

BANKRUPTCY—FRAUDULENT TRANSFER—TRANSFER OF ASSETS BY BANKRUPT TO COMPANY FORMED BY HIM—SUBSEQUENT PURCHASER FOR VALUE WITHOUT NOTICE—TRUSTEE IN BANKRUPTCY—RELATION BACK OF TITLE OF TRUSTEE—BANKRUPTCY ACT 1914 (4-5 GEO. V., 3. 59) s. 1 (1) (b)—(9-10 GEO. V., 3. 36 (D)) ss. 3 (b) 25 (a)).

*In re Gunsbourg* (1920) 2 K.B. 426. The new Dominion Bankruptcy Act being now in force, the cases in bankruptcy in England become of interest in Canada, and this case is one deserving attention. The facts were that on 20 September, 1917, a debtor transferred his assets, including some furniture, to a company which he had formed. On 27 September, 1917, he committed an act of bankruptcy. On 8 October, 1917, a petition was presented. On 24 October a receiving order was made, and on 12 December, 1917, he was adjudicated bankrupt. After the date of the receiving order the company sold the furniture to a purchaser without notice, who subsequently resold it to another purchaser without notice. On 3 February, 1919, the transfer of 2 September, 1917, was held to be fraudulent and void and an act of bankruptcy, and the company was ordered to deliver to the trustee all the assets transferred to it. The value of these assets having been found by the registrar, a further order was made for payment of the amount. No payment having been made under that order, the trustee claimed to recover the furniture from the ultimate purchaser. It was held by Horridge, J.: (1) that the judgment against the company being unsatisfied the trustee was not precluded from proceeding against the purchaser according to the authority of *Brinsmead v. Harrison* (1817), L.R. 6, C.P. 584; and (2) that the title of the trustee related back to the act of bankruptcy on 20 September, 1917, and that neither the original nor subsequent purchaser had any right against the trustee, and his decision was affirmed by the Court of Appeal (Lord Sterndale, M.R., and Warrington and Younger, L.J.). Younger, L.J., however, dissented on the second point.

COMPANY—WINDING UP—SURPLUS ASSETS—PROVISION FOR PAYMENT OF THE ARREARS OF PREFERENTIAL DIVIDEND—NO DIVIDENDS EARNED OR DECLARED.

*In re Springbok Agricultural Estates* (1920) 1 Ch. 563. By the articles of association of the company in voluntary liquidation it was provided that the surplus assets should be applied in the payment of preferential dividends. The company had