

notes in excess of the amount for which judgment was recovered by the bank.

The documentary evidence is all one way. The conflict of evidence, between two entirely reliable solicitors is most unfortunate, and shews the wisdom of invariably reducing to writing any agreement by which the liability of parties to negotiable instruments is made other than as indicated by the paper signed.

Reinke owned some land. A syndicate was to be formed for its purchase. The price was \$62,730. \$32,730 was to be secured by a first mortgage; the balance, it was originally proposed, should be paid in cash upon the signing of the agreement. Smith had charge of the negotiations on behalf of the syndicate, and was named as purchaser in the agreement with Reinke. When the agreement came to be signed the purchase money had not been arranged for. Reinke insisted upon a sale deposit, and it was arranged that \$10,000 stock of the Trust and Guarantee Co. should be deposited pending completion of the sale, and the draft agreement was modified to give effect to this. The stock certificate was handed over at the time, but it was not endorsed. This sale agreement bears date October 3rd, but was probably executed on the 4th.

The stock was the property of Mrs. R. B. Puddicombe, the mother-in-law of Smith and mother of the defendant Puddicombe. She had been persuaded to take shares in the syndicate in consideration of this stock. It is not clear whether she is beneficially entitled to the stock or whether it represented the distributive share of the defendant Puddicombe in his father's estate.

The date fixed for completion of the sale was the 12th October, but the time was extended and the sale was not actually completed until the 11th or 12th of November. In the meantime Mr. Martin, who was acting for the purchaser, prepared a draft receipt to indicate the terms upon which the stock was held. This draft receipt acknowledged receipt of the stock as part payment to the extent of \$10,000 under the agreement of sale. It purported to give Mrs. Puddicombe the right to redeem at any time, and provided that the certificate should be held as security for the payment of the sum.