

person from actual loss or liability by reason of such contract, as the Court may order.

3. All contracts or conveyances made and acts done by a debtor, with intent fraudulently to impede, obstruct, or delay his creditors in their remedies against him; or with intent to defraud his creditors, or any of them, and so made, done, and intended with the knowledge of the person contracting or acting with the debtor, and which have the effect of impeding, obstructing, or delaying the creditors in their remedies, or of injuring them, or any of them, are prohibited, and are null and void, notwithstanding that such contracts, conveyances or acts be in consideration or in contemplation of marriage.

Contracts with intent to defraud, &c., to be null.

4. If any sale, deposit, pledge, or transfer, be made by any person in contemplation of insolvency, by way of security for payment to any creditor; or if any goods, effects, or valuable security be given by way of payment by such person to any creditor, whereby such creditor obtains or will obtain an unjust preference over the other creditors, such sale, deposit, pledge, transfer, or payment, shall be null and void, and the subject thereof may be recovered back for the benefit of the estate by the assignee, in any Court of competent jurisdiction; and if the same be made within thirty days next before the execution of a deed of assignment or the issue of a writ of attachment under this Act, it shall be presumed to have been so made in contemplation of insolvency.

In what cases preferential sales &c., shall be deemed fraudulent.

5. Every payment made within thirty days next before the execution of a deed of assignment or the issue of a writ of attachment under this Act, by a debtor unable to meet his engagements in full, to a person knowing such inability or having probable cause for believing the same to exist, is void, and the amount paid may be recovered back by suit in any competent Court for the benefit of the estate: Provided always, that if any valuable security be given up in consideration of such payment, such security, or the value thereof, shall be restored to the creditor before the return of such payment can be demanded.

When payments shall be deemed fraudulent.

Proviso.

6. Any transfer of a debt due by the insolvent, made within thirty days next previous to the execution of a deed of assignment or the issue of a writ of attachment under this Act, or at any time afterwards, to a debtor, knowing, or having probable cause for believing the insolvent to be unable to meet his engagements, or in contemplation of his insolvency, for the purpose of enabling the debtor to set up by way of compensation or set-off the debt so transferred, is null and void as regards the estate of the insolvent; and the debt due to the estate of the insolvent shall not be compensated or affected in any manner by a claim so acquired, but the purchaser thereof may rank on the estate in the place and stead of the original creditor.

Transfers of debts due by insolvent.

7. Any trader in Lower Canada, and any person whomsoever in Upper Canada, who purchases goods on credit, or procures advances in money, knowing or believing himself to be unable to meet his engagements, and concealing the fact from the person thereby becoming his creditor, with the intent to defraud such person; or who by any false pretence obtains a term of credit for the payment of any advance or loan of money, or of the price or any part of the price of any goods, wares, or merchandize, with the intent to defraud the person thereby becoming his creditor, and who shall not afterwards have paid the debt or debts so incurred, shall be held to be guilty of a fraud, and shall be liable to imprisonment for such time as the Court may order, not exceeding years, unless the debt and costs be sooner paid. And if such debt or debts be incurred by a trading company, then every member thereof who shall not prove himself to have been ignorant of the incurring, and of the intention to incur, such debt or debts, shall be similarly liable: Provided always, that in the suit or proceeding taken for the recovery of such debt or debts, the defendant be charged with

Certain other frauds defined

Their punishment.

Proviso.