

shall designate and set apart, with the approbation of the creditors of such insolvent, having reference to his family condition and circumstances.

Preferential assignments to be void.

III. 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 assignee 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; provided always, that rents, wages, and salaries due for six months previous to the making of an assignment, shall be payable in full out of the assets of any assigned estate. 5 10

How creditors shall assert their interest in an insolvent estate.

IV. Before drawing a dividend, creditors shall assert their interest in an insolvent estate, by lodging with the assignee a statement of the particulars and grounds of debt, properly verified by declaration before a magistrate, and in such declaration the deponent shall state what other persons, if any, are, besides the bankrupt, liable for the debt or any part thereof, and specify any security which he holds over the estate of the insolvent or of other obligants, and depone that he holds, no other obligants or securities than those specified, and when he holds no other person than the insolvent so bound and no security, he shall depone to that effect. But in all proceedings previous to the payment of the dividend, creditors may act or vote personally or by proxy on the statement of their several claims, as given in by the assignor, unless there be special objections to the amount, either by the creditor himself or any party interested, in which case the claim must be verified by affidavit before voting or being entitled to vote. The assignee shall, until the meeting of creditors, act only as conservator of the estate, realising only such articles as are of a perishable nature, and depositing all moneys received in one of the chartered banks. 15 20 25 30

General meeting of creditors.

V. On the first lawful day after the expiration of forty days from the registration of assignment, a general meeting of the creditors shall be held to receive from the assignee his report and estimate of the position and prospects of the estate after he has entered into possession, and the assignee shall, not less than ten days previous to such meeting, give notice of the time and place thereof by advertisement and circulars forwarded through the post to each creditor or known representative within the Province of an absent creditor, but if, by statement of affairs it appears that a majority in value of the creditors are resident within the Province, then such meeting may be held on any specified day within forty days from the date of a registration of assignment, on ten days' previous notice being so given. 35 40

Proceedings thereat.

VI. At such meeting of creditors, the meeting having considered the statement of the assignee, shall confirm him in his appointment, or if any objections be offered thereto, on account of relationship to the assignor, or otherwise, shall take the same into consideration, and may, by a majority in number, and three-fourths in value of those present, or represented at such meeting, appoint another assignee, to whom the estate shall pass, as provided by the second section of this Act. The creditors present shall nominate and appoint three of their number as commissioners, to consult and advise with the assignee on all matters connected with the management and realization of the estate, and the division of the proceeds thereof among the creditors, and shall name one of 45 50