

For value received, I hereby transfer the within note, and all my rights, title, and interest in the goods and chattels for which the said note was given, unto (name).

(Date,)

(Signature)

196 Non-Negotiable Lien Agreements.

There are many forms of lien agreements called also "hire receipts," which, although embodying a form of promissory note, are so burdened with conditions and requirements that they cannot rank in any sense as negotiable instruments. In many instances some of the clauses constitute illegal contracts. For instance, "the right to break open locks and doors" to retake the goods is frequently one of the clauses in such agreements, to exercise which would be a criminal offence, punishable by imprisonment—no one can make a contract to allow another to commit a crime. See "Illegal Contract."

The following form with some illegal clauses omitted is a copy of a lien agreement extensively used by an Ontario firm and is about as strong as need be:

\$150.00.

CHATHAM, ONT., Sept. 1st, 1906.

On or before the first day of March, 1910, for value received I promise to pay the Dominion Furniture Co., Limited, or order, at their office, Chatham, One Hundred and Fifty Dollars, with interest at 7 per cent. per annum till due, and thereafter until paid. I also promise and agree to furnish security, satisfactory to you, at any time if required. If I fail to furnish such security when demanded, or if I make any default in payment, or should I dispose or attempt to dispose of my land, you may then declare the whole price due and payable, even before the maturity of the same, and suit therefor may be immediately entered, tried, and finally disposed of in any Court having jurisdiction where your Chatham Office is located, and I waive my rights to exemption from seizure given by statute, and you may retake possession of the vehicle or property so sold to me, without process of law, and at any time thereafter, may sell the same at public auction or private sale, the proceeds thereof, less proper charges of retaking possession and sale, to be applied on account of the amount of the purchase price and interest, then unpaid; such sale or right to sell shall in no way affect or limit my liability for the full purchase price, or your right to sue for and recover from me said full purchase price and interest, except that in the event of such sale I shall receive credit on account, as before provided, and shall therefore be liable to pay the balance only. Upon such sale, if any, my right to possession and delivery before and after full payment, and all my other rights and claims thereto shall forever cease. Subject to these provisions I am to have possession and use of the vehicle or property at my own risk of damage or destruction from any cause whatsoever; but the property therein and the title thereto is not in any event to pass to me; on the contrary, shall remain in