

CHATTELS TRANSFER BILL.

PRIOR to the passing of "The Chattel Securities Act, 1880," the law relating to securities on chattels was embodied in various Acts. "The Bills of Sale Act, 1867," and its amendments—in the main copied from the then existing English Act—dealt with securities and bailments of ordinary chattels; "The Mortgages of Stock Registration Act, 1868," dealt with securities on stock; "The Agricultural Produce Lien Act, 1871," with crop-liens; and the Wool and Oil Securities Acts of 1858 and 1871, with wool- and oil-liens.

Securities under these different Acts differed—in some respects materially—in their legal incidents, and even in their form.

"The Chattel Securities Act, 1880," which was one of the Acts prepared by the Statute Law Revision Commissioners, brought all these various enactments into one, but in no material degree did it assimilate the law as regards these different classes of security.

As the law now stands, therefore, we still have one law relating to securities on ordinary chattels, another law relating to securities on stock, another law relating to securities on wool, and another law relating to securities on crops. There is no good reason why the law relating to these various classes of security should not be the same; and to make it the same is one of the principal objects of this Bill.

The other main object of this Bill is to diminish the cost of preparing and registering securities.

A number of alterations in the law which it is hoped will be regarded as improvements will be found embodied in the Bill, and this memorandum is intended to call attention to all these alterations.

Clause 1. The Short Title has been suggested by the analogy of the Land Transfer Act. Though no doubt securities are the instruments mainly affected by the Bill, yet, as it deals also with bailments, settlements, and assignments of any kind, the title chosen seems more appropriate than that of Chattel Securities.

Clause 2. The interpretation clause is of very great importance in this Bill, and requires to be very carefully scrutinised. Subclauses (1), (2), and (6) are new, and are taken from section 4 of the English Bills of Sale Act, 1878.

Subsection (7) is new. It relates to attornments, and is to the same effect as section 6 of the English Bills of Sale Act, 1878.

Subclause (a) is new. Its effect, shortly stated, is to provide that an instrument dealing with fixtures need not be registered under this Bill if the same instrument also deals with a freehold or leasehold interest in the land on which the fixtures are situate. This makes the law much the same as in England under the 7th section of the Act of 1878.

In "The Chattel Securities Act, 1880," marriage settlements are exempted from the definition of a bill of sale, and this has been held to mean only settlements made upon or prior to marriage. It has therefore always been considered necessary to register post-nuptial

settlements. But there is no reason why ante-nuptial settlements relating to chattels should not also be registered. Marriage settlements are therefore not exempted from the definition of instrument in this Bill.

The effect of subclause (c) is to make it clear that it is not compulsory to register transfers of instruments, by way of security, though provision is made by section 51 enabling them to be registered. Transfers of instruments other than securities will have to be registered.

Subclause (f) is to the same effect as section 17 of the Imperial Act "The Bills of Sale Act 1878 Amendment Act, 1882."

In the definition of "crops" the only novelty is that fruit has been added, thus rendering it possible to give a security over a crop of fruit. It may be as well to mention here that oil has not been included in the definition of crops, as it does not appear that the facilities for giving securities over the oil or bone to be caught in a whaling season have ever been made use of.

The definition of "chattels" effects no alteration of the existing law, save that subsection (4) of the definition of "personal chattels," contained in "The Chattel Securities Act, 1880," has not been inserted in the Bill, as it seems to have no application in this colony.

The word "personal" has not been prefixed to the term "chattels" in the Bill.

The definition of "trade machinery," with its exceptions, and the consequential definition of "factory or workshop," are taken from the 5th section of the Imperial Act of 1878.

The definition of "stock" is wider than that given in section 5 of the Chattel Securities Act of 1880.

REGISTRATION.

Clauses 3 to 12. There is no alteration proposed by this Bill as regards the mode of registration.

Clause 8 specifies the periods within which an instrument must be registered. Under the present Act the period is twenty-one days for bills of sales, bailments, and mortgages of stock; seven or fourteen days for crop-liens; and no less than sixty-one days for wool-liens. There can be no sufficient reason why the periods should thus vary according to the nature of the security. Clause 8 therefore fixes seven, fourteen, or twenty-one days, according to the distance of the place where the instrument is executed from the place where it has to be registered.

Clause 12. This is new, and is the same, with some slight alterations, as section 14 of the Imperial Act of 1878, and enables a Judge of the Supreme Court to order the time for registration in any particular case to be extended, or mistakes in the register to be corrected upon conditions prescribed by the Judge being complied with.

SEARCHES AND OFFICE-COPIES.

Clause 20. This clause is intended to diminish the expense at present entailed in proving instruments and their registration when questions arise in litigation concerning them. As the execution of

the original document has been sworn to by the affidavit filed on registration, the first part of the clause, which is similar to section 167 of "The Land Transfer Act, 1885," provides that a duly-registered instrument shall be presumed to be duly executed, and the remainder of the clause enables an office-copy to be received in evidence as *prima facie* evidence of the original, and of all signatures thereto, and of the fact of registration.

ENTRY OF SATISFACTION.

Clauses 21 and 22. These provide for a security being discharged by the filing of a memorandum of satisfaction signed by the person to whom the security has been given. This is simpler and less expensive than the present mode of filing an affidavit of satisfaction.

Clause 23. This is similar to section 109 of "The Land Transfer Act, 1885," and enables moneys owing on a security to be paid to the Colonial Treasurer if the mortgagee be out of the colony, and has left no agent. The Colonial Treasurer may then discharge the security.

Clause 24. This is to the same effect as the second part of section 60 of "The Chattel Securities Act, 1880."

EFFECT OF REGISTRATION.

Clause 25. This clause is the most important clause in the Bill, and has the effect of making instruments absolutely void as regards the title to the chattels comprised therein unless duly registered.

The effect of registration under the present Act may be shortly stated as follows: A registered bill of sale is good as against assignees in bankruptcy and execution creditors. As regards bailments, if registered, the chattels comprised therein, though in the possession of the lessee, are not held to be in his order and disposition if he becomes a bankrupt. As regards mortgages of stock, if registered, the possession of the stock by the mortgagor is deemed in law to be the possession of the mortgagee, which is only another way of saying that they shall not be in the order and disposition of the mortgagor in case he becomes a bankrupt. Further, as regards mortgages of stock, unless they are registered, the title of a purchaser from the mortgagor prevails against that of the mortgagee. Crop-liens, unless registered, are void except as between the parties. Wool-liens, unless registered, are null and void altogether.

The first paragraph of clause 25, however, makes the law similar as regards the effect of registration upon instruments dealing with any kind of chattels, by making registration compulsory in all cases. This has been found to work satisfactorily in the case of wool-liens. There is no doubt that by making registration compulsory in all cases the facilities for fraud will be greatly diminished. This clause will make the law in New Zealand the same as it is in England under the Act of 1882 as regards the effect of registration.

The rest of clause 25 is, perhaps, unnecessary, as the order and disposition clause of the Bankruptcy Act exempts chattels in a duly-registered instrument from its operation. But it is better to make the same provision in this Bill, so as to have the law on this point beyond doubt.

AS TO INSTRUMENTS GENERALLY.

