

On a consideration, then, of the whole contract between the parties, the court is of opinion that Groverman remained the owner of the vessel during the voyage, and is answerable for any misconduct of the captain.

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MAN.

The covenant to lay off and on at the port of Falmouth, being the covenant of Groverman, the freighters are not answerable in this action, for the breach of it, should the orders of Fox be understood as their orders. It is probable that the course taken by the captain was the most prudent course; but were it otherwise, the orders of Fox might excuse the owner from any action brought by the freighters for loss sustained by them in consequence of going into Falmouth, but could not entitle him in this action against the freighters.

It is then the opinion of this court, that on this special verdict, the law is for the defendants.

Judgment reversed, and the circuit court to enter judgment for the defendants.

GABRIEL WOOD, ORIGINAL DEFENDANT,

v.

WILLIAM OWINGS AND JOB SMITH,

ASSIGNEES OF

WILLIAM ROBB, A BANKRUPT, ORIGINAL PLAINTIFF,

ERROR from the fourth circuit court sitting at Baltimore.

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This was an action on the case, for money had and received by Wood to the use of Robb, the bankrupt.

A deed of lands in Maryland, signed, sealed, and delivered on the 30th of May, and ...

Judgment below was entered by consent, subject to the opinion of the court on a case stating the following facts, viz.

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knowledge^d on
the 14th of
June, is to be
considered as
made on the
30th of May;
and its acknow-
ledgment on
the 14th of
June will not
cause it to be
such a deed as
is contemplated
in the bankrupt
act which came
into operation
on the 2d of
June.

On the 30th of May, 1800, Robb being in possession of his household furniture, and having two vessels and no other property, on the high seas, *signed, sealed, and delivered*, a deed to Charles Garts and Gabriel Wood, trustees in behalf of themselves and other creditors of Robb, therein particularly named, and such others of his creditors as should by a certain time assent to the terms of the trust; by which deed, Robb, in consideration of five shillings, and towards payment of the debts due to the particular creditors therein named in the first place, and in the next place of such of his creditors as should agree to the terms of the trust; grants, bargains, sells, &c. to Garts and Wood, *all his estate, real, personal, and mixed, and choses in action, &c.* in trust to sell the same and collect the debts, &c. and on receipt of the money, to retain in the first place the amount due to Garts and Wood, for money lent, &c. then to pay the debts due to the other creditors particularly named, and then to pay the debts due to such of his other creditors as should, within a certain time, agree to the terms of the trust; and if there should be a surplus to pay it over to Robb. That this deed was acknowledged on the 14th June, 1800.— That Robb did not on the said 30th of May, 1800; deliver to Wood, his books, but they remained in Robb's possession. That the vessels were not conveyed to Wood by any other conveyance than that before mentioned. That Robb continued in possession of his household furniture, books of accounts, and all his papers, until the signing out of the commission of bankruptcy, except the policies of insurance on the vessels, which were delivered to Wood at the time of delivering the deed. That Robb considered Wood as having a right to take possession of the books and papers, and personal estate, at any time after the delivery of the deed, but did not then expect to be obliged to stop business; on the contrary, that he actually went on with the hope of retrieving his affairs until the 20th June, 1800. That Robb was a trader before and after the 1st of June, 1800; that at the time of signing, sealing, and delivering of the said deed, he was the legal proprietor of a lot of ground in the state of Maryland, as assignee of a term of 99 years, renewable forever, and was also possessed of personal property, and had debts due to him; that Garts and Wood, and the other persons in the deed particularly named, were credi-

tors of Robb; and that there were other creditors besides those particularly preferred in the deed. That a commission of bankruptcy issued against Robb on the 12th July, 1800, *founded on the execution and acknowledgment of the said deed*, under which Robb was declared a bankrupt, and his effects were assigned to the plaintiffs, Owings and Smith, by a deed of assignment on the 1st of May, 1801. And that the action is brought to recover all monies received by Wood, in virtue of the said deed to Garts and Wood. If on the above state of facts the plaintiffs were entitled to recover, then judgment was to be entered for the plaintiffs for 3000 dollars; but if, &c. then judgment of *non pros*.

