BOYD, C.:—These actions are by the bank, plaintiffs, as holders of promissory notes made by the defendants to the International Snow Plow Manufacturing Company, and indorsed by the *de facto* officers of the company to the bank. The company was a foreign company, incorporated at Oklahama, U.S.A., and had obtained no license to do business in Ontario prior to and at the time these notes were given. The notes were given in payment for shares of the stock of the company disposed of by the de facto officers of the company in Ontario. The giving of the note and the negotiation of it with the bank are both matters done in or for the carrying on of the business of the company which were prohibited by the statute 63 Vict. ch. 24, sec. 6—this corporation falling under class IX. mentioned in the statute. Being in violation of the statute, they were, in my opinion, illegal, and not recognisable or enforceable in any Court so long as the illegality continued. The Act provides for the removal of the illegality by the procurement of a license which is made to retroact so as to validate what has been done in violation of the Act. In this case the disability to sue which attached to the company in respect of the promissory notes was not removed by its transfer to the bank, if the bank had notice or reasonable ground to believe that the illegality existed. No doubt, the defendants, as makers of the notes, are, by sec. 185 of the Bills of Exchange Act, R.S.C. 1906 ch. 119, precluded from denying to a holder in due course the existence of the payee and his then capacity to indorse. But that is to be read with sec. 58 (made applicable to notes by sec. 186), that if in an action it is proved that the instrument is affected with illegality, the burden of proof is cast on the plaintiff to shew that he has given value in good faith, *i.e.*, without notice of the illegality. That burden I do not think the plaintiffs have discharged in this case; but, as I agree with my brother Middleton on the curative and retroactive effect of the license issued to the foreign corporation before action, the result is that, as the illegality has been removed, there is no obstacle on that ground to the plaintiffs' right to recover.

The legal effect of the language used in the Extra-Provincial Corporations Licensing Act has been fully considered on the like legislation in British Columbia, in North-Western Construction Co. v. Young, 13 B.C.R. 297 (1907); and also the effect of such legislation on negotiable securities in Williams v. Cheney, 8 Gray 206. The same conclusion as in the American case is reached by Newlands, J., in Ireland v. Andrews, 6 Terr. L.R. 66, with which I agree.

I cannot usefully add anything to what is said by my brother