

to him before he drew them that a sale had been made by Baxter to Bates and that Bates had resold to Little.

No formal bill of sale had been made by Baxter to Bates, and on Monday, November 4th, the bill of sale then drawn was from Baxter directly to Little and covered the chattel property in question, together with the good will of the business in the theatre and the price which had been agreed upon, namely, \$1,500, was inserted therein. It was duly executed by Baxter and delivered to Little. An assignment of an insurance policy covering the chattel property was also, on the same date, made by Baxter to Little and given to the latter. At the same time the defendant executed the following papers: a cheque in favour of Baxter for \$50, the bill of exchange or cheque for \$450 in favour of the plaintiff and in question to this action, and two lien notes, each for \$500, in which he promised to pay Frank E. Baxter or the order of the Bank of Montreal at Chatham, the sum of \$500, without interest. These notes also stated that the title of the property was not to pass but to remain in the payee of the notes until they were paid, and that in case of default he should be at liberty to take possession. It is suggested by the defendant that the Bank of Montreal or its manager at Chatham, was in some way assisting Baxter or interested in the matter. The defendant also made out and gave to Baxter a cheque for a week's rent. On Baxter taking this cheque to Brisco he declined to accept it and raised objections to a transfer of the lease from Baxter to Little. No assignment of the lease had been drawn in the solicitor's office, although he states that the defendant said something in his office about an assignment of the lease and Baxter told him that the business could be run under his name without an assignment and that nothing further was said about the matter.

It is quite clear, I think, that the defendant promptly rued his bargain, thinking probably he had paid too much for the property. This may well be. When matters were in this position Baxter sent for Phillip who did not live in Chatham, and he came to that city. On the following Wednesday, namely, 6th November, Brisco, Phillip, and Baxter went to defendant's house and Brisco, at p. 78 of the evidence, tells what happened there:

(P. 78) "Q. Who formed the idea first as between you and Little of you making a deal with Little direct, did