ILLUSTRATION. — I. — A dies. His heir B finds in the estate a bond for 1000 baht signed by C. B sells the bond to D. D claims payment from C. C produces a receipt showing that the sum had been repaid to A. B has sold , right which did not exist at the time of the sale. B is liable to C for the consequences of the non-existence of the right, that is to say he must return to D the price of the sale with costs of action, interest, and compensation if any other injury was caused to D.

II. — A has lent money to B and has received a bond for it. A sells the bond to C. C claims the money from B. B turns out to be insolvent. A is not liable to C for the consequences of the insolvency of B.

212. — When the transferor agrees to be liable for the consequences of the insolvency of the debtor his liability is extinguished by prescription one year after the transfer

If the right transferred was not due at the time of the transfer, prescription runs from the day when such right became due.

ILLUSTRATION. — I. — A has lent money to B and has received a bond for it. The money is due. A sells the bond to C on the 15th of January 2454 and agrees to be liable for the consequences of B's insolvency. C claims payment from B. B turns out to be insolvent. C's right to claim compensation from A is extinguished by prescription on the 15th of January 2455 (one year after the transfer).

If C waits till February 2455 before claiming payment from B, and B turns out to be insolvent, C has no action for compensation against A.

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