him, and it further appeared that the chief agent had certified on the back of the application that he had personally inspected the premises and recommended the risk.

Held, that there was no breach of the first statutory condition (R. S. O., ch. 162) and that plaintiff was entitled to recover.

Hardy, Q.C., for plaintiff.

F. Osler, contra.

DAVIDSON v. HOUSE.

Insolvency—Fraudulent preference—Estoppel.

Insolvent, within thirty days before his insolvency, executed a mortgage to defendant for alleged money advances. A composition was agreed on, and, as collateral security therefor, defendant assigned the mortgage to the assignee. The composition was, apparently, not carried out, and plaintiff—the assignee—brought ejectment to recover the mortgaged premises, claiming both under the assignment, and that the mortgage was fraudulent as against creditors.

Held, that the mortgage was a fraudulent preference, and that the assignee was not precluded, by having taken the assignment,