

the parties agreed to wind up the Hamburg branch of the business, which was found to be unprofitable; Mumme to draw his regular salary during the three months allowed for the winding up. His salary was not reduced and he continued to draw it until the beginning of March, as the winding up was not completed as expected, although the term fixed for the partnership ended February 1st, 1910. All the information given to the defendants in the answers was that Mumme was to be paid a salary, commission on sales, and a share of the profits. No amounts were mentioned either as to salary or commission, and defendants did not enquire further; so that their complaints on this score are quite unfounded.

Their chief ground of complaint, however, is that they were not advised promptly of the embezzlement and dishonesty of Mumme. This evidence shews that when returns were not coming in as rapidly as expected the plaintiff sent his agent Hay, who organized the Hamburg business on a new basis and endeavoured to have the terms of credit shortened. In his examination he stated that he was fully satisfied of Mumme's honesty, and so advised the plaintiff. Matters not improving, plaintiff himself went to Hamburg in March, 1910, and states that then for the first time he became aware of the dishonesty of Mumme. He at once advised his London house which promptly notified the defendants. In my opinion the requirements of the policy were fully complied with in this respect.

Defendants sent their auditor to London, who spent a part of two days examining the books and papers of plaintiff and questioning him and his staff. A lengthy paper was drawn up by him purporting to give a summary of the dealings between plaintiff and Mumme. This document he induced the plaintiff to sign, and stress has been laid upon certain admissions and statements made by plaintiff therein. The circumstances connected with the obtaining of plaintiff's signature detract from the value of any admissions, and in my opinion the trial Judge was quite justified in not attaching much importance to it.

Reliance was also placed upon a clause inserted in the policy that it did not cover loss of stock, but only such moneys as it could be proved that Mumme had received. This refers to the fact that when the plaintiff went to Hamburg in March, 1910, and examined the stock in hand he found that the barrels and tierces supposed to contain cas-