

4. In the preparation of the dividend sheet, due regard shall be had to the rank and privilege of every creditor, which rank and privilege upon whatever they may legally be founded, shall not be disturbed by the provisions of this Act. But no dividend shall be paid to any creditor holding collateral security from the Insolvent for his claim, until

Preparation of dividend sheet.

5 the amount for which he shall rank as a creditor on the estate as to dividends therefrom, shall be established as hereinafter provided; and such amount shall be the amount which he shall be held to represent in voting at meetings of creditors, and in computing the proportion of creditors, whenever under this Act such proportion is required to be ascertained.

10 5. A creditor holding security from the Insolvent, or from his estate, shall specify the nature and amount of such security in his claim, and shall therein, on his oath, put a specified value on such security; and the Assignee, under the authority of the creditors, may either consent to the retention of such security by the creditor at such specified value, or he may require from such creditor an assignment and delivery of such security, at an advance of ten per centum upon such specified value, to be paid by him out of the estate so soon as he has realized such security, in which he shall be bound to the exercise of ordinary diligence; and in either of such cases the difference between the value at which the security is retained or assumed and the amount of the claim of such creditor, shall be the amount for which he shall rank and vote as aforesaid.

Creditors holding security from the insolvent.

25 6. The amount due to a creditor upon each separate item of his claim at the time of the assignment, or of the appointment of the official assignee, as the case may be, shall form part of the amount for which he shall rank upon the estate of the Insolvent, until such item of claim be paid in full, except in cases of deduction of the proceeds of collateral security as hereinbefore provided. But no claim or part of a claim shall be permitted to be ranked upon more than once, whether the claim so to rank be made by the same person or by different persons.

How creditors shall rank for payment of claims.

35 7. If the Insolvent owes debts both individually and as a member of a co-partnership, or as a member of two different co-partnerships, the claims against him shall rank first upon the estate by which the debts they represent were contracted, and shall only rank upon the other after all the creditors of that other have been paid in full.

In case insolvent owes individually and as co-partner.

40 8. The creditors, or the same proportion of them that may grant a discharge to the debtor under this Act, may allot to the Insolvent by way of allowance any sum of money, or any property they may think proper; and the allowance so made shall be inserted in the dividend sheet, and shall be subject to contestation like any other item of collocation therein, but only on the ground of fraud or deceit in procuring it, or of the absence of consent by a sufficient proportion of the creditors.

Allowance to insolvent.

45 9. No costs incurred in suits against the Insolvent after due notice of an assignment or of the issue of the writ of attachment in compulsory liquidation has been given according to the provisions of this Act, shall rank upon the estate of the Insolvent; but all the taxable costs incurred in proceedings against him up to that time, shall be added to the demand, for the recovery of which, such proceedings were instituted; and shall rank upon the estate as if they formed part of the original debt.

As to costs of suits against insolvent after notice of assignments.

50 10. Clerks, and other persons in the employ of the Insolvent in and about his business or trade, shall be collocated in the dividend sheet by special privilege for any arrears of salary or wages due and unpaid to them at the time of the execution of a deed of assignment or of the issue of a writ of attachment under this Act, not exceeding three months of such arrears.

Certain debts to rank by privilege.

60 11. So soon as a dividend sheet is prepared, notice thereof (form K) shall be given by advertisement, and after the expiry of six juridical days from the day of the last publication of such advertisement, all dividends which have not been objected to within that period shall be paid.

Notice of dividend sheet.