

11FED.CAS.—57

Case No. 6,257.

IN RE HAYDEN.

{7 N. B. R. 192.}¹

District Court, S. D. New York.

March 13, 1872.

BANKRUPTCY—RECEIPT OF MONEY AFTER FILING OF PETITION AND SERVICE OF INJUNCTION—CONTEMPT.

1. A bankrupt, who receives money from his debtor after the filing of a petition in bankruptcy and service on him of the usual injunction is guilty of contempt, but where he afterwards turns over to the assignee all his assets, the contempt is purged, even though he may have spent part of the money thus collected. The estate loses nothing, because payments made to the bankrupt by his debtor after the filing of the petition, are invalid as against the assignee.
2. Motion to punish the bankrupt for contempt, for violating injunction, denied.

{In bankruptcy. In the matter of J. P. Hayden.}

Putney & Adams, for the motion.

A. A. Redfield, opposed.

BLATCHFORD, District Judge. There was undoubtedly a violation of the injunction committed by the bankrupt, but on the whole evidence I cannot say that it was of such a wilful character that I ought to visit it with punishment, either personal or pecuniary. The payments made to the bankrupt by his debtors after the filing of the petition in bankruptcy were invalid as against the assignee. The assignee has, therefore, lost nothing. It is shown that the bankrupt has turned over everything he has to the assignee, and that he has no property or money. I by no means mean to hold that it is lawful for a debtor proceeded against in involuntary bankruptcy, and enjoined in the usual form under section forty, to spend money even for the purposes for which the debtor in this case spent the money which he collected after the injunction was served on him. There was a contempt in this case, but it is satisfactorily purged. The motion is denied.

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