

INSOLVENCY.

Cap. 16—Amends and consolidates the laws relating to insolvency. It applies only to traders. Any debtor unable to meet his engagements, and desiring or bound to make an assignment, must do so to the official assignee of the county, or, if there is none, to the nearest official assignee. Assignee must call a meeting three weeks after assignment, in the mean time making up a list of the debts and statement of the assets of the insolvent, and mailing a copy of the former, 10 days before meeting, to each of the creditors, so far as he is able to ascertain them. At the meeting the insolvent may be examined on oath respecting the accuracy of such statements. The creditors may then name another assignee to whom the official assignee transfers the estate. If none is named, the official assignee continues to act as such. Failing to make the transfer to the new assignee in 24 hours, he is liable to imprisonment for one month. Deeds of assignment vest all the property, effects and securities of the insolvent in the assignee, but not those in hands of a pledgee or other possessor with a lien on them, unless such party have proved his claim, &c. But before maturity of the advance, or for 2 weeks after, effects pledged may be sold by assignee, and if for an amount sufficient to pay it pledgee must deliver. A duplicate (or in Quebec, an authentic copy) of the deed of assignment, &c., is to be lodged with the proper Court. These deeds, where they include real estate, are to be registered.

Compulsory Liquidation.

A debtor is insolvent and his estate subject to compulsory liquidation if he absconds or is about to abscond, remains out of Canada or conceals himself within it; if he secretes or is about to secrete his property, or assigns or is about to assign it, either being with intent to defraud any creditor or deprive him of recourse; if he have procured the seizure of his property for a debt over \$200 proveable under this act; if he be in prison or on limits for 30 days for a debt of or over that amount, or have escaped from such imprisonment, or if he does not appear, when summoned, to be examined respecting his debts; or does not pay in compliance with an order of Court; or if he has made any assignment for the benefit of his creditors, or, being unable to pay his debts, sells the whole or main part of his assets without paying, or allows an execution to remain unsatisfied for 15 days or within 4 days of that fixed for sale. If a debtor fails to meet his engagements generally as they fall due, any one or more claimants for \$500 may demand that he assign. But if their claims are less, or procured for the purpose of taking proceedings, or the stoppage was only temporary and neither fraudulent nor owing to lack of sufficient assets, the debtor may, within 5 days of such demand, on application to the judge, procure a suspension of proceedings; and if taken in order to compel payment under color of proceedings under the act without reasonable ground, the judge may order payment of treble costs by the creditors so proceeding. If the debtor is absent, an enlargement of the time for proceeding may be granted by the judge. If debtor's petition fails, or he continues trade, or disposes of his assets, unless he makes voluntary assignment, compulsory liquidation is ordered, and a writ of attachment issues. But the act or omission relied upon must have occurred within 3 months of the application of the creditor. If the debtor has no domicile or absconds, the judge may order service to be made in any way he sees fit. Concurrent writs of attachment may issue to sheriffs of several counties or districts. Under it the sheriff, who is an officer of the court for the purpose, or his deputy or messenger, may seize all the estate and effects in his county or district, and may forcibly enter premises for that purpose. The official assignee becomes guardian where the debtor has his chief place of business; if there be none in the county the sheriff appoints a guardian. If no such petition as above have been previously presented by the insolvent, he may, within 3 days, petition to set aside the writ for similar causes, as availed against the demand for assignment. If the writ be not quashed, the judge orders a meeting of the creditors, the assignee or guardian preparing for it, as in case of assignment. The judge, prothonotary or clerk presides at the meeting, and an assignee is appointed, to whom the guardian transfers the estate, &c. He becomes vested with all the estate and effects of the insolvent, whether seized under the writ or no. His appointment is registered against real estate.

Official Assignees, &c.

Each Board of Trade appoints an official assignee for each county or three for each district in Quebec, in which such board exists, or adjacent to it and having no board therein, within 3 months after the act comes into force or after any future vacancy. In districts or counties not adjacent to that wherein there is a board or in which the board neglects to appoint, the judge may do it. Official assignees are to give security to the judge or president of the board. But creditors of an estate may require special security therefor, to which the former thereupon becomes supplementary. The interim (official) assignee or guardian may, with leave of the judge, take any conservatory process for protection of the estate. The creditors may appoint one or more inspectors to superintend and direct the assignee, and their unanimous consent shall be held to be the consent of the creditors, except in case of the sale of the whole estate. They may also fix the place of meetings of creditors. At such first meeting, the insolvent may offer a composition, and the creditors, if they accept it, may order the suspension of proceedings for such time as may be fixed.

Assignees.

Immediately on the appointment of an assignee to an estate he gives notice thereof. He calls meetings on the demand of the inspectors, or of 5 creditors, or by order of the judge, or when he needs instructions. He is subject to any order of the creditors not contrary to this Act. Until otherwise ordered by creditors he deposits all moneys of the estate weekly with a bank or bank agency, if there be any within fifteen miles of the place of business of the insolvent. He must not deposit it in his own name. All accrued interest is divided in each dividend sheet, under penalty of treble forfeiture, and the bank pass-book produced at each meeting of creditors. He is to attend and keep minutes of all proceedings at meetings of creditors, and minutes of all his proceedings, &c., a duplicate of which, written up monthly, is deposited with the prothonotary. All powers of any insolvent, respecting property, become vested in the assignee, except his powers as trustee, &c. The estate is to be wound up by the assignee by sale of lands, effects, &c., and collection of debts. With consent of the creditors