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By the bankrupt act of the United States, §. 1, it is enacted, that "*from and after the 1st day of June next,*" (1 June, 1800,) "if any merchant," &c. "with intent unlawfully to delay or defraud his creditors, shall make or cause to be made, any fraudulent conveyance of his lands or chattels," "he shall be deemed and adjudged a bankrupt."

Two questions were made by the counsel in the court below, viz.

1st. Whether this deed can be considered as made at the time of its acknowledgment on 14th June, 1800, so as to constitute it an act of bankruptcy, under the bankrupt law of the United States, which came into operation on the 2d June, 1800, or whether the acknowledgment shall relate back to the 30th May, 1800, the day on which the deed was signed, sealed, and delivered, so that the deed shall be considered as made on that day.

2d. Whether, if made after the 1st of June, 1800, it can be considered as such a fraudulent conveyance as is contemplated by the 1st §. of the bankrupt law.

Martin, for plaintiff in error,

Now waved the second point and relied entirely on the first.

This involves three questions :

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1st. Whether the deed, signed, sealed and delivered, on the 30th of May, and acknowledged on the 14th of June, is an act of bankruptcy under the law which came into operation on the 2d of June.

2d. Whether the signing, sealing and delivery shall be considered as going forward to the time of acknowledgment; or,

3d. Whether the acknowledgment shall refer back to the time of the signing, sealing, and delivery.

The debtor, independent of the bankrupt act, may prefer one creditor to another. No creditor can prevent him, unless by taking out a commission of bankruptcy. This principle is acknowledged by all the state governments, and by the laws of England, in cases not within the bankrupt law.

In the case of *Hooper v Smith*, 1 Bl. Rep. 441, one Hooper being bona fide indebted to his mother, in the sum of £.800, at 8 o'clock in the morning assigned and delivered to his mother, half his stock in trade, which was taken away immediately to his mother's lodgings. On the evening of the same day he committed an act of bankruptcy. His assignees, by stratagem, got possession of the goods and sold them. The mother brought trover against the assignees, and recovered. Lord Mansfield, in that case, said, that "a preference to one creditor, especially by assigning only part of his goods, and to pay only part of the debt, has been frequently held to be good; particularly in the case of *Cock v. Goodfellow*, (the case of a parent and child,) *Small v. Owdly* and others." "Suppose he had sold the goods in question to John or Thomas, and, with that ready money, had paid his mother part of her debt; would that sale or payment have been void?"

The courts of Virginia, Maryland, and Pennsylvania, have always recognized the same principles. If the bankrupt law had never passed, this deed would have been protected in courts of law and equity.

Is this a fraudulent conveyance under the bankrupt law?

The acknowledgment is necessary for some purposes, but not to constitute it a deed.

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A deed is defined to be a writing on parchment, or paper, sealed, and delivered. Suppose a mortgage of lands, containing a covenant to pay money, be not acknowledged; it would not at law convey a legal title to the land, but it would be good as a covenant to pay the money; and would be good to pass an equitable title to the land. Suppose it contained a conveyance of land and chattels; it would be good as to the chattels.

This shews that acknowledgment is not a necessary part of the deed; but only that a deed, not acknowledged, will not pass a legal estate in lands, as to creditors.

