

CHAPTER 577

ASSIGNMENT FOR BENEFIT OF CREDITORS

577.01 REQUISITES.

The creditors are the beneficiaries of the trust and have a vested interest in the property and its proceeds which cannot be changed or impaired by the assignor or the assignee; and where a trustee receives a profit other than interest on his money by furnishing his own funds to a third party to buy up the claims of the creditors, he violates his duty to such creditors and they and not the assignor have the right to call him to account. *Boyum v Jordan*, 146 M 66, 178 NW 158.

In an action by the assignor against the trustee to cancel and terminate a trust agreement and having an accounting, alleging that property had been disposed of by the trustee and the proceeds improperly applied, the action is transitory and not local and the relators are entitled to have the case tried in the county of their residence. *State ex rel v District Court*, 146 M 422, 178 NW 1004.

Where a trustee of property for the benefit of assignor's creditors enters into a lease of a storeroom with a third party, such contract is not the contract of the assignor, but is the contract of the individual trustee or assignee. *Kaehn v Hancock*, 156 M 113, 194 NW 112.

Conflict of laws as to contracts. 10 MLR 500.

Fraudulent conveyance of chattels. 24 MLR 838.