

composition and discharge made by the insolvents. The sections of the deed in dispute were as follows:

"This deed of composition and discharge is made and executed in duplicate under and in pursuance of the Insolvent Act of 1864, and the Act amending the same, by and between the undersigned persons, parties, corporations and firms, being a majority in number of those of the creditors of John Lawson and Joseph Lawson (insolvents hereinafter named), who are respectively creditors for sums of one hundred dollars and upwards, and who represent at least three-fourths in value of the liabilities of the said Insolvents (subject to be computed as in the said Acts provided) of the first part, and the said John Lawson and Joseph Lawson the said insolvents, trading and carrying on business by and under the name and style of Lawson Brothers, of the second part.

Whereas * * * the majority in number of the insolvents' creditors for sums of one hundred dollars and upwards, representing at least three-fourths in value of the liabilities of the said insolvents, propose, and the said insolvents have assented and agreed to the proposal, that they, the said insolvents should compound for all their debts and liabilities at the rate of fifty cents on the dollar, such composition to be paid, and payable in six equal quarterly payments at three, six, nine, twelve, fifteen and eighteen months respectively from the date of these presents, and to be secured by the promissory notes of the said insolvents, payable respectively at the periods aforesaid at the Royal Canadian Bank, in the City of Hamilton, and endorsed by Edward Lawson of the City of Toronto, Merchant, and Thomas Lawson of Middlesex County, Farmer.

And the said parties of the first part do hereby agree, that such promissory notes of the said insolvents, amounting in the aggregate to a sum equal to the said composition of fifty cents on the dollar on the liabilities of the said insolvents so endorsed, and made payable as aforesaid, shall be, and be taken and accepted by the creditors of the said insolvents in full satisfaction and discharge of their respective claims * * *

And the said insolvents covenant with each of the said parties hereto of the first part, to deliver the promissory notes so endorsed as aforesaid, and to deposit this deed with the Clerk of the County Court of the County of Wentworth for the benefit of all parties interested herein:—* * * In Witness, &c."

The deed was signed by the insolvents and forty two creditors, including one secured creditor and six other creditors each having claims under \$100. A supplementary and amended schedule of creditors was also attached to the deed shewing the total number of creditors to be fifty two, and the total number of liabilities of the insolvents at \$54,831.65.

All the firms signed in the partnership name, and several of them by procuration. One firm signed as follows: Wakefield, Coate & Co., per F. W. Coate.

A. Crooks, Q. C. and N. Kingsmill, for Geo. Winks & Co., J. G. Mackenzie & Co., W. J.

McMaster & Co. and F. J. Clarkson & Co. opposed the confirmation of the insolvents' discharge, upon the grounds:—

1. That the deed is unequal in its provisions, nor being made with the non-assenting creditors, and the non-assenting creditors being unable to sue upon the covenant made with the assenting creditors to deliver the promissory notes as provided for in the deed. The non-assenting creditors should have been made parties to the deed.

2. The deed is not proven to have been executed by the requisite number and proportion in value of creditors.

3. The authority of the agents who execute for their firms in the partnership name should be produced, and the partners should sign the deed in their individual names.

4. The secured claims should be estimated in ascertaining the number and value of the claims of those creditors who have signed the deed.

Ex parte Cockburn, 9 L. T. 464; *ex parte Harris*, 9 L. T. 239; *Lindley on Partnership*, p. 233; *Duggan v. O'Connell*, 12 Ir. Eq. 566, were cited in favour of these objections.

M. O'Reilly, Q. C., and S. F. Lazier, for the insolvents. Mackenzie & Co., McMaster & Co. and Clarkson & Co. have accepted the composition notes and the first payment in cash under the provisions of the deed, and are therefore estopped from disputing it. Winks & Co. have not proved their claim and cannot appear to oppose the insolvents' discharge until they file their claim. The objection of inequality in the provisions of the deed cannot be taken under sub-section 6 of section 9 of the Insolvent Act of 1864. There is in reality no inequality in this deed; and affidavits are filed shewing that the insolvents had furnished the Assignee with the composition notes for all the creditors (including Winks & Co.), and money for the first payment under the deed. *Blumberg v. Rose*, L. R. 1 Ex. 232; *Gresby v. Gibson*, L. R. 1 Ex. 112; *Rizon v. Emary*, L. R. 8 C. P. 546. The English Bankruptcy Act of 1861 is very different from the Canadian Insolvency Acts of 1864 and 1865.

Debts of secured creditors who elect to retain their securities with the consent of the assignee are not to be estimated in ascertaining the proportion in number and value of creditors who have signed the deed. Section 9, sub-sections 1 & 3, and sub-sections 4 & 5 of section 5 of the Insolvent Act of 1864.

The execution by any one partner of a deed of composition and discharge in the partnership name is sufficient, as any one of the firm can release the debt. *Lindley on Partnership*, p. 234. The affidavits of the principals that their agents had authority to sign for them are sufficient without production of the authority.

LOUIS, Co. J.,—Messrs. Crooks, Kingsmill & Cattanaach appear for the following creditors, namely: Geo. Winks & Co., J. G. Mackenzie & Co., W. J. McMaster & Co., and T. J. Clarkson & Co., for the purpose of opposing the confirmation of the insolvents discharge.

Of these it appears by the affidavit of the official assignee, and by the production of the cheques for the cash payment indorsed by the creditors respectively, that the composition notes indorsed as provided by the deed, and cheques for the cash payment were sent to J. G. Mackenzie & Co., W. J. McMaster & Co., and T. J. Clarkson