But the act of Maryland, *November session 1766. c. 14. §. 2*, says "that no estate of inheritance &c. shall pass or take effect, except the *deed* or conveyance by which the same shall be intended to pass or take effect, shall be acknowledged before the provincial court &c. and be also enrolled in the records of the same county," &c. It must therefore be a *deed* before the acknowledgment. And by the fifth section of the same act it is declared that every such deed shall have relation, as to the passing and conveying the premises, from the day of the *date* thereof; thereby evidently contemplating it to be a deed from its date. This section was inserted because, by the former *act of 1715*, the deed took effect only from the time of its acknowledgment. But the law is the same independent of the positive declaration of this act. 1. *Bac. ab. 277. Bargain and sale.* and 2. *Inst. 674. 675.* where Lord Coke, in his exposition upon the statute of 27. *H. 8. c. 6*, of enrollments, says "And when the deed is enrolled within six months, then it passeth from the livery of the deed. And albeit, after the delivery and *acknowledgment*, either the bargainor, or bargainee die before enrollment, yet the land passeth by this act," "And by the words of this statute, when the deed is enrolled, it passeth *ab initio*." And he cites the case of *Mallery v. Jennings*, determined in the common pleas, 42. *Eliz.* which was this; "one Sewster was seized of certain lands in fee, and acknowledged a re-

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“ cognizance to Turner, whose executrix brought a *scire*
 “ *facias*, upon the recognizance, bearing date the 9th.
 “ November, 41. *Eliz.* against Sewster, and alleged him
 “ to be seized of those lands *in dominico suo ut de feodo*, the
 “ day of the *scire facias* brought; and the truth of the
 “ case being disclosed by long pleading, was this; Sewster,
 “ 7th November, before the recognizance acknowledged,
 “ by deed indented, for money, had bargained and sold
 “ the said land to another, and the deed was enrolled
 “ the 20th November following. The question was,
 “ whether Sewster was, upon the whole matter, seized in
 “ fee the 9th of November, the deed being not enrolled
 “ until the 20th of the same November. And it was
 “ adjudged, *una voce*, that Sewster was not seized in fee
 “ of the land on the 9th day of November. For that
 “ when the deed was enrolled, the bargainee was, in
 “ judgment of law, seized of that land, from the *delivery*
 “ of the deed. And it was resolved, that neither the
 “ death of the bargainor, nor of the bargainee, before
 “ enrollment, shall hinder the passing of the estate. And
 “ that a release of a stranger to the bargainee, before en-
 “ rollment, is good. So that it holds not by relation, be-
 “ tween the parties, by *fiction of law*; but in point of
 “ estate, as well to them, as to *strangers* also. And that
 “ a recovery suffered against the bargainee, before enroll-
 “ ment, (the deed indented being, afterwards, within the
 “ six months, enrolled) is good, for that the bargainee was
 “ tenant of the freehold, in judgment of law, at the
 “ time of the recovery. And *non refert* when the deed
 “ indented is *acknowledged*, so it be enrolled within the
 “ six months. And all this was afterwards affirmed for
 “ good law by the court of common pleas, *Trin. 3. Jac.*
 “ upon a special verdict given in an *Ejectione firme* be-
 “ tween *Lellingham and Alsop*; and further it was there
 “ resolved, that if the bargainee of land, after the bar-
 “ gain and sale, and before the enrollment, doth bargain
 “ and sell the same, by deed indented and enrolled, to
 “ another; and after the first deed is enrolled, within
 “ the six months, the bargain and sale, by the bargainee,
 “ is good.”

In 18 *Viner* 289 *Tit. Relation*, it is said, “ When *two*
 “ *times, or two acts* are requisite to the perfection of an

“act it shall be said, upon their consummation, to receive
“its perfection from the *first*.”

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If A. makes a deed to B. on the 30th of May; and another for the same land to C. on the 1st June, and acknowledges it the same day; afterwards, on the 14th of June, he acknowledges the deed to B. this over-reaches the deed to C. and the acknowledgment of; the deed to B. is not a fraudulent act.

Suppose A. makes a *bonâ fide* deed to B. for valuable consideration, on the 30th of May. On the first of June A. commits an act of treason. On the 14th of June he acknowledges the deed to B. The land is not forfeited by the treason of A.

If an indictment had been found for forging this deed, and to support the indictment, evidence had been given of the forgery of the acknowledgment only, would that have supported the indictment?

If a declaration upon this deed, stating it to have been made on the 14th of June, had been drawn, would it have been supported by producing in evidence, this deed signed, sealed and delivered on the 30th of May?

