

\$4,300. In that statement there appear payments to J. & T. Bell, the plaintiffs in this action, \$457. ,

Robinson, the defendant, says that at that time the only creditors of Elizabeth Murphy & Co. that he heard of were Wynne & Co., to whom John Murphy said his wife owed about \$140, and the Footwear Co., about \$229.

The defendant made Murphy & Co.'s surplus (as shewn on exhibit 10) \$1,819.12. But there was an error in crediting the book accounts twice, once at \$400 and again at \$350.

The account stands as follows:

Surplus as per exhibit 10	\$	167	67	
Stock on hand		3,739	80	
Book accounts from \$300 to				
\$400, say,		350	00	
Real estate		1,200	00	\$5,457 47

Debtor:

Owing Robinson, on 3rd				
October	\$3,912	48		
" Wynne	145	87		
" Trew	80	00	\$4,138	35
			<u>\$1,219</u>	02

On 3rd October Robinson went to North Bay and saw John Murphy, the manager of the execution debtor's business, who said that he required more goods to carry on the business and make it pay, and on the strength of the surplus, and on the statement that Murphy made that he would make him weekly payments, he agreed to furnish goods to the amount of at least \$2,000, on the understanding that a chattel mortgage would be given him for the amount then owing and also for the new goods to be supplied. They both went to Mr. McGaughey's office, and it was arranged there that Mr. McGaughey, a solicitor in North Bay, should draw a mortgage covering these two amounts, and that Robinson would send the goods to McGaughey's order at North Bay, which were not to be delivered to Murphy & Co. until a chattel mortgage should be executed by Mrs. Murphy on the stock in the shop, covering the two amounts—the former indebtedness, for which John Murphy gave a mortgage on 3rd October, and the amount of the invoice of the new goods.