Clause 26. This is the same as the 52nd section of "The Chattel Securities Act, 1880," but the proviso at the end of the clause is new. There seems some reason to suppose that a security collateral with a security on chattels—such, for example, as a mortgage on land—may be regarded as a defeasance of the chattel security, and that therefore, unless the two documents are written on the same paper, the chattel security is void. The intention of this proviso is to make it clear that the clause shall not have this undesirable effect, and that mere collateral securities are not defeasances.

Clause 27. The first paragraph of this clause is the same as the 80th section of "The Bankruptcy Act, 1883," with one very important difference—viz., the insertion of the words "or after" before the last three words of this clause. At present, under this section of the Bankruptcy Act, which applies only to bills of sale, they are void if bankruptcy ensues within six months, except as regards advances of money or goods actually made at the time of execution. They are void as regards past or future advances if the mortgagor becomes bankrupt within six months. As regards mortgages of stock, the present law is different. Under the 12th section of the Chattel Securities Act a mortgage of stock is void if bankruptcy ensues within sixty days, unless the consideration therefor be an advance or loan made at the time of execution, though further advances not exceeding one-half of the original loan may also be legally secured by a mortgage of stock, notwithstanding bankruptcy within sixty days. An agricultural lien is valid from the date of execution in respect of any present or future advance of money or goods or the making or indorsement of any negotiable instrument. Wool-liens are in the same position. Neither a crop-lien nor a wool-lien can apply to secure an existing debt. The effect of the 30th clause will be to make the law the same as regards all classes of security. They can in future apply to either past, present, or future advances; but they will not be good as regards past advances if bankruptcy ensues within six months. It might be desirable to fix a longer period than six months, but it is certainly desirable that all kinds of securities should have the same legal incidents.

The second paragraph of this 27th clause is the same as the second paragraph of section 12 of "The Chattel Securities Act, 1880."

Clause 28. This is the same as section 3 of "The Chattel Securities Act 1880 Amendment Act, 1883," which at present applies only to bills of sale.

It should be noted that section 4 of "The Chattel Securities Act 1880 Amendment Act, 1883," applying only to bills of sale, and rendering essential a most minute and accurate statement of the consideration, has not been repeated. It has proved simply a trap by which, with the least carelessness, a security may be rendered invalid. It is of very little value, as it is very easily and very constantly evaded. As registration under this Bill is rendered compulsory, the mercantile community will always have notice of the fact that any person has given a security on his chattels. It will be for any one dealing with such person to satisfy himself as to the amount owing on such security. Of course, in the case of every

instrument to secure past or present advances the amount secured will naturally be shown on the face of the instrument. As regards future advances it would be practically impossible to state on the face of the instrument what they will amount to. It is true that a provision might be made requiring a maximum or minimum to be stated, but this would be of little use, as it would give no true idea of the real extent of the intended future advances.

Clause 32. This is new, and is to the same effect as the last but one paragraph of section 10 of the Imperial Act of 1878.

Clause 33. This is new, and is the same as section 9 of the Imperial Act of 1878.

INSTRUMENTS COMPRISING STOCK.

Clauses 34 and 35. There is nothing new in these clauses, save that provision is made in clause 34 for the description of stock which are not branded, as is frequently the case, more especially with valuable stock, such as horses.

SECURITIES OVER CROPS.

Clauses 36, 37, and 38. There is no novelty in these clauses.

SECURITIES OVER WOOL.

Clauses 39, 40, and 41. There is no novelty in these clauses.

FORMS, ETC.

Clause 42. This provides for the use of a form set out in the Fourth Schedule. It is to be noticed that the use of this form is optional, and there is nothing to prevent persons using other forms if they think proper to do so.

Clause 43. The covenants mentioned in the Fifth Schedule, which by this clause are directed to be implied in all instruments, are simply the ordinary covenants for title. A somewhat similar provision as regards instruments affecting lands is made by "The Property Law Consolidation Act, 1883."

Clause 44. By this clause a variety of covenants, powers, conditions, and agreements set forth in the Sixth Schedule are directed to be implied in instruments by way of security. These provisions are such as is usual in all securities, and are not more stringent than are to be found in ninety-nine out of a hundred securities. Securities over chattels, from the very nature of the security, require that the lender should be able to act very promptly in case of need; and, if these provisions are modified to any extent, so as to make them less stringent, it will be found in practice that the object of this clause will be in a great measure defeated; for then solicitors will not trust to the implied provisions, but will insert stringent ones of their own, as is now done to such a great extent in the case of instruments under the Land Transfer Act.

Clause 45. This is on the same principle as section 157 of the Land Transfer Act, and provides for the use of short forms of words to express long covenants.

Clauses 46 and 47. The object of these clauses, as will be apparent, is to do away with unnecessary verbiage.

TRANSFERS OF INSTRUMENTS.

Clause 50. This provides a very short form for the transfer of instruments. It is the same as that provided for wool-liens by the 38th section of "The Chattel Securities Act, 1880."

Clause 51. This enables transfers of instruments by way of security to be registered at any time after execution, and gives priority to registered transfers according to the date of registration.

PENAL.

Clause 52. This provides for fraud by a mortgagor. Fraud by a bailee is already provided for by the existing law.

Hon. Mr. Hislop.

CHATTELS TRANSFER.

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- 22. Upon filing of memorandum, debt to be vacated and interest of grantee in chattels to revert.

- 23. If grantee absent from colony, Colonial Treasurer may discharge instrument by way of security.
- 24. Conditions on which Judge may order memorandum of satisfaction to be filed.

EFFECT OF REGISTRATION.

- 25. Effect of registration.

AS TO INSTRUMENTS GENERALLY.

- 26. When instrument made subject to defeasance, &c., not contained in the body thereof.
- 27. Instrument by way of security void against Assignee in Bankruptcy if executed within six months, except as to moneys advanced on goods supplied at or after execution.
- 28. Instruments to take effect from day of execution.
- 29. Every instrument to have schedule or inventory of chattels.
- 30. Instrument to be void as against chattels of which grantor was not true owner at date of instrument.
- 31. Nothing in foregoing sections to make instrument void in respect of stock, wool, crops, fixtures, &c.
- 32. Instruments affecting same chattels to have priority in order of date of registration.
- 33. Avoidance of certain duplicate instruments by way of security.

INSTRUMENTS COMPRISING STOCK.

- 34. Stock comprised in instrument to be described in schedule by reference to brands, &c.
- 35. Instruments comprising stock to include increase and all other stock similarly branded.

SECURITIES OVER CROPS.

- 36. Instruments by way of security may be granted over growing crops.
- 37. Instruments not to avail against crops which cannot be harvested within twelve months.
- 38. Crop securities not to affect rights of landlord or mortgagee except in certain cases.

SECURITIES OVER WOOL.		
39. Securities over wool of ensuing clip may be granted.	47. Covenants, &c., to apply to executors, administrators, and assigns.	
40. Wool securities not affected by subsequent sale, &c., of sheep.	48. Covenants, &c., in Fifth, Sixth, and Seventh Schedules may be negatived, modified, altered, &c.	
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A BILL INTITULED

Title. AN ACT to consolidate and simplify the Law relating to Transfer of Chattels.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

Short Title. 1. The Short Title of this Act is "The Chattels Transfer Act, 1889," and it shall come into operation on the *first* day of January, one thousand eight hundred and *ninety*.

