

Circumstances making deed fraudulent.³¹—In *Farrow v. Teackle*, 4 H. & J. 271, a debtor purchased certain lands which were conveyed to his two infant daughters, the offspring of an adulterous intercourse. On a bill by a judgment creditor to vacate the deed, the debtor denied fraud, and averred that the conveyance was so made to prevent his wife, from whom he had separated, being dowable thereof. The deed was set aside, the consideration being anything but meritorious. In *Hoye v. Penn*, 1 Bl. 28, where a debtor made voluntary conveyances to his children and grandchildren, Chancellor Kilty thought that though on good and meritorious consideration, they were not *bona fide* as to creditors, and that the grantor's indebtedness at the time was so strong a badge of fraud in *contemplation of law as not to require any further proof of **388** intention. In *Kipp v. Hanna*, 2 Bl. 26, a shoemaker, in no very affluent circumstances and in debt at the time, conveyed a large part of his estate in trust for his wife and children, and the Chancellor took occasion to lay down the law, saying that it was too broad a doctrine to say that voluntary conveyances are void if the grantor be at all indebted at the time, and on the other hand to say they are good if he be not actually insolvent. The true rule is *comparative indebtedness*, his pecuniary ability to withdraw the amount from his estate without the least hazard to his creditors, or in any material degree lessening their then prospects of payment. When a person indebted to sundry persons makes a gift to his son, or one of his own blood, without consideration but only of nature, the law *intends a trust between them at law and in equity*. The presumed trust affords evidence of intended fraud on creditors, for a man greatly indebted ought not to be allowed to keep for his own use, or give away property to the prejudice of his creditors. No donation can stand against them, where it is doubtful whether his remaining property will satisfy his debts, although being totally insolvent at the time of the conveyance is conclusive evidence of fraud, &c. The leading case in Maryland, however, on this subject is *Worthington v. Shipley*, 5 Gill, 449. There a father, literally loaded with debt, made a voluntary conveyance of negroes to his daughter, the monied consideration expressed in the deed being conceded to be formal merely. The Court observed that the word "voluntary" was not to be found in the Stat. of Eliz., and its provisions are pointed, not at voluntary conveyances as such, but against transfers concocted in fraud, &c., that the true rule was, that an indebtedment at the time of the voluntary conveyance is *prima facie* only and not conclusive evidence of a fraudulent purpose, even with respect to a prior creditor, and that this presumption may be repelled by shewing that the donor was in prosperous circumstances, possessed of ample means to discharge all his pecuniary obligations, and that the settlement on the child was a reasonable provision according to his or her station and condition in life. In *Worthington v. Bullitt*, 6 Md. 172, a debtor in embarrassed circumstances conveyed to his son land worth upwards of \$20,000 for a consideration expressed of

³¹ See notes 18-25 *supra*, and 45 *infra*.