This deed intends to convey *chofes in action*, and *personal effects*, as well as lands. As to the former the deed is good without acknowledgment; for as to the *chofes in action*, the deed without acknowledgment is an equitable assignment, and if acknowledged it would have amounted to nothing more.

But if the assignees are entitled, they must take the bankrupt's estate, subject to all the equity of others. 2 *Veazy, senr.* 585, 633. *Cooke's bankrupt law*, 203. *Taylor v. Wheeler*, 2 *Vern.* 564.

Courts of law will protect equitable rights; as in the case of *Winch and Keeley*, 1 *Term rep.* 619, where the plaintiff having assigned his right of action to Searle, and having become bankrupt, was still held able to support the action for the benefit of Searle, notwithstanding the assignment of his effects under the bankrupt laws.

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And by the authority of *ex parte Byas*, 1 *Atk.* 124, if the assignees had received the money due to Robb, the bankrupt, they would have been obliged to pay it over to Wood, the plaintiff in error, instead of receiving it from him.

The deed is not fraudulent *in se*; and would not now be questioned if the bankrupt law had not been passed. Although it is a deed of all his effects, yet it is not an absolute deed, nor was it made on any secret trust, or for his own benefit. The only thing which can be alleged against it is, that it gives a priority to some of his creditors, and this he had a clear right to do, both in law and equity. It was not made in secret; it holds up no false colours, it enables him to receive no false credit. He might have sold the property for ready money, and paid any one of his creditors in full. But making a deed of trust, he has prevented a sacrifice of his property, whereby it is competent to satisfy a greater number of his creditors, and he is himself rendered more able to pay the residue of his debts by his future industry.

The committing an act of bankruptcy is, in law, considered as criminal. The bankrupt law is, therefore, in this respect, to be construed strictly. It ought not to be extended beyond the letter of the law. *Cooke B. L.* 67. *Cowp.* 409, 427, 428. 5 *Term rep.* 575. 7 *Term rep.* 509. *Fowler v. Padget.*

But however fraudulent the deed might have been, yet it was no act of bankruptcy, under the act of congress; because not executed after the 1st of June; unless the acknowledgment can be considered as the *making* of the deed. And if it was not an act of bankruptcy, the title of the defendants in error fails.

Harper, contra.

The act of bankruptcy charged, is the making a fraudulent deed after the 1st June, 1800. The counsel for the plaintiff in error having abandoned the second point which was made, and strongly contended for, in the court below, the only question now to be considered is, whether the deed was made before or after the 1st of June.

A deed, at common law, is an instrument in writing signed, sealed and delivered. If it be signed and sealed, but not delivered, it is no deed; and the reason is, that until the last act of volition is performed, there is still a power of recalling it.

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The cases from the English books respecting the statute of enrollments, are not applicable to the law of Maryland respecting acknowledgment. The English laws only protect creditors and purchasers without notice. But the law of Maryland is intended to protect the maker of the deed himself, to prevent forgeries and fraud, and to give a further solemnity, that the grantor may have more time to reflect, and to secure himself from being suddenly entrapped. The law therefore superadds to signing, sealing and delivery, a further act of volition.

It is said that a court of equity will set up such a deed; true, it would, in certain cases; but not because it is a paper signed and sealed; but because it is a contract for a valuable consideration. But this deed would never have been supported in a court of equity, if it had not been completely valid at law. Suppose Robb had refused to acknowledge it; and application had been made to chancery to carry the deed into effect; it would have been refused.

Can a deed be said to be made when it is not complete? It was not complete on the 30th of May; something was still to be done, of which it would have been necessary to apply to a court of chancery to compel the performance.

If acknowledgment is necessary by statute law, it is the same as if necessary by common law. The one is as binding as the other. They are both derived from the same source, but evidenced in different modes. Signing, sealing and delivery only are necessary by the common law, but acknowledgment also is necessary by the statute.

The deed of land was an act of bankruptcy, and prevented the operation of the deed as a deed of personal estate. The deed for the land and for the chattels was executed *eodem instanti*.