Interpretation. 2. In this Act, if not inconsistent with the context,—

"Instrument" means and includes any bill of sale, mortgage, lien, or any other document executed after the coming into operation of this Act which transfers or purports to transfer the property in or right to the possession of chattels, whether permanently or temporarily, whether absolutely or conditionally, and whether by way of sale, security, pledge, gift, settlement, bailment, or lease, and includes—

- (1.) Inventories of chattels with receipt thereto attached;
- (2.) Receipts for purchase-money of chattels;
- (3.) Other assurances of chattels;
- (4.) Declarations of trust without transfer;
- (5.) Powers of attorney, authorities or licenses to take possession of chattels as security for any debt;
- (6.) Any agreement, whether intended or not to be followed by the execution of any other instrument, by which a right in equity to any chattels, or to any charge or security thereon, shall be conferred;
- (7.) Every attornment, instrument, or agreement, not being a mining lease, whereby a power of distress is given or agreed to be given by any person to any other person by way of security for any present, future, or contingent debt or advance, and whereby any rent is reserved or made payable as a mode of providing for the payment of interest on such debt or advance, or otherwise for the purpose of such security only, shall be deemed to be an

instrument within the meaning of this Act, so far as regards any chattels seized or taken under such power of distress :

5 Provided that nothing in this subsection contained shall prejudice the right of a landlord to distrain for rent :

10 Provided further that, when a mortgagee of any interest in land shall have entered into possession of such lands or receipt of the rents and profits thereof by virtue of his powers of entry contained or implied in the mortgage, and shall subsequently demise such lands, or any part thereof, to the mortgagor at a fair and reasonable rent, the instrument whereby such demise is effected shall not be deemed to be an instrument for the purposes of this Act.

15 "Instrument" shall not include the following instruments :—

20 (a.) Securities over, or bailments or leases of, fixtures, except "trade machinery" as hereinafter defined, when mortgaged or leased in any mortgage or lease of any freehold or leasehold interest in any land or building to which they are affixed, and whether or not such fixtures be separately mortgaged or leased by mention thereof in separate words, and whether or not power is given by such mortgage or lease to sever such fixtures from the land or building to which they are affixed without otherwise taking possession of or dealing with such land or building ;

(b.) Assignments for the benefit of the creditors of the person making the same ;

30 (c.) Transfers or agreements to transfer instruments by way of security ;

(d.) Transfers or assignments of any ship or vessel or any share thereof ;

35 (e.) Transfers of chattels in the ordinary course of business of any trade or calling ;

(f.) Debentures issued by any company or association, and secured upon the capital stock or chattels of such company or association ;

40 (g.) Bills of sale over chattels in any foreign parts or at sea ;

45 (h.) Bills of lading, warehousekeepers' certificates, warrants, or orders for the delivery of chattels, or any other document used in the ordinary course of business as proof of the possession or control of goods, or authorising, or purporting to authorise, either by indorsement or delivery, the possessor of such document to transfer or receive the goods thereby represented :

"Instrument by way of security" means an instrument given to secure the payment of money or the performance of some obligation :

50 "Instrument by way of bailment" means an instrument whereby chattels are leased or bailed :

- “Crops” means European flax, hemp, hops, wheat, maize, barley, oats, and grass, whether for hay or for grain, and all cereal and root crops and *Phormium tenax* and fruit:
- “Chattels” means any personal property capable of complete transfer by delivery, stock, crops, and wool, and the increase of stock as hereinafter appears, but shall not include,—
- (1.) Chattel-interests in real estate, choses in action, shares and interests in the stock funds or securities of any Government or public body;
 - (2.) All negotiable instruments, shares or interests in the capital or property of any incorporated or joint-stock company or association;
 - (3.) Debentures and interest coupons issued by any Government or public body or incorporated or joint-stock company or association:
- “Trade machinery” means the machinery used in or attached to any factory or workshop as hereinafter defined, and shall be chattels within the meaning of this Act; but
- (1.) The fixed motive-powers, such as the water-wheels and steam-engines, and the steam-boilers, donkey-engines, and other fixed appurtenances of the said motive-powers; and
 - (2.) The fixed-power machinery, such as the shafts, wheels, drums, and their fixed appurtenances which transmit the action of the motive-powers to the other machinery, fixed and loose; and
 - (3.) The pipes for steam, gas, and water in the factory or workshop,
- Shall not be chattels within the meaning of this Act:
- “Factory or workshop” means any premises on which any manual labour is exercised by way of trade or for purposes of gain in or incidental to the following purposes or any of them; that is to say,—
- (a.) The making any article or part of an article; or
 - (b.) The altering, repairing, ornamenting, or finishing of any article, or part of any article; or
 - (c.) The adapting for sale any article, or part of any article:
- “Executed” means signed by the grantor, and in the case of an instrument by way of bailment means signed by the grantor and grantee:
- “Grantor” means the party to an instrument who thereby grants or assigns, or agrees to grant or assign, chattels therein referred to, or any interest therein, and includes his executors, administrators, and assigns:
- “Grantee” means the party to an instrument to whom chattels therein referred to, or any interest therein, are thereby granted or assigned, or agreed so to be, and includes his executors, administrators, and assigns:

“ Stock ” includes any sheep, cattle, horses, pigs, poultry, ostriches, and llamas :

“ Registrar ” means any Registrar of the Supreme Court at the place where any act is required to be done by such Registrar, and includes a Deputy Registrar, if any, at such place :

“ Registration ” means the filing of an instrument, with schedule or inventories, or a true copy thereof, with the affidavit as hereinafter appears.

REGISTRATION.

3. Every instrument may be registered as hereinafter provided.

Every instrument may be registered. Registration, how effected.

4. Registration of an instrument shall be effected by filing the same and all schedules and inventories annexed thereto, referred to therein, or indorsed thereon, or a true copy of such instrument and the schedules and inventories, and an affidavit as mentioned in the next section hereof, with the Registrar in any provincial district within which the chattels respectively are situate at the time of the making or giving of such instrument. But nothing herein shall repeal or affect the provisions of “ The Otago Supreme Court Offices Act, 1871,” which shall be applied in carrying out this Act.

5. The affidavit to be filed on registration of an instrument shall be in the form or to the effect set forth in the *First* Schedule to this Act.

Form of affidavit.

6. When an instrument is made by any person under or in execution of any process, then such affidavit shall contain a description of the residence and occupation of the person against whom such process shall have been issued.

Contents of affidavit when instrument made by person under process.

7. An affidavit required by this Act may be sworn before any person for the time being authorised to take affidavits under “ The Supreme Court Act, 1882.”

Affidavits before whom sworn.

8. The periods within which instruments may be registered under this Act are,—

Periods within which instruments to be registered.

(1.) Seven days from the day on which it was executed, if executed at a place not more than fifty miles distant from the office where the same is required to be registered ;

(2.) Fourteen days from the day on which it was executed, if executed at a place more than fifty miles and not more than one hundred miles distant from the office where the same is required to be registered ;

(3.) Twenty-one days from the day on which it was executed, if executed at a place more than one hundred miles distant from the office where the same is required to be registered :

Provided that the day on which the instrument is executed shall not be included in the said period for registration :

Provided that instruments executed in the Chatham Islands may be registered at any time within ninety days from the execution thereof, and all instruments affecting chattels in the Chatham Islands shall be registered in the Wellington Provincial District :

Provided further that, when the time for registering an instrument expires on a day on which the Registrar’s office is closed, the registration shall be valid if made on the next following day on which such office is open.

