12. The result of the examination of the books and papers of the insolvent, and the continued keeping back of the books relating to his Western business, decided some of the creditors to direct the prosecution of the insolvent under the penal clauses of the insolvent act. Messrs Cook Brothers decided to prosecute at the Fall assizes, 1874. This, however, was not done, Mr. Cook's Counsel not attending to prosecute, as contemplated. But, at the last moment, I was called on by Mr. Cook to send an indictment to the grand jury, and, being counsel for the Crown at that assizes, I could not consistently with my duty have declined to do so; a true bill was found by the grand jury on the evidence adduced. And, as an offence under the insolvent act could only be tried by a special jury, the case necessarily lay over for the Spring assizes, 1875.

13. It was intended by the assignee and the creditors that, as soon as the trial of the insolvent on the indictment was over, a dividend should be struck, and the Estate wound up. That trial took place at the Spring assizes at L'Orignal, in May, 1875. Messrs Cook & Brother's private counsel was again expected to have been there to take charge of the prosecution, but at the last moment telegraphed to me his inability to attend, and, being again counsel for the Crown, the charge of the case again devolved upon me. Two of the counts were on technical points withdrawn, confining the charge to that of withholding the books and papers relating to his Western business, after due demand of them. The only witness examined was the assignee, and his memory having at the moment failed him altogether as to the fact of the demand, though made by him, both verbally and by letter, the case could go no further, and a verdict of not guilty was recorded.

14. It was shortly before this trial came on that the claimant Bullis, by Mr. John Butterfield, pressed his demand of privilege, although no dividend had been struck, and no collocation of his claim made. The assignee would not acknowledge the claim as privileged, whereupon Mr. Butterfield got a rule *nisi* to show cause why the assignee should not declare a dividend, three months having elapsed since the appointment of the assignee, a *large* sum being charged as realised out of the assets of the estate, and further requiring the production of books and paper. The assignee met the application by the statement that the delay in preparing the dividend sheet was in compliance with the instructions of the inspector and the wishes of the creditors, but the judge considered that *the statute over-rode their instructions*, and the assignee was directed to prepare a dividend sheet.

15. In obedience to the order the assignee prepared this dividend sheet, and collocated "the claimant" therein as an ordinary creditor. Mr. Butterfield demanded an inspection of the books and papers of the insolvent, but as Bullis had long left the province, and no power of attorney from him to Mr. Butterfield, or any one else, to act on his behalf, had been either filed with or produced to him, he declined to do so until his authority was shown. Mr. Butterfield then applied to the Court, and obtained a rule *nisi* to show cause why the assignee should not file with the clerk of the Court a duplicate of a correct register of all his proceedings, and of the reception of all papers, claims, minutes of meetings, and other proceedings, from the time of his appointment. (This had been done nearly twelve months previously). Why he should not permit the claimant to inspect and take copies of same, and why, if he had lodged monies in bank belonging to the estate, in his own name he should not be *dismissed from his said office*.

16. In the affidavit of Mr. John Butterfield, in support of this motion, he stated that the assignee had collocated in his dividend sheet Mr. Gillies and the Royal Canadian Bank, for debts secured by mortgage, that he *had not* registered the proceedings and had not accounted for a large quantity of lumber which he charged insolvent was possessed of at the date of the insolvency. Mr. Butterfield mistakes on all these points, and various other charges made by him, were subsequently apparent.

17. In the statement filed with the dividend sheet by the assignee he merely set forth *the net* amount received from the grist mill, instead of shewing the *gross* receipts on the one hand, and the cost of working it on the other. This made no difference to the creditors in declaring a dividend but it would have *reduced the percentage payable to the assignee* if his services were to have been so covered. He was also charged with having made no mention of two *uncollected* debts on that amount, and properly in as much as they would have come in in the further and final dividend sheet after collection. One of these was due by Mr. Chauncey Johnson. the father of the assignee, for grist from the mill sent to his store and sold there. That gentleman died suddenly in October, 1874, and at the time of his death he was chargeable with grist to the extent of $195.52. Shortly prior to Mr. Butterfield's movements admiss ration was taken out to his estate, but the administratrix had not paid the amount due to the insolvent's estate to the assignee at the time that the dividend sheet was prepared, and it was, of course, omitted therefrom, but, in subsequently preparing the amended dividend sheet, the assignee *assumed* the debt, to enable him to close the estate. There was a trifling error discovered in the miller's account which was at the same time corrected.

18. Mr. Butterfield charged that the costs incurred should not have been deducted to the extent they were from the fund applicable to dividend: In this respect the assignee fell into an error. The particular costs which the creditors intended should be defrayed with the dividend payable to them personally should have been left out until the dividend was declared, this would raise the amount of the dividend a fractional part of a cent, and when the amount was thus set apart to each creditor he was free to pay it over for the purpose intended. It made *a few cents difference to the claimant*, none to the creditors concurring in its application, but was a technical error, in no way affecting the amount admitted by the assignee to be in his hands for the purposes named.

