

advances (a conversation by telephone, Joseph L. Florence said) was "long before" the mortgage was executed — something merely leading up to the making of the mortgage.

The order should, therefore, be an order allowing the appeal from the order of the Master in Chambers, and directing judgment to be entered as asked, with costs of the action (including costs of the examination of the defendant Joseph L. Florence, but exclusive of other costs of the motion and of the appeal), but not to take effect until 10 days; and if, within that time, the overdue interest and said costs should be paid, further proceedings would be stayed.

There should be no costs to either party of the motion or of the appeal except costs to the plaintiff of the examination of the defendant Joseph L. Florence, as above directed.

Any moneys paid into Court on account of overdue interest should be paid out to the plaintiff.

BRITTON, J.

JULY 20TH, 1918.

MOLSONS BANK v. CRANSTON.

*Guaranty—Liability of Trading Company to Bank—Bond Executed by Certain Directors on Condition that all Directors should Execute—Knowledge of Bank—Failure of one Director to Execute—Provision in Bond—Delivery of Bond to Bank in Escrow—Contemporaneous Oral Agreement—Evidence.*

Action against guarantors to recover the amount of the indebtedness of a company called "The Canadian National Features Limited" to the plaintiffs, a banking corporation.

The action was tried without a jury at Belleville.

Stewart Masson, K.C., for the plaintiffs.

M. H. Ludwig, K.C., A. Abbott, and E. D. O'Flynn, for the defendants.

BRITTON, J., in a written judgment, after setting out the facts, said that, looking at the correspondence between the manager of the bank at Trenton and the head of the bank, and considering all the evidence that was given, it must be found that there was an agreement among the directors of the company that the guaranty bond was not to be used until all the directors had signed, and