Registrar to keep register-book of instruments with index.

9. The Registrar shall cause every instrument registered in his office under the provisions of this Act to be numbered, and shall mark on such instrument, or on the filed copy thereof, the date of registration and the number, and shall keep a register-book in his said office in which shall be fairly inserted when such instrument is registered the particulars thereof according to the form given in the *Second* Schedule to this Act.

The Registrar shall also keep an index of the names of grantors of instruments with reference to entries in the register-book of the instruments given by each such grantor.

Such index shall be arranged in divisions corresponding with the letters of the alphabet, so that all grantors whose surnames begin with the same letter (and no others) shall be comprised in one division, but the arrangement within each such division need not be strictly alphabetical.

Entry in register when instrument made by person under process.

10. Where any instrument has been made or given by any person under or in the execution of any process, then the name, residence, and occupation of the person against whom such process was issued, and also the name of the grantee thereof, shall be inserted in the book to be kept as aforesaid.

Fee upon registration.

11. There shall be paid to the Registrar upon the registration of every instrument the fee of five shillings.

Judge may order time for registration to be extended, or may order rectification of register-book.

12. Any Judge of the Supreme Court, on being satisfied that the omission to register an instrument or an affidavit of renewal thereof within the time prescribed by this Act, or according to the form or effect required by this Act, or that the omission or misstatement in the register or in any affidavit of the name, residence, or occupation of any person, or of other matter, was accidental or due to inadvertence, may, in his discretion, order such omission or misstatement to be rectified by the insertion in the register of the true name, residence, or occupation, or by extending the time for such registration, or by the filing of a supplementary affidavit, on such terms and conditions as he thinks fit to direct.

RENEWAL OF REGISTRATION.

Registration to be renewed every five years.

13. The registration of an instrument shall, during the subsistence thereof, be renewed in manner hereinafter mentioned once in every period of five years, or within such extended time as may be ordered by a Judge of the Supreme Court, commencing from the day of the registration.

Registration to cease to have effect if not renewed.

14. If not so renewed, such registration shall cease to be of any effect at the expiration of any period of five years during which a renewal has not been made as hereby required.

Renewal of registration effected by filing affidavit.

15. The registration of an instrument shall be renewed by some person filing in the office of the Registrar where the instrument has been originally registered in accordance with this Act an affidavit in the form or to the effect set forth in the *Third* Schedule hereto.

16. Such Registrar shall thereupon number such affidavit as if the same were an instrument presented for registration, and renumber the instrument originally registered in the said office, or the filed copy thereof, with a similar number, and mark on same the date of
 5 renewal of registration, and shall enter particulars of the instrument in the register-book in like manner as on original registration, and shall also enter the date of renewal of registration in the column provided therefor in the register-book.

Registrar to make entry of renewal in register-book.

17. There shall be paid to the Registrar upon the renewal of
 10 registration of any instrument the fee of five shillings.

Fee to be paid on renewal.

SEARCHES AND OFFICE-COPIES.

18. The register-book, and every instrument registered as aforesaid, or the filed copy thereof, may be searched and viewed by all persons during the office-hours of the Supreme Court upon payment
 15 for every search against one person of the fee or sum of one shilling.

Register-book and instruments may be searched and viewed.

19. Any person shall be entitled to have an office-copy or an extract of any instrument registered as aforesaid, or the filed copy thereof, and of any affidavit filed under this Act, upon paying for the same at the rate of fourpence for every folio of seventy-two words
 20 contained in such copy or extract, or if he makes such copy or extract himself the Registrar shall, upon satisfying himself that such copy or extract is correctly made, certify to the same upon payment of a fee of two shillings for each instrument or extract thereof, and of one penny for every folio of seventy-two words after the first ten folios.

Office-copies of instruments may be obtained.

20. Every instrument registered and affidavit filed under this Act shall, if purporting to have been duly executed or sworn, be
 25 presumed to have been duly executed or sworn, and an office-copy of any instrument, or the filed copy thereof, and the schedules, or inventories, or affidavit, or copy certified to by the Registrar as aforesaid, whom it shall not be necessary to prove to be the Registrar,
 30 and a certificate of such Registrar of the time when the same shall have been registered or filed shall in all legal proceedings be received as *prima facie* evidence of the instrument and schedules, or inventories, or of the affidavit, of the signatures of the parties thereto
 35 purporting to have signed the same, of the signatures of the attesting witnesses thereto, of the fact that the said instrument has been duly registered, of the fact that the affidavit has been duly filed, and of the time when the same shall have been registered or filed.

Instruments presumed to be duly executed and office-copies available in evidence.

ENTRY OF SATISFACTION.

21. In the case of an instrument by way of security, upon the
 40 production to the Registrar of a memorandum signed by the grantee thereof, or his duly-authorized agent, discharging the chattels comprised in such instrument or any specified part thereof from the moneys secured thereby or any specified part thereof, or from the
 45 performance of the obligation thereby secured, or any specified part thereof, and on production of such instrument and payment of a fee of five shillings the Registrar shall file such memorandum and make an entry thereof in the register-book on the page where the instrument is registered.

Memorandum of satisfaction may be filed.

The Registrar may in his discretion dispense with the production of the instrument on proof by statutory declaration to his satisfaction that the instrument has been destroyed, cannot be found, or cannot be produced.

Upon filing of memorandum, debt to be vacated and interest of grantee in chattels to revert.

22. From and after the filing of any such memorandum, the debt or charge created by the said instrument shall be vacated to the extent specified in such memorandum, and the interest of the grantee of the instrument in the chattels comprised therein and expressed to be discharged by the said memorandum shall vest in the person for the time being entitled to the equity of redemption therein to the extent to which such interest is expressed to be relinquished by the said memorandum. 5 10

If grantee absent from colony, Colonial Treasurer may discharge instrument by way of security.

23. In case the grantee of any instrument by way of security shall be absent from the colony, and there be no person in the colony authorised to discharge the same on his behalf at or after the date appointed for the payment of the moneys secured by such instrument, the Colonial Treasurer may receive such moneys in trust for the person entitled thereto, and may sign a memorandum in lieu of such person, and, upon the filing thereof, such memorandum, signed by the Colonial Treasurer, shall be as effectual as a memorandum signed by the person entitled to such moneys. 15 20

Conditions on which Judge may order memorandum of satisfaction to be filed.

24. Any Judge of the Supreme Court may, upon application made to him for that purpose, order a memorandum of satisfaction to be filed in respect of any instrument by way of security if it shall appear to him that the debt (if any) for which such instrument is given as security has been satisfied or discharged, or that the obligation for securing the performance of which the instrument has been given has been performed; and thereupon such order may be filed by the Registrar and entered in his book in like manner as if the same had been a memorandum within the meaning of section *twenty-one* hereof. 25 30

EFFECT OF REGISTRATION.

Effect of registration.