19. The assignee fell into another technical error, the monies of the estate were admitted to be in Bank in his own name, instead of in the name of the insolvent's *estate*, and in this respect the *letter* of the law was not complied with.

20. The judgment of the Court was given on 12th July directing the assignee to transfer from his own name in bank to that of the estate, the sum of $655.17, within 30 days, and in the meantime to call a meeting of the creditors to settle the sums to be paid to the assignee and accountant, after which a final dividend could be declared, and the estate wound up. The Court, however, refused to remove the assignee for what were mere technical omissions. Your informant has suppressed all proceedings after that, but I shall now detail them.

21. The claimant proceeded to contest his collocation in the dividend sheet as an ordinary creditor, requiring to be paid in full as privileged. I reported to Messrs. Cook Brothers and other creditors that he had, in my opinion, no right to rank as privileged, but, as he was no mark for costs, had left the province, and his whereabouts was unknown, it might be advisable to accord him the privilege claimed as the assets would suffer as much, even by a successful contest with him, as any costs against him would be irrecoverable. They were not disposed to submit to his claim of privilege, and it was contested in the manner prescribed by law before the assignee, who gave the claimant the benefit of a legal doubt as to the costs of his judgment, being privileged, amounting to $28.20, ranking the residue of his claim with the other creditors. Against this award the claimant appealed to the County Judge who *dismissed his appeal with costs*, which were deducted from the sum otherwise awarded him.

22. The following is a copy of the judgment given by the County Judge dismissing his appeal against the assignee's award, and confirming the amended dividend sheet:—after setting out the purport of the petition in appeal it proceeds as follows:

"The insolvent's liabilities, as appear by the "dividend sheet, are $51,827.20. Bulliss' claim "is $132.85. Bulliss' claim is for wages due to "him for services rendered before the insolvent "made his assignment. The assignment was "made upon the 29th December, 1873. Bullis "recovered a judgment for his wages on 13th "November of same year, and issued writs of "execution against the insolvent. It does not "appear upon the petition *when* Bulliss left the "insolvent's employment. Bullis says it was "shortly before the assignment. It must have "been before the recovery of the judgment. "Bullis claims that, by the 67th section of the "insolvent act, he should be collocated by special "privilege for the arrears of his wages, although "he was not at the time of the assignment em"ployed by the insolvent in and about his trade "or business. Bullis in my opinion *is not en"titled to the privilege he claims* under said 67th "section. As to the other matters in the "summons, a meeting of creditors was held on "the 5th August, 1875, at which a statement was "rendered by the assignee to the creditors, and "*everything settled to their satisfaction*, and a "final dividend declared. Bullis *did not attend* "this meeting to make any objection to the "accounts of the assignee or his dealings with "the estate. *If creditors representing* $51,695 "*of the insolvent's liabilities were satisfied, Bullis "has no reason to complain under any circum"stances.* It is now too late for him to do so. "If the two sums he mentions were added to "the assets, and the $100 deducted from the "expenditure made by the assignee, *Bulliss' "dividend would not be increased more than "about one cent.* The petition contains no less "than twenty-one pages closely written, which "I have been obliged to read over. *One page of "foolscap would easily contain every word neces"sary for an application of this nature. The "summons must be discharged with costs.*"

(Signed,) JAMES DANIELL, Judge.

23. It is alleged that the creditors, being mostly at a great distance were in ignorance of the acts with which we are charged and in particular of the proposed course of action for the meeting on 5th August last, and you say "it will seem strange that the creditors, many of whom are influential merchants, should have *allowed themselves to be thus treated*, but in fact these transactions took place at a distance, and no real publicity being given to any of the proceedings, the result was that *the assignee and inspector were enabled to decide the assets between them without let or hinderance*" and you wind up by the statement that the official assignee has been *removed* from his post," this insinuating it was from misconduct in this case.

24. From the time I commenced my investigations after the missing assets of this estate to its close, I was in *constant communication* with all those large creditors who entrusted their interest to me. From both the banks, and several others, I received every assistance, and much valuable information. On every difficulty that arose in the case I communicated with them, and prior to the last meeting of 5th August *I sent to each a resumé of the past, an outline of the claimant's objections, and the course of action intended to be submitted for adoption at that meeting.* From most of them I received either letter or telegram *approving* of the course about to be pursued, and in no case was dissent intimated. They have all through shown every reliance in my integrity and zeal for their interest, and I still expect it will continue despite the wanton attack made upon me, based on the statements of some party who is not a reliable authority in the case.

25. It is equally untrue that the official assignee, Mr. Johnson, "has been removed from his post" in the manner insinuated. When the new insolvent act came into force, he was removed by operation of law in common with all the assignees of the Dominion. He did not seek for a renewal of the appointment, firstly, because he considered it was not worth looking for, so far as the business of these counties, and secondly that his political leanings were not likely to make him acceptable to the powers that be. Hence he is no longer official assignee.