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Sector System Business File Home Download Sector System Business File Home Download Sector System Business File Home Download.. company of heroes tales of valor 2.500.0.127 7 trainer.25. Co., 418 S.W.2d 778 (Tex.Civ.App., San Antonio 1967, writ ref'd n. r. e.) and \*406 that certain obligations as set forth in the Dallas Assignment to secure the loan from Rural would be satisfied when the purchase price was received. There is no question that the transaction was made in reliance upon the fact that Rural would assume the obligations of the loan. It would seem obvious that the Assignees would have to perform the material obligations before they would be entitled to the release of the cattle. We are of the opinion that the cancellation and substitution of the obligations and contracts does not result in an absolute and irrevocable release of the collateral, but was merely a substitution and recasting of the obligation due Rural, with other collateral securing the loan. It is the Plaintiffs' contention that the Assignees failed to give the Assignor proper notice of substitution of collateral in the form of the security agreement and the ratification agreements. There was a slight dispute of fact as to whether the several documents were signed in the presence of the Assignor. However, we are of the opinion that the record shows that the Plaintiffs were aware that the Assignees wished to substitute other cattle for the cattle referred to in the original assignment and that the substitution of collateral was completed. Under the law cited, the original obligation to Rural, which was secured by the chattel mortgages, was extinguished by the substitution of collateral. However, there was no cancellation and substitution of the obligation due the Assignees. The Assignors were obligated to pay the loan on the cattle after the replacement had been made. When that occurred, the Plaintiffs were entitled to have the security for the loan and the substitute cattle delivered to the parties for which the Assignees had assumed the obligations. This situation is precisely the same as the one presented by the original loan agreement. The debt due to the Assignors remained unpaid, but was reduced when the substitute collateral was delivered to the Assignors. The Assignors should have then delivered the collateral to the parties for which they assumed the obligations. The Assignees, the Assignor and the Plaintiffs all knew that the Assignors had delivered the collateral for the substitute cattle to the Plaintiffs as a material