25. Every instrument, unless registered in the manner hereinbefore provided, shall, upon the expiration of the time for registration, or, if the time for registration shall be extended by a Judge of the Supreme Court, then upon the expiration of such extended time, be void so far as regards the property in or right to the possession of any chattels comprised in or affected by such instrument. 35

The title of the grantor of chattels comprised in an instrument by way of bailment shall not, if such instrument be duly registered under this Act, or, if not registered, if the period within which the same is by this Act required to be registered has not expired, be prejudiced or affected by the provisions of section eighty-one of "The Bankruptcy Act, 1883," or any similar section in any Act passed in lieu thereof. 40 45

The title of the grantee of chattels comprised in an instrument otherwise than by way of bailment shall not, if such instrument be duly registered under this Act, or, if not registered, if the period within which the same is by this Act required to be registered has not expired, be prejudiced or affected by the provisions of section eighty-one of "The Bankruptcy Act, 1883," or any similar section in any Act passed in lieu thereof. 50

AS TO INSTRUMENTS GENERALLY.

26. If any instrument shall be made or given subject to any defeasance, condition, or declaration of trust not contained in the body thereof, such defeasance, condition, or declaration of trust shall for the purposes of this Act be taken as part of such instrument, and shall be written on the same paper or parchment on which such instrument shall be written, otherwise such instrument shall be void so far as regards the property in or right to the possession of any chattels comprised in or affected by such instrument :

When instrument made subject to defeasance, &c., not contained in the body thereof.

10 Provided that in the case of a document also securing the payment of moneys payable by virtue of an instrument, or any part of such moneys, it shall not be necessary for the purposes of this section to write such document on the same paper or parchment, if the date, names of the parties thereto, nature of the security, and amount secured by such document be set forth in such instrument or some schedule thereto.

27. Every instrument by way of security shall be void as against the assignee in bankruptcy of the grantor's estate if it has been executed within six months prior to the order of adjudication being made, except as to money actually advanced or paid, or the actual value of goods or chattels sold or supplied by the grantee of the instrument to the grantor contemporaneously with or after the execution thereof.

Instrument by way of security void against Assignee in Bankruptcy if executed within six months, except as to moneys advanced on goods supplied at or after execution.

Any unpaid purchase-money for any chattels, or for any land and buildings sold with the same, shall be deemed to be money actually advanced at the time of execution: Provided that the instrument under this Act for securing the same be executed within twenty-one days after the sale of the chattels comprised in such instrument.

28. Every instrument shall be deemed to be given on and shall only take effect from the day on which such instrument is executed.

Instruments to take effect from day of execution.

29. Every instrument shall have annexed thereto or written thereon a schedule containing an inventory of the chattels comprised in the instrument, and such instrument, save as is hereinafter mentioned, shall have effect only in respect of the chattels specifically described in the said schedule, and shall be void in respect of any chattels not so specifically described.

Every instrument to have schedule or inventory of chattels.

30. Save as is hereinafter mentioned, an instrument shall be void in respect of any chattels of which the grantor was not the true owner at the time of the execution of the instrument.

Instrument to be void as against chattels of which grantor was not true owner at date of instrument.

31. Nothing contained in the *twenty-ninth* and *thirtieth* sections hereof shall render an instrument void in respect of any of the following chattels, that is to say,—

Nothing in foregoing sections to make instrument void in respect of stock, wool, crops, fixtures, &c.

(1.) Stock, wool, and crops ;

45 (2.) Any fixtures, plant, or trade machinery where such fixtures, plant, or trade machinery are used in, attached to, or brought upon any place in substitution for any of the like fixtures, plant, or trade machinery specifically described in the schedule to such instrument.

50 32. In case two or more instruments are executed comprising in whole or in part any of the same chattels, priority shall be given to

Instruments affecting same chattels to have priority in

order of date of registration.

such instrument or instruments in the order of the date of their registration respectively as regards the title to or right to the possession of such chattels.

Avoidance of certain duplicate instruments by way of security.

33. Where an instrument by way of security is executed after the execution of a prior unregistered instrument, and comprises all or any of the chattels comprised in such prior instrument, then, if such subsequent instrument is given as a security for the same debt as is secured by the prior instrument, or for any part of such debt, it shall, to the extent to which it is a security for the same debt or part thereof, and so far as respects the chattels comprised in the prior instrument, be void, unless it be proved to the Court having cognizance of the case that the subsequent instrument was *bonâ fide* given for the purpose of correcting some material error in the prior instrument, and not for the purpose of evading this Act. 5 10

INSTRUMENTS COMPRISING STOCK.

Stock comprised in instrument to be described in schedule by reference to brands, &c.

34. In any instrument comprising stock the stock therein comprised shall be described in the schedule thereto by reference to some brand or brands or other mark or marks on such stock, or shall be so otherwise described or referred to by sex, age, name, colour, or otherwise as to be reasonably capable of identification; otherwise the same shall be void as regards such stock. 20

Instruments comprising stock to include increase and all other stock similarly branded.

35. An instrument comprising stock shall, unless the contrary be expressed therein, be deemed to include not only the stock specifically described in such instrument, but also the increase of such stock, and all stock the property of the grantor, branded with the brand or marked with the mark specified in the instrument, which shall after the execution of such instrument be depasturing or be at, in, or upon any lands mentioned in such instrument. 25

SECURITIES OVER CROPS.

Instruments by way of security may be granted over growing crops.

36. An instrument by way of security may be granted over the crops specified in the schedule thereto then actually sown in or growing, or which it may be intended to sow or grow, upon the lands mentioned in such schedule, and shall entitle the grantee thereof to the whole of the crops therein mentioned, not only while growing, but afterwards when cut or separated from the soil, and whether stacked or stored on the land where raised or on any other land or premises. 30 35

Instruments not to avail against crops which cannot be harvested within twelve months.

37. No such instrument shall avail to give security over any crops which in the ordinary course of husbandry cannot be harvested and taken off such land within one year from the date of the execution of such instrument. 40

Crop securities not to affect rights of landlord or mortgagee except in certain cases.

38. No instrument by way of security over crops shall prejudicially affect the rights of any landlord or mortgagee of any land whereon the said crops shall be growing, unless such landlord or mortgagee has consented in writing to such instrument: Provided that no such instrument shall be extinguished or prejudicially affected by any subsequent sale, lease, mortgage, or other incumbrance of or upon the land on which any such crops shall be. 45

SECURITIES OVER WOOL.

39. An instrument by way of security may be granted over the wool of the next ensuing clip to be shorn from the sheep specified in the schedule thereto, then depasturing upon the lands mentioned in such schedule, and shall entitle the grantee thereof to the wool therein mentioned, not only while growing, but afterwards when shorn from the sheep, and wherever the same may be.
40. No subsequent sale, bailment, mortgage, or other incumbrance of the sheep mentioned in any such instrument shall extinguish, suspend, impair, or prejudicially affect such instrument or the rights of the grantee thereof to the wool specified therein; and if any such be taken in execution of any process they may be sold, but shall thereafter continue and be subject to such instrument and to the rights of the grantee thereof.
41. It shall be lawful for the grantor of any instrument by way of security over sheep, but only with the consent in writing of the grantee thereof, to give a valid security as aforesaid on the next ensuing clip of the wool of such sheep.

Securities over wool of ensuing clip may be granted.

Wool securities not affected by subsequent sale, &c., of sheep.

Security over wool of mortgaged sheep may be granted with consent of mortgagee.

FORMS, ETC.

