

This case is not in that respect distinguishable from *Central Bank v. Garland*, 20 O. R. 142 (affirmed in appeal, 18 App. Rep. 438), where the learned Chancellor, stating the law as drawn from authorities which he then cited, held that the hire receipts there in question were accessory to the debt, that there was no right to separate the two things (the hire receipts and the notes) and that in equity the transfer of the notes to the bank was a transfer of the securities (the hire receipts). That applies here. The company could not, and the liquidator cannot, resist the claim of the bank to have the mortgage accompany the notes. The liquidator should not discharge the mortgage but assign it to the bank to be held as collateral security to Ridge's notes.

The liquidator's counsel appeared on the motion and submitted to whatever ruling the Court might make. Costs of the bank and of the liquidator of this application will be payable out of the estate.

Had there been any dispute or contention on Ridge's part as to the existence of the contract for the purchase when it was produced on the application I might have thought it proper to refer the matter again to the Master for re-consideration. But there is no denial of the agreement in the form in which it now appears, and I therefore deal with the matter without so referring it.

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