

An Act for the regulation of Insolvency and management
and realization of Estates under deeds of assignment.

WHEREAS it is expedient for the welfare of trade and commerce, owing to the expiration of the Act formerly in force in this Province intituled "*An Act concerning Bankrupts and the administration of their effects,*" that an Act should be passed in this present session of Parliament for the regulation and management of Insolvent Estates under the present system of deeds of assignment, and for the more equitable division of such estates among all creditors entitled to participate therein, as well as for effecting the supervision of assigned estates in such manner that reliable returns may be obtained thereof for registration and preservation; Therefore Her Majesty, &c., enacts as follows:

Preamble.

7 Vic. cap. 10.

I. From and after the passing of this Act, all assignments of real or personal estate, goods, chattels, or other effects or assets, or of credits or evidences of debt, for the benefit of creditors, shall have appended thereto a statement by the assignor of the names and residences of all creditors entitled to claim thereon, and the several amounts for which they may so claim so far as known to the assignor, and declaring the total amount of his indebtedness so far as to him known, and distinguishing debts due within from those due without the Province; also the total value of the estate so assigned so far as the assignor is able to estimate or judge thereof, with a duplicate copy of such statement in the form of schedule A to this Act annexed; and failing such statement being appended to each assignment, the same shall not be registered by the Clerk of any County or District or be a valid deed to the effect for which it is made or granted.

Statement as to debtors and amounts of their claims to be annexed to assignments of property.

Also total value of estate assigned.

II. No clause in any deed of assignment shall be valid, which in any wise grants by the assignor any preference to any one or more creditors over others, nor shall any assignor or assignees give effect to any such clause if contained therein, under penalty of personally refunding the amount of any such preference to the estate, on the suit of any creditor entitled to claim under the assignment, who shall also be entitled to recover from the assignee personally his costs in any such suit.

Preferential assignments to be void.

III. But whereas there may be circumstances in which certain claims may, in equity or by the mercantile usance of this Province, be entitled to some preference out of an estate owing to the peculiar nature of their constitution as not arising from transactions in which a mercantile profit was sought, such as a loan of original capital or a direct borrowing of money within a short period of the making of the assignment,—it shall be competent to the assignor to specify in the list of his creditors to be

Recital.