42. Every instrument by way of security may be in the form or to the effect set forth in the *Fourth* Schedule hereto, with such variations thereof and additions thereto as the parties thereto may think fit.
43. There shall be implied in every instrument the covenants for title on the part of the grantor set forth in the *Fifth* Schedule hereto, and such implied covenants shall have the same effect as if the same had respectively been set forth in such instrument at length.
44. There shall be implied in every instrument by way of security the covenants, provisoes, agreements, and powers set forth in the *Sixth* Schedule hereto, or such of them as are applicable thereto, and such implied covenants, provisoes, agreements, and powers, subject to any modification thereof, shall have the same effect as if the same had respectively been set forth in such instrument at length.
45. Such of the expressions defined in the *Seventh* Schedule to this Act as shall be used in any instrument, or in any of the covenants, powers, provisoes, or agreements implied therein by this Act, shall, unless the contrary is expressed in such instrument, or unless manifestly inconsistent with the context thereof, have the meaning given to the same in the said *Seventh* Schedule, and such meaning shall be implied in such instrument as fully and effectually as if the same were set forth therein in the words of the said *Seventh* Schedule.
46. Whenever there is more than one grantor or more than one grantee of any instrument, then any covenants, conditions, provisoes, powers, and agreements expressed in such instrument, or implied therein by this Act, and imposing an obligation on such grantors or grantees, or enuring for the benefit of such grantors or grantees, shall be deemed to impose such obligation, or confer such benefit, as the case may be, severally as well as jointly, unless and in so far as a contrary intention appears.

Instrument by way of security may be in form in *Fourth* Schedule.

Covenants for title in *Fifth* Schedule to be implied in every instrument.

Covenants, powers, &c., in *Sixth* Schedule to be implied in instruments by way of security.

Certain abbreviated expressions to have meanings as defined in *Seventh* Schedule.

When more than one grantor or grantee, covenants, &c., to apply severally as well as jointly.

Covenants, &c., to apply to executors, administrators, and assigns.

47. In any instrument, unless the contrary be expressed, all covenants, conditions, provisoes, powers, and agreements therein expressed, or therein implied by this Act, shall bind the executors, administrators, and assigns of the person upon whom such covenants, conditions, provisoes, powers, and agreements shall impose an obligation, and shall operate for the benefit of the executors, administrators, and assigns of the person for whose benefit the same shall enure. 5

Covenants, &c., in Fifth, Sixth, and Seventh Schedules may be negatived, modified, altered, &c.

48. All or any of the covenants, powers, provisoes, conditions, or agreements set forth in the *Fifth*, *Sixth*, and *Seventh* Schedules hereto may, if so expressed in the instrument, be negatived, modified, or altered, or others may be added to the same, in any way consistent with the provisions of this Act. 10

Sealing not essential, but attestation essential.

49. Sealing shall not be essential to the validity of any instrument; but every execution of an instrument or memorandum of satisfaction shall be attested by one witness, to whose signature shall be added the residence and occupation of such witness. 15

TRANSFERS OF INSTRUMENTS.

Every instrument may be transferred by form in Eighth Schedule.

50. Every instrument may be transferred by a document in the form in the *Eighth* Schedule hereto or to the like effect, and every transferee shall have the same rights, powers, and remedies, and be subject to the same obligations, as the transferor. 20

Transfers may be registered.

51. Transfers of instruments by way of security may be registered at any time after the execution thereof, in like manner as instruments are registered; and, in case two or more transfers of the same instrument, by way of security, are executed, a registered transfer shall have priority over an unregistered transfer; and, in case of registered transfers of the same instrument by way of security, priority shall be given to such transfers in the order of the date of their registration. 25

PENAL.

Grantor of an instrument by way of security who attempts to defraud grantee to be guilty of misdemeanour.

52. Every grantor of an instrument by way of security who, by sale or delivery of any chattels comprised in or affected by such instrument without the consent of the grantee, or by any other means, shall defraud or attempt to defraud the grantee of the same or any part thereof, and thus or by any other means directly or indirectly defeat, invalidate, or impair his security over the same, and every person who shall wilfully aid and abet any person whomsoever in defrauding or attempting to defraud the grantee by defeating, invalidating, or impairing such instrument, or in attempting to do so, shall be guilty of a misdemeanour, and shall be liable on conviction thereof to a fine not exceeding three times the amount of the loss thereby sustained, or to imprisonment with or without hard labour for any period not exceeding *two* years. 30 35 40

REPEAL.

References to repealed Acts to operate as references to this Act.

53. Where any Act passed or document made before the coming into operation of this Act refers to any enactment repealed by this Act, such Act or document shall be construed and shall operate so far as regards any instruments made or to be made after the coming into operation of this Act as if it referred to the corresponding provisions of this Act. 45

54. The Acts mentioned in the Ninth Schedule to this Act are hereby repealed; but this repeal shall not affect any instruments made before the coming into operation of this Act, or the rights and liabilities of any persons in connection therewith; and as regards such instruments, the Acts hereby repealed shall continue in force.

SCHEDULES.

Schedules.

FIRST SCHEDULE.

AFFIDAVIT ON REGISTRATION OF INSTRUMENT.

In the Supreme Court of New Zealand, } In the matter of "The Chattels Transfer
[] District. } Act, 1889."

I [full name of deponent], of [place of residence or business], in the Colony of New Zealand [occupation], make oath and say as follows:—

1. The paper writing hereto annexed and marked "A" is a true copy of an instrument under the above-mentioned Act and of every schedule or inventory thereto annexed or therein referred to, and of every attestation of the execution thereof as made and given and executed by [full name of grantor].

2. The said instrument was made and given by the said [full name of grantor] on the day of , 18 .

3. I was present, and saw [full name of grantor] duly execute the said instrument on the day of , 18 , at [Here state precisely place where instrument executed].

4. The said [full name of grantor] resides at [place of residence], and is [occupation]. [This may refer either to residence at date of instrument or at date of swearing affidavit.]

5. The name subscribed to the said instrument, as that of the witness attesting the due execution thereof by the said [name of grantor], is in the proper handwriting of me, this deponent.

6. I am [occupation], and reside at [place of residence].

Sworn at , the day of , 18 , before me,—

A. B.,

A Solicitor of the Supreme Court of New Zealand.

N.B.—If the grantor is absent from the colony and executes the instrument by attorney, it shall be sufficient if the deponent states his belief as to the present address of the grantor. In the case of a company the registered office shall be stated instead of the place of residence.

Where the original instrument is filed the first paragraph of this affidavit should be struck out, and the second and third paragraphs will require some alterations.

Where the instrument is by way of bailment the third, fourth, and fifth paragraphs must be made to relate to the execution by, and the residence and occupation of, both grantor and grantee.

SECOND SCHEDULE.

REGISTER-BOOK.

No.	By whom given (or against whom Process issued).			To whom given.			Nature and Date of Instrument.	Consideration.	Date of Registration.	Date of Renewal.	Satisfaction entered.
	Name.	Residence.	Occupation.	Name.	Residence.	Occupation.					

N.B.—In the case of an instrument by way of security, it shall not be imperative to state the residence and occupation of the grantee.

THIRD SCHEDULE.

AFFIDAVIT ON RENEWAL OF REGISTRATION OF INSTRUMENT.

In the Supreme Court of New Zealand, } In the matter of "The Chattels Transfer
District. } Act, 1889."

