mortgaged goods was unreasonable and not supported by authority; and that was the question for determination on this appeal.

Reference to Davies v. Rees (1886), 17 Q.B.D. 408; In re Burdett (1888), 20 Q.B.D. 310; Mumford v. Collier (1890), 25 Q.B.D. 279; In re Isaacson, [1895] 1 Q.B. 333.

The covenant or agreement to insure, which, if valid, was admittedly an equitable assignment, was not voided by the statute. The circumstances in which it was given shewed that it was not in fraud of creditors—the purchaser was receiving goods worth $3,500 for $1,000 cash and a mortgage for $2,500, for which the insurance was to be security. It would be nothing but plain honesty that the vendor should have such security.

The form did not prejudice the appellant—there was indeed a provision authorising the insurance company to pay to the appellant on production of the instrument, but there was also, before that clause, a complete equitable assignment.

The fact that the assignment was to the "mortgagee" was not of importance: the word "mortgagee" was short for the full name of the appellant; and it did not follow that, if he ceased to be "mortgagee" as against creditors, he was not to have the advantage of his assignment.

The appeal should be allowed, with costs, and the issue found in favour of the appellant, with costs.

LATCHFORD and MIDDLETON, JJ., agreed with RIDDELL, J.

MEREDITH, C.J.C.P., read a dissenting judgment.

Appeal allowed (MEREDITH, C.J.C.P., *dissenting*.)

SECOND DIVISIONAL COURT. OCTOBER 31ST, 1919.

*BALL v. THORNE.

Assignments and Preferences—Assignment by Company for Benefit of Creditors—Preferred Claim of Wage-Earner—Wages Act. R.S.O. 1914 ch. 143, sec. 3—Judgment Obtained against Company for Wages before Assignment—Effect of—Remedy—Cause of Action—Merger.

Appeal by the defendant from the judgment of the County Court of the County of York in favour of the plaintiff. The action was brought by a wage-earner for a declaration of his