

**THE ACT RESPECTING ASSIGNMENTS AS IT RELATES  
TO THE VALUATION OF NEGOTIABLE INSTRUMENTS.**

The holder of a bill or note may prove for the amount of it against all parties liable upon it. Credit may be deemed to be given to the indorser as well as the acceptor or maker, and the indorsement may be an ingredient in mutual credit: *Alsager v. Currie* (1844) 12 M.& W. 755; and see *Starey v. Barnes* (1806) 7 East 435.

As regards the amount for which a holder can prove, the right is narrower than the right to sue. It is limited by rules peculiar to Bankruptcy, such as the rules relating to creditors holding security: *Re Howe* (1871) L.R. 6 Ch. Ap. 838.

The holder of a bill or note may receive a dividend from each of the estates against which he proves until he receives 100 cents on the dollar: *Beaty v. Samuel* (1881) 29 Gr. 105; *Eastman v. Bank of Montreal* (1885) 10 O.R. 79; *Young v. Spiers* (1889) 16 O.R. 672. If, after proof, he receives dividends from other parties they will not be deducted from the amount of his proof, and he will be entitled to receive a dividend on the full amount until the debt is satisfied: *Ex parte Wyldman* (1750) 2 Ves. 103; *Ex parte Bank of Scotland* (1815) 19 Ves. 310.

If, at the time of proof, the creditor has received part of the debt he will be allowed to prove for the residue only: *Ontario Bank v. Chaplin* (1890) 20 S.C.R. 152. In this last case there was a contest arising in the liquidation of the Exchange Bank under the Dominion Winding Up Act. The Ontario Bank had discounted a number of notes for the Exchange Bank. These notes had been guaranteed by the latter. Amongst the notes so guaranteed were three notes of Hyde Turcot & Company, (a firm which had likewise failed) amounting to \$6,450. The Ontario Bank had received, before it proved any claim against the Exchange Bank, two dividends from the estate of the insolvent firm amounting together to \$2,454.29. The Ontario Bank claimed the right to rank for the whole amount. It was held that it was not so entitled, but must give credit for the amount received from the estate of Hyde Turcot & Co., and only rank for the residue.

In *Eastman v. Bank of Montreal* (1885) 10 O.R. 79, the facts were that Fawcett, a private banker, had a line of discount to the amount of \$125,000 with the Bank of Montreal. He discounted