I [full name of deponent], of [place of residence or business], in the Colony of New Zealand [occupation], make oath and say as follows:—

1. I am the grantee [or grantor, in the case of an instrument by way of bailment] of the instrument registered under the above Act as No. , and made between [Here state names of parties to instrument, and their residences and occupations as appearing therein].

[If affidavit is made by agent, clerk, or servant of grantee or grantor, state such fact, and also state briefly how deponent is acquainted with the facts deposed to.]

2. The said instrument was registered on the day of , 18 .

3. The registration of the said instrument was last renewed on the day of , 18 .

[This paragraph is of course inapplicable in case of an instrument registration of which is renewed for the first time.]

4. There is now owing by the said [name of grantor] to me, the said [name of grantee], by virtue of the said instrument, the sum of £ , or thereabouts.

[This paragraph is inapplicable except in case of an instrument by way of security.]

5. The said instrument is still subsisting, and in full force and effect.

Sworn at , this day
of , 18 , before me,—

A.B.,

A Solicitor of the Supreme Court of New Zealand.

FOURTH SCHEDULE.

FORM OF INSTRUMENT BY WAY OF SECURITY.

A.B., of [State residence and occupation], being possessed of the chattels mentioned in the Schedule hereto, in consideration of the sum of £ this day lent and advanced to him by E.F., of [Here state residence and occupation], [Or, if consideration not an advance of money, state the other consideration for which mortgage given], doth hereby assign, transfer, and set over the same to the said E.F. by way of mortgage, to secure the payment of the said sum of £ , on the day of , 18 , with interest thereon in the meantime, and so long as the same or any part thereof remains unpaid, at the rate of £ per centum per annum, by payments on the day of the months of in each year.

In witness whereof A.B. has hereunto subscribed his name this day
of , 18 .

SCHEDULE.

A.B.

Signed by the above-named A.B.,
in the presence of—

G.H.,

[Occupation and address.]

FIFTH SCHEDULE.

COVENANTS IMPLIED IN ALL INSTRUMENTS.

THAT the grantor hath good right and full power to assign the chattels purported to be herein assigned unto the grantee as is herein mentioned, and that free and clear from all incumbrances other than such as are herein mentioned.

That the grantor will, at the cost of the grantee, unless this instrument is by way of security, and then at the cost, until sale, of the grantor, and thereafter of the person requiring the same, do and execute all such acts, deeds, matters, and things for the better assigning the chattels hereby assigned, or intended so to be, as is herein mentioned, as by the grantee or such other person as before mentioned may from time to time be reasonably required.

SIXTH SCHEDULE.

COVENANTS TO BE IMPLIED IN INSTRUMENTS BY WAY OF SECURITY.

THAT the grantor will pay to the grantee the principal money and interest hereby secured, after the rate and at the times herein mentioned, without any deduction whatever.

That the grantor will also pay interest on any further advances which may be secured by this instrument, computed from the time of the same being made respectively, at the rate and on the dates mentioned for the payment of interest in this instrument.

That the grantor will not, at any time while any moneys shall remain due on this security, do or allow any act or deed whereby the chattels hereby assigned shall or may become prejudicially affected, and will at all times while any moneys shall remain due on this security duly pay all rents from time to time coming due in respect of any lands on which any of the chattels hereby assigned may for the time being be situate.

That the grantor will at all times, while any moneys shall remain due on this security, keep and maintain all and singular the chattels hereby assigned in the like good order and condition in which they are at the date hereof; and if any of the same shall be damaged or destroyed, or cease to exist, will repair such damage, or replace the chattels so destroyed, or which have ceased to exist, with others of a like nature; and further shall and will, if required so to do by the grantee, execute such instrument as may be necessary to give to the grantee security over the chattel replacing the chattels hereby assigned which have been destroyed or ceased to exist.

PROVISOS AND AGREEMENTS IMPLIED IN INSTRUMENTS BY WAY OF SECURITY.

Provided always, and it is hereby declared and agreed, that until the grantor shall make default in the payment of any of the moneys hereby secured, or in the observance or performance of any covenant, condition, and agreement herein expressed or implied, and on his part to be observed and performed, or until the grantor shall become bankrupt, or shall die, or until there shall be an unsatisfied judgment of any Court of law or equity against the grantor, it shall be lawful for the grantor to retain possession and use of the chattels hereby assigned.

Provided, further, that the giving by the grantor to the grantee of any bill of exchange or promissory note for the whole or any part of the money hereby secured shall not, until such bill or note be honoured or met, be considered as payment of or on account of the moneys secured by this instrument, or in any way affect or alter the rights or powers of the grantee by virtue of this instrument: Provided that no promissory note or bill of exchange which before, at, or at any time after the execution of this instrument may be given by the grantor to the grantee for the whole or any portion of the moneys hereby secured, or the remedy of the grantee or of the holder thereof thereon, shall merge in the covenants herein expressed or implied.

POWERS IMPLIED IN INSTRUMENT BY WAY OF SECURITY.

Provided always, and it is hereby declared and agreed, that if default shall be made by the grantor in payment of any of the principal or interest moneys hereby covenanted to be paid on the day on which the same ought to have been paid according to the terms hereof, or in the observance or performance of any of the covenants, conditions, or agreements herein expressed or implied, and on the grantor's part to be observed and performed, or if the grantor shall become bankrupt, or if there shall be at any time an unsatisfied judgment of any Court of law or equity against the grantor, or if he shall die, then and in any such case it shall be lawful for the grantee, either personally or by his agent or servants, immediately thereupon

or at any time thereafter, without any further consent by the grantor, and without the necessity of giving to the grantor any notice whatsoever, or waiting any time whatsoever, and notwithstanding any subsequent acceptance of any payment of any money due on this security, to enter upon any premises wherein the hereby-assigned chattels may be, and take possession of the chattels, and absolutely to sell and dispose of the same or any part thereof by private sale or public auction, separately or together, in such lots and generally in such manner in every respect as to the grantee shall seem expedient, with power to allow time for payment of purchase-money or to buy in the said chattels or any part thereof at such auction, and to rescind or vary the terms of any contract or sale, and to resell without being answerable for any loss or expense which may be occasioned thereby, and to execute all such assurances and do all such things for effectuating any such sale as may be necessary or proper, and the receipt of the grantee or his agent shall be a sufficient discharge to any purchaser at such sale for any of the purchase-money, and upon any sale purporting to be made in exercise of the powers herein expressed or implied no purchaser shall be bound to inquire as to the propriety or regularity of any such sale, or be affected by notice express or constructive that any such sale is improper or irregular.

And it is hereby declared and agreed that the grantee shall stand possessed of the proceeds of any such sale upon trust, after paying thereout the costs, charges, and expenses of and incidental to such taking possession, sale, and the preparation and registration of this instrument, to apply the same in reduction of the moneys then owing on the security of this instrument, including all moneys herein covenanted to be paid, notwithstanding that the same may not then have become due, or that any promissory notes or bills of exchange may then be current for the same, and to pay the balance to the grantor.

POWER TO BE IMPLIED IN INSTRUMENTS BY WAY OF SECURITY OVER CROPS.

