

Presumably the "valuable security" referred to in sub-section 4 and the "valid security" referred to in sub-section 5 are both to be confined to security upon property of the debtor. See *Beattie v. Wenger*, 24 App. R. 72.

ADVANCE TO ENABLE DEBTOR TO CONTINUE BUSINESS.

By the same sub-section 5 it is enacted that the Statute shall not invalidate a security given to a creditor for a pre-existing debt where, by reason or on account of the giving of the security, an advance in money is made to the debtor by the creditor in the *bond fide* belief that the advance will enable the debtor to continue his trade or business, and to pay his debts in full. See *Ross v. Dunn*, 16 App. R. 552; *Kalus v. Herget*, 1 App. R. 75; *Long v. Hancock*, 12 App. R. 137; 12 S. C. R. 532; *Ex p. Wilkinson*, 22 Chy. D. 788.

FOLLOWING PROPERTY OR ITS PROCEEDS INTO THE HANDS OF THIRD PERSONS.

Where an insolvent debtor made a transfer of his property to a third person under such circumstances that the transfer could be set aside under the provisions of the Act, it was held that if before action brought for the purpose of setting aside such transfer, the property in question had been sold to a *bond fide* purchaser, the original transferee could not be made to account to the creditors of the insolvent debtor for the proceeds of the said property which had come to the hands of such transferee: *Davis v. Wickson*, 1 O. R. 369; *Stuart v. Tremain*, 3 O. R. 190; *Robertson v. Holland*, 16 O. R. 532; *Tennant v. Gallow*, 25 O. R. 56; *Taylor v. Cummings*, 27 S. C. R. 589; and *Union Bank v. Barbour*, 34 Can. L. J. 326.

It was held, however, that where the transfer in question was a fictitious one, made, not to a creditor of the insolvent transferor, but to a third person, under such circumstances that the transferee would hold the property or the proceeds thereof in trust for the transferor, then such transferee could be called to account to the creditors of the transferor, provided that either the property in question or the proceeds thereof were in the hands of the transferee at the time of the commencement of the action: *Masuret v. Stewart*, 22 O. R. 290; and see *Taylor v. Cummings*, 27 S. C. R. 589; and *Union Bank v. Barbour*, 34 Can. L. J. 326.