for the creditors, when he made the sale to Mr. Long. It appeared to him that the liquidator, though he may not have known his duties, had sufficiently approved of the sale. The great majority of the creditors represented approved of the sale, and it was never intended that a single creditor should block the settlement of an estate in this way.

G. H. D. Lee, representing the Dominion Bank, said that at the meeting of September 22nd no objection was taken to the sale on the ground that Mr. Long was an inspector. From June till August nothing effective was done to dispose of the mills, and the offers that were made for individual properties were such that no one concerned could accept. He only mentioned these circumstances to show what might happen if Mr. Long's offer had been rejected. They accepted that as the best they could get. The difficulty appeared to be that the reserve bids were too high. The inspectors were the best judges of the possibilities of the case, and the majority of them thought the best thing had been done. If they were to refuse the $253,000, what were they going to get?

Richard Cassels, of Cassels, Cassels & Brock, representing the liquidator, said he must repel the insinuation that his client thought the sale carried out in the best interests of the creditors. He did not approve of the sale, but was advised that if he refused the offer made he might be held personally liable for the consequences. The offer of Mr. Long, it should be understood, was made direct to the referee and not to the liquidator. His services were not on a commission basis, but were remunerated by a fixed sum. His hands were tied. At first the mills were to be sold as going concerns, but afterwards this plan was changed, and he was directed to advertise for tenders. Unfortunately this step was taken at a time when many possible purchasers were out of town, some of them in Europe, and the uncertainty of the trade told against the prospects for the sale. The liquidator was never in a position to go personally to purchasers and negotiate.

Mr. Blake, in replying to opposing counsel, said that if Mr. Long had proceeded with the idea of his duty as inspector in his mind he should have gone at first to the persons to whom he afterwards effected sales, and should, on behalf of the creditors, have made the sales he afterwards did in his own behalf. The meeting, at which it was decided to hold the sale of the 22nd September, was a casual meeting, in the referee's office, of three out of the six inspectors and was not a representative meeting. Neither he (Mr. Blake) nor his client knew what transpired there. As a matter of fact, Mr. Benson had matured his own offer before ever he knew that Mr. Long had an offer to make.

His Lordship said he would give his decision within a few days, and the court adjourned.

In addition to the telegrams, and letters referred to in the addresses of counsel, an affidavit was submitted from George Davidson, the liquidator, stating that the following were the valuations he had placed upon the properties with the reserve bids fixed in each case:

	Valuation.	Reserve Bid.
Hespeler mills	$400,000	$200,000
Waterloo	150,000	75,000
Hawthorne	50,000	35,000
Gillies	35,000	30,000
Lambton	33,000	7,000

The deponent stated that at the time, and for many years before the company was formed, he was connected with the Waterloo mill and had knowledge of the properties. The prices named were not unreasonable. After the acquisition of the mills by the present company, considerable money was spent in improvements and new machinery. The Hespeler mills were now in better condition than before and Waterloo in as good condition (though not so much was spent on the last named) The conditions of trade were not now so good. The Lambton mill had been burnt and not rebuilt, but the company own the site and the dwellings erected for the employees to whom they were rented at the time, and a small rental is derived from these still. The supplies and tools were in good condition. There was probably $20,000 to $25,000 worth of raw material which ought to be worth 90 cents on the $1. The reserve bid should not be less than $350,000 for the six parcels. Since the company bought the Hawthorne and Gillies mills, values have entirely changed, and the reserve bid should be higher for the Gillies than the Hawthorne. The book accounts are all of high class, and, except about $7,000, which has been on the books for two or three years, are worth 100 cents, not less than 75 cents, anyhow.

On the 25th October, Judge MacMahon gave his decision, as follows:

The Judgment.

Motion on behalf of W. T. Benson & Co., creditors of the Canada Woolen Mills, Limited, by way of appeal from the certificate of James S. Cartwright, Esq., official referee, and for a reconsideration of the offer made by W. D. Long to purchase the assets of the said company and to consider any further offers that might be made, and for such orders and direction as may seem proper under the circumstances upon the following amongst other grounds:

(1) The sale was not made by the liquidator of the said company, as the statute requires, nor did he accept the offer of the said Long.

(2) The said Long was and is an inspector appointed under the said Act, and could not purchase.

(3) The sale was made improvidently and at an undervalue and not in accordance with the practice of the court.

(4) The offer by the said Long and the acceptance thereof by the said referee did not constitute a definite bargain capable of being enforced, and there was no written evidence of the said bargain and its terms were not settled.

The most of the material facts are set out in the report of the learned referee and need not be repeated. There are, however, a few facts of moment which are not dealt with in the report, and those I will refer to presently.

Mr. Long was one of the six inspectors in the liquidation, and was such when he purchased the assets of the estate for $253,000. The first ground of appeal is that being an inspector, and therefore in a position of trust, he could not legally become a purchaser of the estate. In Segsworth v. Anderson, et al. (1893), 23 O.R., 573, Jorgenson, a merchant, had failed, and made an assignment for the benefit of his creditors under the statute to one Barber. The defendants, Anderson and Lee, were creditors, the latter being appointed sole inspector of the insolvent's estate. The insolvent's wife purchased the estate from the assignee, the defendants becoming responsible to the assignee for payment of the purchase money, and by a secret arrangement beforehand received security from the wife upon the goods purchased by her not only for the amount for which they had become responsible, but for the full amount of these claims as creditors of the husband. It was held in an action brought by Segsworth, another creditor of Jorgenson's, that the estate was entitled to the benefit of whatever advantage the defendants derived from the transaction, and that they should account to the assignee for the difference between the amount of their claims and the amount they would have received by way of dividend from the estate. The case was appealed to the Court of Appeal, and that court, while holding that the defendant Lee occupied a fiduciary position towards the creditors, thought that, as on the evidence it was not shown that the