

An Act respecting Insolvency.

WHEREAS it is expedient that provision be made for the settlement of the estates of insolvent debtors, for giving effect to arrangements between them and their creditors, and for the punishment of fraud: Therefore, Her Majesty, by and with the advice and consent of the Legislative Council and Assembly of Canada, enacts as follows:—

Preamble.

1. This Act shall apply in Lower Canada to traders only, and in Upper Canada to all persons whether traders or non-traders.

Application of this Act.

OF VOLUNTARY ASSIGNMENT.

2. Any person unable to meet his engagements and desirous of making an assignment of his estate, or who is required so to do as hereinafter provided, may call a meeting of his creditors at his usual place of business; or at his option at any other place which may be more convenient for them; and such meeting shall be called by advertisement (Form A), stating in such advertisement the object of such meeting; and at such meeting he shall exhibit statements showing the position of his affairs, and particularly a schedule (Form B), containing the names and residences of all his creditors, and the amount due to each, distinguishing between those amounts which are actually overdue, or for which he is directly liable, and those for which he is only liable indirectly as endorser, surety or otherwise, and which have not become due at the date of such meeting; and also the particulars of any negotiable paper bearing his name, the holders of which are unknown to him—which schedule shall be sworn to by the Insolvent, and may be corrected by him likewise under oath at the meeting at which it is so produced; also the amount due to each creditor, and a statement showing the amount and nature of all his assets; and shall also produce his books of account, and all other documents and vouchers, if required so to do by any creditor.

Proceedings to assign an Insolvent Estate

2. Each notice of such meeting sent by Post as hereinafter provided, shall be accompanied by a list containing the names of all the creditors of the Insolvent whose claims exceed \$100 and the aggregate amount of those under \$100.

Notice of meeting of creditors.

3. At such meeting, the creditors may name an assignee, to whom such assignment may be made; and if a vote be taken upon such nomination, each creditor shall only represent in such vote the amount of direct liabilities of the insolvent to him, and the amount of indirect liabilities then actually overdue; and thereafter the insolvent shall make an assignment of his estate and effects to the assignee so chosen.

Assignee may be appointed at the meeting.

4. If no assignee be named at such meeting, or at any adjournment thereof, or if the assignee named refuse to act, or if no creditor attend at such meeting, the insolvent may assign his estate to any solvent creditor resident within this province, not related, allied, or of kin to him, and being such creditor for a sum exceeding \$500, or if he has no such creditor for so large a sum who will accept such assignment, then to the creditor otherwise competent and willing to accept,

In case no assignee be appointed.