

Case No. 5,884.

{8 N. B. R. 189.}<sup>1</sup>

IN RE HAAS ET AL.

District Court, S. D. New York.

1876.

BANKRUPTCY—IMPROPER MEANS TO SECURE APPOINTMENT AS ASSIGNEE.

Where B, to secure his election as assignee in bankruptcy, agreed, with two of the creditors that he would pay their claims in full if they would give him their powers of attorney, the court disregarded his election and appointed the official assignee.

{In bankruptcy. In the matter of Haas and Samson.}

By the Register:

I, Isaiah T. Williams, the register of this court in bankruptcy in charge of the above entitled matter, do hereby certify that B—received a majority in number and amount of the votes of creditors who have proved their claims at the meeting for the election of an assignee, in the above entitled matter, held before me on the 6th day of May, 1873, and I hereby decline to approve of and confirm the choice of the said B—as assignee of the said estate, and in submitting to the district judge the question of the approval of such choice, do here by certify, pursuant to the rule of this court adopted in *Re Bliss* [Case No. 1,543], that, in my opinion, such choice should not be approved of by this district judge, for the following reasons:

At the said meeting of creditors the vote of the White Star Line (a creditor to the amount of thirty-two dollars and forty-nine cents) was offered by the said B—for himself, under a power of attorney for said creditors, to vote at said meeting for assignee, which vote was challenged by Mr. Hazeltine, who appeared for other creditors, and to sustain such challenge called said B—as a witness, who was sworn and testified: “I hold the power of attorney of the White Star Line to vote at this meeting. Q. Under what circumstances did you procure this power? A. I asked Mr. Sparks to allow me to receive it and to vote upon it as I was the largest creditor and wanted to vote-on it; I might have told him that as it was a small amount I would pay it in full.” On his-cross-examination he said: “I did not promise to pay this out of the bankrupts’ estate;

I offered it as a consideration to Mr. Sparks, for proving so small a claim.”

The vote of Williams & Guion was also offered by the said B—, and challenged by Mr. Hazeltine on the part of other creditors, and the same witness gave the same testimony concerning that claim, to wit: that he had agreed with Williams & Guion to pay the whole of their claim if they would give him a power of attorney to vote at the meeting for the election of an assignee.

I am of opinion that such efforts to procure the election of oneself assignee are improper as tending to injure the wholesome operations of the bankrupt law [of 1867 (14 Stat 517)]. I therefore recommend the appointment of the official assignee as assignee in this matter.

BLATCHFORD, District Judge. The recommendation of the register is approved.

<sup>1</sup> [Reprinted by permission.]