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MARCH 30TH, 1906.

DIVISIONAL COURT.

FEDERAL LIFE ASSURANCE CO. v. STINSON.

Assignments and Preferences—Execution Creditors—Claims Proved in Mortgage Action not affected by Mortgagor's Subsequent Assignment for Creditors.

In an action for foreclosure pending in the office of the local Master at Hamilton, 4 execution creditors of the mortgagor were joined as parties and proved claims. The Master directed these execution creditors to redeem the plaintiffs on 29th November, 1905. A few days before the time appointed for redemption, one Swanson acquired the claims of the 4 execution creditors, and on his application was added as a party defendant. On 29th November Swanson redeemed plaintiffs, pursuant to the terms of the report, paying the redemption money into Court, and plaintiffs' mortgage was assigned to him. The Master then took a new account, and directed the defendants by writ (the mortgagor and his wife) to redeem on 12th January, 1906, Swanson both as assignee of plaintiffs and as assignee of the execution creditors. On 2nd January, 1906, the mortgagor made an assignment for the benefit of creditors to one C. S. Scott, who then applied to be added as a party and for an extension of time for redemption, alleging on the application that plaintiffs had received rents which had not been credited in their mortgage account, and also contending that the claims of the execution creditors had been cut out by the assignment for the benefit of creditors. Scott's application was heard before MABEE,