

the defendant J. B. Reid, fraudulent and void, and that the assets of the defendant company are part of the general assets of the defendant J. B. Reid, and are liable to be applied towards satisfaction of his debts, subject, however, to the rights of the creditors of the company, and that the said conveyances and transfers be set aside so far as necessary to give effect to the above declaration; and for the appointment of a receiver with the directions usual in cases of this nature as to the duties of the receiver and as to the proceedings to be taken for proof of creditors' claims and realization of the property in default of payment, with full costs of suit to plaintiffs including costs of all the examinations for discovery.

The receiver to be appointed shall deal with both classes of creditors as the law directs.

HIGH COURT OF JUSTICE, ONTARIO

Conn v. Smith et al

The plaintiff, a creditor of an insolvent, alleged that in regard to certain pledges made by the latter to a bank, there had been no contemporaneous advances, and that the pledges were invalid under section 75 of the Bank Act, and claimed to be entitled to obtain moneys received through disposal of the pledges and to apply them in payment of creditors' claims, by virtue of the provisions of section 1 of 58 Vict., ch. 23 (O.).

Held, that the provisions of the last named Act upon which the plaintiff relied should be treated as limited to transactions invalid against creditors as such, and not as extending to transactions declared invalid for reasons other than those designed to protect creditors.

The insolvent had been in the habit of buying hops from time to time, and giving the bank pledges of the same for the purpose of raising money to pay for them. Then, at the request of the bank, he constituted his bookkeeper his warehouseman, and the latter issued warehouse receipts to the bank in substitution for the pledges theretofore held, there being no further advance made when the new securities were given:—

Held, that this exchange of securities should be treated as authorized under sub-sec. 2 of section 75 of the Bank Act.

This was an action by a simple contract creditor of the defendant Smith to recover judgment for a debt, and on behalf of all creditors of Smith to recover from the defendants, the Merchants Bank of Canada, certain moneys and property of the defendant Smith alleged to have come to their hands by means of breaches of the Bank Act. The facts are stated in the judgment.