

An. Code, 1924, sec. 3. 1920, ch. 395, sec. 3.

3. (Fair Consideration.) Fair consideration is given for property, or obligation,

(a) When in exchange for such property, or obligation, as a fair equivalent therefor, and in good faith, property is conveyed or an antecedent debt is satisfied, or

(b) When such property or obligation is received in good faith to secure a present advance or antecedent debt in amount not disproportionately small as compared with the value of the property, or obligation obtained.

Conveyance by husband to wife in payment of antecedent debt does not constitute fraud. *Kennard v. Elkton Bnkg. & Tr. Co.*, Daily Record, May 20, 1939.

Marriage is sufficient consideration to support pre-nuptial conveyance though it operates to prejudice of creditors, unless grantee was implicated in fraud. Conveyance upheld. *Braecklein v. McNamara*, 147 Md. 21; *Cf. Merchants' Bank v. Page*, 147 Md. 609.

Satisfaction of antecedent debt is fair consideration for transfer in good faith of property equivalent in value to debt. Fraud not made out. *Wareheim v. Bayliss*, 149 Md. 107.

Cited but not construed in *Drury v. State Capital Bank*, 163 Md. 91; *Marcus v. Hudgins*, 168 Md. 86.

Cited in *Bryan v. Wilson*, 171 Md. 424.

See notes to sec. 4.

An. Code, 1924, sec. 4. 1920, ch. 395, sec. 4.

4. (Conveyance by Insolvent.) Every conveyance made and every obligation incurred by a person who is or will be thereby rendered insolvent is fraudulent as to creditors without regard to his actual intent if the conveyance is made or the obligation is incurred without a fair consideration.

Mortgage given by wife to pay indebtedness of husband is no more than voluntary gift and is void as to creditors of wife (see notes to sec. 3). *Merchants' Bank v. Page*, 147 Md. 609.

Cited but not construed in separate opinion in *Hammond v. Lyon Realty Co.*, 163 Md. 466.

Cited but not construed in *Marcus v. Hudgins*, 168 Md. 86.

See notes to Sec. 6.

As to insolvents, see art. 47.

An. Code, 1924, sec. 5. 1920, ch. 395, sec. 5.

5. (Conveyance by Persons in Business.) Every conveyance made without fair consideration when the person making it is engaged or is about to engage in a business or transaction for which the property remaining in his hands after the conveyance is an unreasonably small capital, is fraudulent as to creditors and as to other persons who become creditors during the continuance of such business or transaction without regard to his actual intent.

An. Code, 1924, sec. 6. 1920, ch. 395, sec. 6.

6. (Conveyance by a Person about to Incur Debts.) Every conveyance made and every obligation incurred without fair consideration when the person making the conveyance or entering into the obligation intends or believes that he will incur debts beyond his ability to pay as they mature, is fraudulent as to both present and future creditors.

Burden of proof rests on one alleging that conveyance was made with the intention and design of defrauding creditors. *Neeb v. Atlantic Mill, etc. Co.*, 176 Md. 297.

To set aside a conveyance on the ground that it was made to defraud subsequent creditors, it is necessary to allege that fact and to prove such fraud. *Oakford Realty Co. v. Boarman*, 156 Md. 65.

Cited but not construed in *Dollar Cleansers v. McGregor*, 163 Md. 110.