

An Act respecting Insolvency.

WHEREAS it is expedient that provision be made for the settlement of the estates of insolvent debtors for giving effect to arrangements between them and their creditors, and for the punishment of fraud. Therefore, Her Majesty, by and with the advice and consent of the Legislative Council and Assembly of Canada, enacts as follows:

1. This Act shall apply only to traders.

Preamble.
Application of this Act.

OF INSOLVENCY.

2. The continuous stoppage of payment by any debtor shall be held to constitute such debtor insolvent within the meaning of this Act.
2. Any debtor who absconds from this Province, or who secretes his estate or effects or any part thereof, with intent to defraud his creditors: or who makes an assignment of his estate and effects; shall also be held to be insolvent within the meaning of this Act.

OF VOLUNTARY ASSIGNMENTS.

3. Any insolvent desirous of making an assignment of his estate or who is required so to do as hereinafter provided, may call a meeting of his creditors, by advertisement (Form A), stating in such advertisement the object of such meeting: and at such meeting he shall exhibit statements showing the position of his affairs, particularly the names and residences of his creditors, the amount due to each, and the amount of his assets: and shall also produce his books of account, and all other documents and vouchers, if required so to do by any creditor.
2. At such meeting, the creditors may name an assignee, to whom such assignment may be made; and thereafter the insolvent shall make an assignment of his estate and effects to the assignee so chosen.
3. If no assignee be named at such meeting, or at any adjournment thereof, the insolvent may assign his estate to any solvent creditor, not related, allied, or of kin to him, and being such creditor for a sum exceeding \$500; or to any official assignee nominated for the purposes of this Act, by the Board of Trade at the place, or within the district or county within which the place is situate, where the insolvent has his domicile.
4. If any dispute arises at the first meeting of creditors as to the amount which any one of the creditors is entitled to represent in the nomination of an assignee, or upon any other question which may properly be discussed at such meeting; such dispute shall be decided by the votes of the majority in number of the creditors present, or represented by agents or proxies, exclusive of the person whose pretensions are being voted upon; unless a different mode of voting is herein made specially applicable to the subject in dispute. But no neglect or irregularity in any of the proceedings antecedent to the appointment of the assignee, shall vitiate an assignment subsequently made to an assignee competent to receive it under this Act.

Proceedings to assign an insolvent estate.

Assignee appointed.

If no assignee be appointed.

In cases of dispute at first meeting of creditors.

Irregularity not to vitiate appointment.