

An Act for the protection and relief of Traders.

WHEREAS in the interest of Trade, it is expedient, that the position of persons engaged in commerce should be defined, and that their affairs should be regulated differently in some respects from those of other members of the community generally; and particularly that means should be provided to facilitate the amicable settlement of the estates of insolvent debtors, the prevention and punishment of fraudulent preferences to creditors, of fraudulent devices for defeating their remedies, and of the contracting of debts without means of payment: Therefore, Her Majesty, &c., enacts as follows :

Preamble.

10 I. The continuous stoppage of payment by any trader or trading company shall constitute insolvency.

Insolvency—
what to be.

15 II. Any insolvent trader desirous of making an assignment of his estate and effects (*cession de biens*), or who shall be required so to do as hereinafter provided, may call a meeting of his creditors, by advertising the same for one fortnight in the *Canada Gazette* and in two newspapers published one in French, the other in English, in the place, or if there be none in the place, then nearest to the place, where he is carrying on his trade : stating in such advertisements the object of such meeting; and at such meeting he shall exhibit statements shewing the position of his affairs, particularly the names of his creditors and the amount respectively due to them; and those of his creditors present at such meeting in person or by their authorized agents, may name an assignee or assignees, to whom such assignment shall be made; and thereafter, such trader shall have the right to make an assignment of his estate and effects (*cession de biens*) to the assignee or assignees who may be so chosen by such creditors, or by the majority of them in number and value then present; or if no assignee or assignees be so chosen at such meeting or at some adjournment thereof; then to such assignee or assignees, being creditors of his and not being related, allied or of kin to him, as he may himself select.

Insolvent trader may, and must when required, call a meeting of his creditors for the purpose of assigning his property to them. Statement of his debts and assets. How Assignees shall be appointed.

20 III. Such assignee or assignees shall forthwith give public notice of such assignment by advertising the same in the manner hereinbefore mentioned, continuously for the space of one month; thereby requiring all creditors of the insolvent to furnish statements of their respective claims, and to signify to such assignee or assignees whether or not they accept such assignment; and if within two months from the completion of such advertisements, four-fifths in number and value of the creditors, whose names appear on the statement of the Debtors' affairs so exhibited to his creditors, and of those not named therein (if any there be) who shall have so furnished to such assignee or assignees, statements of their claims on the insolvent, shall signify their acceptance of such assignment, the same shall be held to be accepted by all of the Creditors of the Insolvent, and

Notice calling in creditors to be given by Assignees.

Acceptance by four-fifths of the creditors in number and value to bind the whole.