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BRITTON, J.

JANUARY 23RD, 1902.

TRIAL.

BANK OF OTTAWA v. LEWIS.

Partnership—Authority of Partner—Bill of Exchange—Notice.

Creighton v. Halifax Banking Co., 18 S. C. R. 140, followed.

Action to recover amounts of two bills of exchange drawn by defendant McGregor, in the name of the firm of Lewis & McGregor, upon Vipond, Peterson, & Co, in favour of the plaintiffs.

The defendants were partners in the auction and commission business in fruit, and each had, besides, a separate business of his own. The defendant Lewis had a private bank account with Molsons Bank in Ottawa, and McGregor kept one with plaintiffs.

J. Christie, Ottawa, and Wentworth Green, Ottawa, for plaintiffs.

W. Wyld, K.C., and Glyn Osler, Ottawa, for defendants.

BRITTON, J.—The bills were drawn upon blanks furnished by plaintiffs, and, although drawn to their order, were indorsed by McGregor in name of Lewis & McGregor, and also by McGregor individually. They were discounted by the plaintiffs for McGregor, and the proceeds placed to his private account, and checked out by him. . . . The partnership was not registered. The partners agreed that Lewis was to use his private account for firm purposes. The business was to be conducted on a cash basis, practically, and the only authority McGregor had was to accept drafts for goods bought and received by the firm, and to make the drafts payable at Molsons Bank, where they were to be paid by Lewis. . . . The plaintiffs were not notified of the limitations of McGregor's authority. . . . I find as to the first bill (1) that Lewis did not authorize McGregor to draw in the firm name; (2) that the proceeds were placed to McGregor's account and drawn out and used by him to carry out his own purposes, and for purposes which Lewis did not desire, and used so without his knowledge; (3) that Lewis