The same doctrine was also applied where the purchaser of the property knew that the vendor was in embarrassed circumstances, and where the purchaser was a creditor of the vendor, and he retained the amount of his claim out of the purchase money, and thereby acquired a preference over other creditors: *Lewis* v. *Brown*, 10 App. R. 639.

Where a business man is in involved circumstances he cannot protect his business assets from his creditors by forming a joint stock company and transferring those assets to the company in consideration for shares in the company, for in such case, if the intent be to defeat, hinder or delay creditors, the company will be treated as the mere alias or agent of the transferor, and the said assets will be available to his creditors, subject, however, to the rights of the company's creditors: *Rielle* v. *Reid*, 28 O. R. 497.

If a conveyance or security falsely states the consideration, this casts upon the defendant the onus of establishing beyond reasonable doubt that there was valuable consideration, and the unsupported evidence of the defendant will not be sufficient for that purpose: *Gignac* v. *Iler*, 29 O. R. 147.

Purchase Money or Mortgage Money may be Applied in Preferring Creditors.

By section 3 (2) of the revision of 1897, a rider is added, that in case of a valid sale of goods, securities, or property, and payment or transfer of the consideration or part thereof by the purchaser to a creditor of the vendor under circumstances which would render void such a payment or transfer by the debtor personally and directly, the payment or transfer, though valid as respects the purchaser, shall be void as respects the creditor to whom the same is made.

This applies, however, only to a payment or transfer to a creditor of some consideration other than money, for it must be remembered in this connection, that it has already been provided by section 3 (1), that the Act does not apply to any *payment of money* made by an insolvent debtor to his creditor, and therefore it is permissible for an insolvent debtor to sell or mortgage his property for money, and then to pay or cause the purchaser or mortgagee to pay that money to one of his creditors, and even though his so doing should give a preference to that creditor over all his other creditors, yet the transaction is perfectly legal and valid with regard to all the parties thereto.

This doctrine has been carried so far that it has been held that