

Case No. 1,090.
[2 N. B. R. 73, (Quarto. 26.)]

IN RE BASHFORD.

District Court, S. D. New York.

Aug. 6, 1868.

BANKRUPTCY—DEBT CREATED BY FRAUD—DISCHARGE OF BANKRUPT.

An objection to discharge of bankrupt, grounded on the fact that the debt was created by fraud, is not a valid one. Such debts are not discharged by the discharge of bankrupt.

[In bankruptcy. Application for discharge of Henry W. Bashford, bankrupt. Opposed on the ground that the debt of the opposing creditor was created by fraud. Granted.]

This case having been submitted on the specifications filed in opposition to the discharge of the bankrupt, the following decision is ordered on file:

BDATCHFORD, District Judge. The only specification filed as the ground of objection to the discharge of the bankrupt is, that the debt of the creditor was created by the fraud and embezzlement of the bankrupt, and while acting in a fiduciary character. The objection is not a valid one. It is not one of the grounds of objection specified in section twenty-nine of the act [of March 2, 1867, (14 Stat 531,)] as a ground for withholding the discharge. If the debt in question is one of the character set forth in the specification, it will not be discharged by the discharge. Sections thirty-two and thirty-three especially except such a debt from the operation of the discharge. But the existence of such a debt is no ground for withholding a discharge, which will operate on such debts as are not excepted by sections thirty-two and thirty-three. A discharge will be granted in this case when the register shall have furnished a certificate in conformity.