in which her husband has no legal or equitable interest, and that she contracted with the plaintiff and made the note in reference to, and to make her separate estate liable to be sold, if not paid at maturity, and that the plaintiff took the note from her relying upon the security of her separate estate to pay for it.

The defendants were married in 1854 without a marriage settlement. In 1852 the plaintiff became entitled as one of her father's heirs at-law to a share in certain real estate. This property was never taken possession of by either of them. It was afterwards sold under a decree for the purpose of making partition and at the time the note was given, Mrs. Laidlaw was entitled to the purchase money which was then in Court. The note was given for groceries supplied to her husband. The plaintiff only consented to let the account run on condition of its being secured by Mrs. Laidlaw—and the husband promised to procure his wife to make the joint note with him—but the husband had no authority to make this agreement, and the plaintiff had no communication with Mrs. Laidlaw. After the account was closed she joined her husband in making the note at his request, intending to pay it out of the money in Court. The evidence showed that the plaintiff supplied the goods on the faith that they would be paid for out of Mrs. Laidlaw's separate estate.

Held, affirming the judgment of the County Court, that the plaintiff was entitled to recover as the purchase money was her separate personal property, to which she was entitled when the note was made, and in reference to which she contracted.

T. Ferguson, Q.C., for the appellant.

C. A. Durand for the respondent.

Appeal dismissed.

C. C. Essex.] [June 27th.

Re Morton, an Insolvent.

Insolvency—Accommodation Endorser—Right to Security.

The insolvent, prior to his insolvency, borrowed $1,500 from M. & Co. bankers, from whom he was accustomed to obtain accommodation in carrying on his business. He gave them a chattel mortgage as security, and his promissory note at three months which was discounted by them at the Molson's Bank. No assignment was ever made of the mortgage to the Bank, nor did the Bank deal with M. & Co. in reliance on this security.

When the note became due M. & Co. paid $600 and renewed for $900. M. & Co. shortly afterwards went into insolvency and the Bank claimed to be entitled to the $1,500 chattel mortgage.

Held, in the Court below that the Bank were guilty of such laches and negligence in not realizing upon the mortgage as disentitled them to assert their right to the mortgage.

Held, in the Court of Appeal, affirming the judgment of the County Court, that under the circumstances the Bank could not be held guilty of laches as they never held the mortgage, and that if the transaction had remained as it was originally the Bank would have been entitled to the security; but a payment of $600 having been made the Bank was not entitled to claim priority in respect of that amount.

Osler, for the appellant.

H. J. Scott, for the respondent.

Appeal dismissed without costs.

C.C. Leeds and Grenville.] [June 27th.

Re Coulton—an Insolvent.

Costs—Privileged claim.

Under a decree, the Master found the amount due for debt and costs from C. to G., and G. issued execution for the costs. Shortly afterwards, and before the report was confirmed, C. became insolvent, whereupon the suit was revived, and the report was appealed from, when it was referred back to the Master; but the *fi. fa.* was ordered to stand for the amount to which the costs might be reduced upon taxation. The costs were largely reduced.

Held, affirming the judgment of the County Court, that, under sub-section K of section 3 of the Insolvent Act of 1875, the plaintiffs were entitled to a preferential lien in respect of the costs covered by the execution.

W. Cassels, for the appellant.

Bethune, Q.C., for the respondent.

Appeal dismissed.

C.C. York.] [June 28.

Re Cleverdon v. Martin, Insolvents.

Insolvent Act of 1875—Priority of claims.

The Insolvent and one Coombe, who were partners, made an assignment in Insolvency in