

Judge to examine into the matter of such petition.

III. Upon the presentation of a petition by any debtor, the Judge of the said Court shall examine into the matter of the said petition, and for that purpose shall have power to examine upon oath such petitioning debtor, and any creditor concurring in his petition, and any witness produced by such petitioning debtor, and if such Judge shall be satisfied of the truth of the several matters alleged in such Petition, and that the debts of such petitioning debtor have been contracted *bona fide* and honestly, without fraud or breach of trust, and with reasonable probability, at the time of contract, of being able to pay the same, and that such petitioning debtor has made a full disclosure of his debts and credits and estate and effects, and is desirous of making a *bona fide* arrangement with all his creditors, and that his proposal to that effect is reasonable,— or where such petition as aforesaid has been presented by creditors, if such Judge is satisfied that from the debtor's inability to meet his engagements it is advisable that his creditors shall be called together,— it shall be lawful for such Judge to direct that a meeting of all the creditors of such debtor shall be convened at such time and place as the said Judge shall appoint, notice of which meeting and of the purpose thereof, and of the order under which it is to be held, shall be given personally to every creditor or left at his last place of abode or business, by such petitioning creditors, or one of them, or by such debtor, if the creditor is resident within this Province, or if resident without this Province, notice shall be sent to him by mail, not less than fourteen days before the same is held.

And, if satisfied, to order a meeting of the creditors.

Notice to the creditors.

Who shall prescribe at the meeting.

IV. At such meeting of creditors, the creditor present whose debt, from such debtor, is of the largest amount, as stated in his said account or petition or statement, shall preside, and report the resolution thereof to the said Judge.

Agreement entered into by a certain proportion of the creditors to bind the rest, and the debtor.

V. If at such meeting of creditors, the major part in number and value, or three-fourths in value or three-fourths in number whose debts exceed twenty-five pounds, shall assent to any arrangement with such debtor for the payment or compromise of the debts and claims against him, and shall reduce the terms thereof to writing and sign the same, such resolution or agreement shall thenceforth be binding and of full force, as well against the said debtor as against all persons who were his creditors at the date of the petition of the petitioning creditors or debtor, and who had notice of the said meeting of creditors; Provided, however, that such resolution or agreement shall not be valid, unless one full third in number and value of all the creditors of such debtor were present at such meeting, either in person or by an authorized agent.

Proviso.

Such agreement to be filed within a certain time, and debtor protected from arrest.

VI. Within one week after the passing of such resolution or agreement, the same shall be filed and entered of record in the said Court, and the Judge thereof shall grant to such debtor a certificate of such filing, and shall from time to time endorse on such certificate the protection of such debtor from arrest, and such debtor shall be free from arrest at the suit of any person being a creditor at the date of such petition as aforesaid and having had such notice as aforesaid: Provided, however, that no such protection shall be valid in favor of any such debtor, who shall be proved to the satisfaction of such Judge, to have been about to abscond from this Province, or who has concealed or is concealing any part of his estate or effects, nor against any creditor whose debt has been contracted by reason of any manner of fraud or breach of trust.