If the grantor shall not pay to the grantee the moneys hereby secured, with interest and commission thereon as herein mentioned, at the time herein mentioned for payment of the same, the crops hereby assigned shall be gathered, carried away, and made marketable by the grantor or by the grantee, at his option, at the expense of the grantor, and shall be delivered by the grantor at the place of delivery mentioned in this instrument, and failing the mention of any such place, then at such place as the grantee shall direct to the grantee or his order, and the grantee may either sell the same in New Zealand, in one or more lots, by public auction or private contract, or partly in the one way and partly in the other, and upon such terms and conditions as to credit and otherwise as the grantee shall think fit, or may cause the same to be shipped or exported to any place or places without the Colony of New Zealand, to be sold in manner and on the terms aforesaid, without being responsible for any loss or deficiency that may be occasioned either by the shipment of the said crop or by any sale or sales thereof, whether in New Zealand or elsewhere, or by the act, neglect, or default of any agent, broker, or third person, and may from the proceeds pay himself the moneys hereby secured, and any rent payable to any landlord, and any moneys payable to any mortgagee which the grantee may be compelled to pay in order to protect his security over the said crops, and all costs, mercantile and other charges, and expenses incurred in and about the harvesting, sale, shipment, and carrying away of such crops, the storage and freight thereof, or on any other account connected with the realisation thereof, and shall pay over the balance, if any, to the grantor.

POWER TO BE IMPLIED IN INSTRUMENT BY WAY OF SECURITY OVER WOOL.

If the grantor shall not pay to the grantee the moneys hereby secured, with interest and commission thereon as herein mentioned, at the time herein mentioned for payment of the same, the flock of sheep mentioned in the Schedule hereto shall be shorn by the grantor, or by the grantee, at his option, at the expense of the grantor, at the usual and proper season for so doing, and the wool of such sheep shall with all convenient speed be properly sorted and packed in good bales, marked with the proper brand of such wool, and shall be delivered by the grantor at such place as is mentioned in this instrument, and, failing the mention of any such place, then at such place as the grantee shall direct; and the grantee may either sell the same in New Zealand, in one or more lots, by public auction or private contract, or partly in the one way and partly in the other, and upon such terms and conditions as to credit and otherwise as the grantee shall think fit, or may cause the same to be shipped or exported to any place or places without the Colony of New Zealand, to be sold in manner and on the terms aforesaid by the agents of the grantee, without being responsible for any loss or deficiency that

may be occasioned either by the shipment of the said wool or by any sale or sales thereof, whether in New Zealand or elsewhere, or by the act, neglect, or default of any agent, broker, or other person; and may from the proceeds pay himself the moneys hereby secured, and any rent payable to any landlord and any moneys payable to any mortgagee which the grantee may be compelled to pay in order to protect his security on the said wool, and all costs, mercantile and other charges and expenses, incurred in and about the shearing of the said sheep, and the packing, carrying away, sale, and shipment of the said wool, or on any other account connected with the realisation thereof, and shall pay over the balance, if any, to the grantor.

SEVENTH SCHEDULE.

MEANING OF ABBREVIATED EXPRESSIONS.

THE words "upon demand" mean upon demand being made by notice in writing signed by the person entitled to make the demand, or any agent or clerk or servant of his, being served upon the person upon whom the demand is to be made, either personally or by posting the same in a duly registered letter addressed to him at his usual or last known place of abode in the colony.

The words "further advances" mean such further sum or sums of money as may be advanced or paid by the grantee to the grantor after the execution of this instrument, and include also such sums as may become owing by the grantor to the grantee during the continuance of this instrument for goods supplied, for bills and notes discounted and paid, and for other loans, credits, and advances which may during the continuance of this security be made by the grantee to or for the accommodation or at the request of the grantor.

The words "will, upon demand, pay the balance due upon the account-current between them" mean that the grantor will, on demand, pay to the grantee the balance which on the account-current of the grantor with the grantee shall for the time be owing for and on account of the moneys advanced on the execution hereof, or intended to be hereby secured, and for further advances as defined by "The Chattels Transfer Act, 1889," and for interest, commission, and for other lawful charges from the day of such demand having been made or left till the actual payment thereof at the rate mentioned in this instrument without any deduction; and it is hereby declared and agreed that the said account-current shall be made up with half-yearly rests on the half-yearly days mentioned for that purpose in this instrument, in each year, and failing any such days being mentioned in this instrument then on the 31st day of March and the 30th day of September in each year, until the final balance of account shall be fully paid; and also that upon every such half-yearly day, interest shall be considered as converted into principal, and the balance shall be chargeable with interest as aforesaid as further advances, and also that in making up such account, interest at the rate specified in this instrument shall be calculated on the daily debtor balances; and also that upon any such demand as aforesaid, all bills of exchange or promissory notes which shall have been given by the grantor to the grantee and shall then be current, may at the option of the grantee and in case of entry into possession or sale by the grantee shall be considered as matured or become due, subject to a rebate of interest for the time during which the same shall have to run upon the amount thereof, at the same rate of interest as is payable under this instrument, and that the amount of such bills or promissory notes, subject to such rebate, may be charged to the grantor in such account at the time of making such demand.

The words "will insure" mean that the person liable to insure will insure in the name of the other party to this instrument, so long as this instrument shall remain in force, in some public insurance office to be approved by the person in whose name such insurance is to be effected, against loss or damage by fire to the full amount specified in this instrument; or, if no amount be specified, then to the full insurable value, all chattels comprised herein which shall be of a nature or kind capable of being insured against loss or damage by fire; and that he will, at the request of the person in whose name such insurance is to be effected, hand over to and deposit with him the policy of every such insurance, and produce to him the receipt or receipts for the annual or other premiums payable on account thereof; and also that all moneys to be received under or by virtue of any such insurance shall, in the event of loss or damage by fire, be laid out and expended in making good such loss or damage, or, if this instrument be given by way of security, in discharging the

moneys hereby secured, so far as the same will extend, if the grantee shall elect so to expend the moneys. Provided always that, if default be made in the observance or performance of this covenant, it shall be lawful for the person in whose name such insurance should have been effected, without prejudice nevertheless to, and concurrently with, the powers granted him by this instrument or otherwise by law, to insure such chattels, and he may forthwith recover the costs and charges of such insurance from the other party to this instrument as if the same had been advanced to him by way of loan on the security of this instrument.

The words "will brand" mean that the person liable to brand will keep the stock comprised in this instrument and their increase, and all other stock for the time being subject to this instrument, at all times during the continuance of this instrument distinctly branded with the brands mentioned in this instrument, failing which it shall be lawful for, but not imperative on, the other party hereto to enter upon the premises where such stock or their increase are, and to take possession of the same and brand the same with the proper brand for the same as mentioned in this instrument, and all costs occasioned to him by so doing shall be recoverable from the other party as if the same were advanced to him by way of loan.

EIGHTH SCHEDULE.

TRANSFER OF INSTRUMENT.

I, A.B., of [*Here state residence and occupation*], the grantee of the instrument registered as No. _____, under "The Chattels Transfer Act, 1889," do hereby transfer to C.D., of [*Here state residence and occupation*], the said instrument, and all my right, title, estate, and interest under the same.

As witness my hand this _____ day of _____, 18 ____.

A.B.

Signed by the said A.B.,
in the presence of—

E.F..

[*Occupation and address.*]

NINTH SCHEDULE.

"The Chattel Securities Act, 1880."
"The Chattels Securities Act 1880 Amendment Act, 1883."
"The Chattel Securities Act 1880 Amendment Act, 1887."
The 80th section of "The Bankruptcy Act, 1883."