

the purchase-money remained unpaid and this action was brought to recover the same, and in default of payment for a declaration that the switchboards were the property of the plaintiff company.

The Norton Co. sold the switchboards to the Silver Belt Co., who gave back a mortgage upon them for the unpaid purchase-money. Default having been made by the Silver Belt Co., one Seymour bought them under the mortgage, and in turn, sold them to defendants, who became *bona fide* purchasers for value, without notice of the plaintiffs' alleged lien.

The Norton Co. having failed, the plaintiffs through their solicitors notified the defendants of the alleged lien. This was the first intimation that defendants had of any lien or other claim against the property which they had bought and paid for. A balance was claimed of \$516. Thereupon Mr. Reece, one of the partners in the defendants' firm, proceeded to Buffalo and there had an interview with certain of the plaintiffs' representatives and it was contended on the part of the plaintiffs that on that occasion an agreement was reached between the parties whereby the plaintiffs agreed to reduce the amount of their claim to \$400, and that Reece for the defendants agreed to pay the same and to recognize the plaintiffs' alleged lien.

On the evening of 29th plaintiffs wrote the letter now much relied on. It was as follows:—

“Mr. A. J. Reece, Manager,
Elk Lake Tel. & Teleg. Co.,
Elk Lake, Ont., Canada.

Dear Sir:—

We wish to confirm the understanding which we came to this morning with you in regard to both our general account against you, and the matter of the switchboards against which we hold a lien at the present time:—

General Account: Your general account, as per statement herewith, amounts at the present time to \$324.90. We will extend the time on this account, permitting you to pay \$150 on April 15th, and the balance, \$174.90, on May 15th, thus balancing this account.

Switchboard Account: In view of our compromise of this morning and of your acknowledgement of our lien against the two switchboards which you now have, we will accept, in full settlement of our lien against the switchboards,