

IN RE STRATFORD FUEL, ICE, CARTAGE AND CONSTRUCTION CO.  
Ont.] BLOWN, LIQUIDATOR v. COUGHLIN. [June 1.

*Principal and surety—Insolvency of debtor—Action by liquidator against principal creditor—Compromise—Agreement not to rank—Payment by sureties—Right of sureties to rank.*

By a contract of suretyship C. and others guaranteed payment to a bank of advances to a company by discount of negotiable securities and otherwise, the contract providing that it was to be a continuing guarantee to cover any number of transactions, the bank being authorized to deal or compound with any parties to said negotiable securities and the doctrines of law and equity in favour of a surety not to apply to its dealings. The company became insolvent and its liquidator brought action against the bank to set aside some of its securities, which action was compromised, the bank receiving a certain amount, reserving its rights against the sureties and agreeing not to rank on the insolvent estate. The sureties were obliged to pay the bank and sought to rank for the amount.

*Held*, affirming the judgment of the Appellate Division (28 Ont. L.R. 481) that they were not debarred by the compromise of said action from so ranking. Appeal dismissed with costs.

Sir George Gibbons, K.C., and Harding, for appellants. Hellmuth, K.C., and R. S. Robertson, for respondents.

Ont.] MATTHEWSON v. BURNS. [June 19.

*Specific performance—Lease—Option to purchase—New lease—Acceptance by lessee—Waiver of option.*

A lease of land for a specific period gave the lessee an option to purchase during its continuance.

Before it expired the lessee agreed to accept a new lease to begin on its expiration.

*Held*, reversing the judgment of the Appellate Division (30 Ont. L.R. 186), Anglin and Brodeur, JJ., dissenting, that the option was not waived or abandoned by such acceptance.

Appeal allowed with costs.

G. F. Henderson, K.C., for appellant. W. C. McCarthy, for respondent.