

Held, 1. As the vendor was entitled to a registered title the vendor was bound to register the probate of the will of a deceased mortgagee whose executor had given a discharge in 1888.

2. Under an agreement that the vendor "would convey the lands freed and discharged from all incumbrances," local improvement rates were not apportionable as "taxes rates and assessments" and must be removed; but

3. The purchaser must satisfy himself by the usual searches as to entries in the general register and executions affecting the lands in the hands of the sheriff.

Luscombe, for purchaser. *Buchner*, for vendor.

Meredith, C.J.C.P., MacMahon, J., Teetzel, J.] [March 27.

GENTLES v. CANADIAN PACIFIC RY. CO.

Estoppel by conduct—Unpaid accounts receipted at request of agent—Action against principal.

Where a debt or obligation has been contracted through an agent and the principal is induced by the conduct of the creditor to reasonably believe that the agent has paid the debt or discharged the obligation and in consequence of such belief pays or settles or otherwise deals to his prejudice with the agent, the creditor is not permitted to deny as between himself and the principal that the debt has been paid or the obligation discharged; and in a case where a railway engineer who was supplied with money by the railway company to pay for supplies and the board of his men, being credited with the amounts of the receipted accounts as they came in, and who had induced a firm of hotel keepers who had furnished both, to receipt the accounts in advance on the representation that the company as part of their system required receipts before they would pay the accounts.

Held, that the company were justified in relying on these representations, that the accounts were paid; and as they had altered their position (the engineer having left their employment without accounting) on the faith of them, the hotel keepers were estopped from setting up to the prejudice of the company that the accounts were not in fact paid.

Judgment of MAGEE, J., reversed.

Angus MacMurchy and *John D. Spence*, for the appeal.
Robert McKay, contra.