

Case No. 5,898.

IN RE HAGAN.

[6 Ben. 407;<sup>1</sup> 10 N. B. R. 383.]

District Court, S. D. New York.

April, 1873.

BANKRUPTCY—INTEREST ON CLAIMS PROVED.

Creditors, who have proved their claims against the estate of a bankrupt, are entitled to interest on their claims from the filing of the petition to the date of payment, if the bankrupt's estate is sufficient to pay the same to all.

By I. T. Williams, Register:

[I, the undersigned register, in charge of the above entitled matter, do hereby certify to the judge of this honorable court, that the assets in this case, which have come into the hands of the assignee of the above named bankrupt [Edward Hagan], are more than sufficient to pay in full all claims that have been proved against the same, with interest thereon, besides the fees, costs, and expenses of the several proceedings in bankruptcy in the said matter. That by an order made by me on the 3d day of March, 1873, I directed payment of all the proved claims, with interest thereon, up to the day of filing the petition for the adjudication of bankruptcy herein, which said claims have been duly paid. That afterwards it appearing that there was still sufficient left to pay interest on said claims up to the present time, an application was made on the part of said creditors for the payment of interest thereon from the day of filing the said petition to the present time, which application was opposed by the attorney for the bankrupt, and thereby an issue was duly framed upon the question, whether the said creditors were entitled to have interest allowed on their said claims up to a period beyond the date of filing said petition. I further certify, that in my opinion the said interest is allowable and should be paid up to the day of the payment of such claims respectively. There is nothing in the bankruptcy act [of 1867 (14 Stat 517)] that would seem to prohibit such payment, when there are sufficient funds in the hands of the assignee to do so. This would seem to be the rule of the English law. Blackstone says (book 2, p. 488), "Though the rule is, that all interest on debts carrying interest shall cease from the time of issuing the commission, yet in case of a surplus left after payment of every debt, such interest shall again revive and be chargeable on the bankrupt or his representatives." Citing 1 Atk. 244.]<sup>2</sup>

BLATCHFORD, District Judge. I concur in the views of the register.

HAGAN'S PETITION. See Case No. 9,802.

<sup>1</sup> [Reported by Robert D. Benedict, Esq., and here reprinted by permission.]

<sup>2</sup> [From 10 N. B. R. 383.]