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Chase, Justice. The effect of an acknowledgment is to prevent the grantor from pleading *non est factum*.

Harper. By the law of England acknowledgment is not necessary. But by the law of Maryland it is a necessary part of the conveyance, and can no more be dispensed with, than the signing, sealing and delivery. Having signed and sealed, the grantor may refuse to deliver; so, having signed, sealed and delivered, he may refuse to acknowledge, and in either case it is no deed. The deed, therefore, was not made till the 14th of June.

Martin, in reply.

Acknowledgment is absolutely necessary in England, before enrollment. *Viner, Tit. Enrollment, p. 443* "no deed, &c. can be enrolled, unless duly and lawfully acknowledged, cites *Co. Lit. 225 (b.)*" The acknowledgment is the warrant for the enrollment. An acknowledgment in Maryland has no greater effect than in England.

There was an enrollment at common law, for safe custody, it makes an estoppel, and the party cannot plead *non est factum*. Per Holt ch. j. *Comb. 248, Smart v. Williams, cited in Viner, tit. enrollment, p. 444.* And in p. 445, it is said, "Enrollment of a deed is to no other purpose, but that the party shall not deny it afterwards," and cites *Br. Facts enrol. pl. 4.* And in *Sav. 91. Holland v. Downes* cited in *Viner tit. enrollment p. 446, 447*, it is said "the sealing and delivery is the force of such deeds, as deeds of bargain and sale, &c. and not the enrollment." And again, in the same case, "Bonds, indentures and deeds take their force by the delivery; so there is a perfect act before the conveyance is taken, and before any enrollment." The enrollment could not be made upon proof by witnesses. The acknowledgment was the only authority.

Harper.

The enrollment is the act of the grantee. The acknowledgment is the last act of volition of the grantor. It is wholly voluntary; he may refuse; and if he does, the deed has no effect. In England, the acknowledgment is

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a regulation of the courts, not a provision of the statute of enrollments. That statute is different from the act of Maryland; the latter expressly requires the acknowledgment, and no estate passes at law without it. It therefore becomes as much a requisite of a deed, as sealing or delivery. It is not only an absolute requisite that the deed should be acknowledged, but the courts of Maryland have been very strict in requiring it to be done precisely in the mode prescribed. In the case of *Hall and Gittings*, decided in the court of appeals in Maryland, the case was, that the grantor resided in *Anne Arundel* county, but the deed described him as a resident of *Baltimore* county, where the lands were situated. The acknowledgment was made in *Prince George's* county. This acknowledgment was decided by the court of appeals not to be good, and the cause was lost, upon that ground, although the deed was twenty-five years old, and possession had been quietly enjoyed under it. The error was discovered by the court themselves, and had not been suggested by the counsel at the trial.

It has also been decided that the acknowledgment of a *feme covert* must be precisely in the form prescribed by the act.

This shews the great importance of acknowledgments in Maryland.

Martin, in reply.

The acknowledgment in England is not a regulation of the courts only, but is a principle of the common law relative to enrollment, which existed before the statute of enrollments. It was known, at the time of enacting that statute, that by the common law, an acknowledgment was a pre-requisite to enrollment. It was not necessary therefore that it should be expressly prescribed by statute. Acknowledgment and enrollment was a proceeding well known and understood, and was not originated by the statute of 27 H. 8. The statute only applies the process to new cases, or makes it necessary where before it was only voluntary.

As to the case of a *feme covert*, she could not, by the

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common law, convey her land, except by fine and recovery. But the law of Maryland authorized her to do it in a certain mode. That mode must therefore be strictly pursued.

March 1st. The chief justice delivered the opinion of the court :

This is a writ of error to a judgment of the circuit court of the fourth circuit sitting at Baltimore, in the following case.

