Company, amounting to $1,300. This money was paid by way of loan and not by way of accounting for any of the premiums received by him in respect of business which he had turned over to the company.

The Brokerage Company was just kept floating by the money received by it, including the advances made by Gurofski, and it only had a small current balance at its credit at any time. For Gurofski's protection, it had been arranged that no money should be paid by it without his signature to the cheque, so that Gurofski knew that the company was not in fact paying over to Ring & Co. the amounts due for premiums.

In all these transactions, the credit given for the premiums was in accordance with the understanding between the different parties. The case is not one where there was any dishonest attempt to appropriate moneys; the course of dealing was in accordance with the well-understood relationship of all the parties. In this, of course, I do not include the plaintiffs. They were no parties to what was taking place. They paid their money to the insurance broker, got the policies and rested content.

When, in May, Ring & Co. wrote the letter above referred to, there had been a falling out between Ring and Gurofski. The re-organized Insurance Brokerage Company had not been a success. It went again into liquidation. Ring repudiated all liability with respect to the premiums that had not actually reached his hand, and sent out the notices in question to free himself from liability to those who had given him credit. They, in their turn, did not seek to hold him liable, if he could bring about the cancellation of the outstanding policies.

Reverting now to the position of the plaintiffs, these repeated notices that the premiums which had been paid to Gurofski had not reached the companies, caused them anxiety, and, although satisfied at first, the plaintiffs became restless afterwards and quite dissatisfied with Gurofski's explanation. Some days prior to the 22nd of June, they consulted their solicitor. The situation was placed before the Crown Attorney, and he apparently advised prosecution of Gurofski for having stolen the premiums. An information was laid before the police magistrate early on the 22nd. Later on in the same day the fire occurred, which resulted in practically a total loss of the property insured.