

of 54 barrels of oil, endorsed over by W. E. E. to F. E. & Co., and by them to the bank. The respondent, as curator for the estate of W. E. E. & Co., claimed that the pledge of the 200 barrels of oil on the 10th August, and the giving of the note on the 16th July to the bank were fraudulent preferences. The Superior Court held that the bank had knowledge of W. E. E.'s insolvent condition on or about the 16th July, and declared that they had received fraudulent preferences by receiving W. E. E.'s customers' notes and the 200 barrels of oil, but the Court of Appeal, reversing in part the judgment of the Superior Court, held that the pledging of the 200 barrels of oil by E. F. & Co., on the 10th August was not a fraudulent preference.

On an appeal and cross appeal to the Supreme Court,

HELD:—1. That the finding of the court below of the fact of the bank's knowledge of W. E. E.'s insolvency dated from the 16th July was sustained by evidence in the case, and there had therefore been a fraudulent preference given to the bank by the insolvent in transferring over to it all his customers' paper not yet due. Gwynne J dissenting.

2. That the additional security given to the bank on 10th August of 54 barrels of oil for the substituted notes of E. F. & Co., was also a fraudulent preference. Gwynne J. dissenting.

3. Reversing the judgment of the Court of the Queen's Bench, and restoring the judgment of the Superior Court, that the legal effect of the transaction of the 10th August, was to release the pledged 146 barrels of oil, and that they became immediately the property of the insolvents creditors, and could not be held by the bank as collateral security for E. F. & Co.'s substituted notes. Gwynne and Patterson, J. J., dissenting.

PROVINCE OF ONTARIO CASE.
COURT OF APPEALS, ONTARIO.
Tennant v. The Union Bank.

Warehouse receipts—Transfer of goods in transit.

The plaintiff was assignee for benefit of creditors of a firm of saw-millers who had obtained large advances from the defendants on the security of a third person's promissory notes endorsed by the firm. To this third person, in pursuance of a previous written agreement to that effect, whereby the firm pledged to him a quantity of logs or timber limits and the lumber to be manu-