On the 30th of May, 1800, William Robb, who was then a merchant carrying on trade and merchandize, in the state of Maryland, signed, sealed and delivered to Gabriel Wood, an instrument of writing, purporting to convey to the said Gabriel; his real and personal estate in trust, to secure him from certain notes and acceptances made by him, on account of the said Robb, and afterwards, in trust for other creditors in the deed mentioned. This deed was acknowledged on the 14th of June; and was then enrolled according to the laws of Maryland.

On the 12th of July, 1800, a commission of bankruptcy was sued out, *founded on the execution of the deed above mentioned*, and the said William Robb, being declared a bankrupt, his effects were assigned to William Owings and Job Smith, who brought this suit against Gabriel Wood, to recover the money received by him under the deed aforementioned.

Judgment was confessed by the defendant below, subject to the opinion of the court on a case stated, of which the foregoing were the material facts.

The court gave judgment in favor of the assignees, to which judgment a writ of error was sued out by the present plaintiff.

The only question made by the counsel was, whether the deed, stated in the case, was an act of bankruptcy.

On the 4th of April, 1800, congress passed an act to establish an uniform system of bankruptcy throughout

The United States, which declares, among other things, that any merchant who shall, after the first day of June next succeeding the passage of the act, with intent unlawfully to delay or defraud his creditors, make or cause to be made any fraudulent conveyance of his lands or chattels, shall be deemed and adjudged a bankrupt.

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It was admitted, in the argument, that this deed, if executed after the 1st day of June, would have been an act of bankruptcy, but that being sealed and delivered on the 30th of May, it was not within the act, which only comprehends conveyances made after the 1st of June.

For the defendants in error, it was contended, that, by the laws of Maryland, a deed is not complete until it is acknowledged, and therefore this conveyance was made on the 14th of June, when it was acknowledged; and not on the 30th of May, when it was sealed and delivered.

The Maryland act alluded to was passed in 1766, and declares, "that after the first day of May next, no estate of inheritance or freehold, or any declaration or limitation of use, or any estate for above seven years, shall pass or take effect, except the deed or conveyance, by which the same shall be intended to pass or take effect, shall be acknowledged in the provincial court, or before one of the justices thereof, in the county court, or before two justices of the same county where the lands, tenements, or hereditaments, conveyed by such deed or conveyance do lie, and be also enrolled, &c. within six months after the date of such deed or conveyance."

The 5th section gives the conveyance, so acknowledged and enrolled, relation to the date thereof.

It is a well established doctrine of the common law, that a deed becomes complete, when sealed and delivered. It then becomes the act of the person who has executed it, and whatever its operation may be, it is his deed. The very act of livery, which puts the paper into the possession of the party for whose benefit it is made, seems to require the construction that it has become a deed.

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The question now made to the court is, whether the act of the legislature of Maryland has annexed other requisites to an instrument of writing conveying lands, without the performance of which, not only the passing of the estate, intended to be conveyed, is arrested, but the instrument itself, is prevented from becoming the deed of the person who has executed it.

Upon the most mature consideration of the subject, the opinion of the court is, that the words, used in the act of Maryland, which have been recited, consider the instrument as a deed, although inoperative 'till acknowledged and enrolled.

The words do not apply to the instrument, but to the estate that instrument is intended to convey.

Since then the bankrupt law of the United States does not affect deeds made prior to the 1st of June, 1800, and this deed was made on the 30th of May, 1800, the court is of opinion, that the rights, vested by the deed, (whatever they might be) are not divested in favor of the assignees of the bankrupt, and therefore, that they ought not to have recovered in this case,

Judgment reversed—and judgment of *non pros* to be entered.

UNITED STATES v. SIMMS.

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The acts of congress of 27th Feb. and 3d of March, 1801, concerning the district of Columbia, have not changed

ERROR from the circuit court of the district of Columbia, sitting at Alexandria, to reverse a judgment rendered by that court for the defendant, on an indictment for suffering a faro bank to be played in his house, contrary to an act of assembly of Virginia.

The indictment sets forth that Simms, “ on the 1st
“ April, 1801, with force and arms, at the county of
“ Alexandria, did suffer the game called the faro bank to