WALDMAN *v.* PENNSYLVANIA R. CO.*

(*District Court, S. D. New York.* 1882.)

REMOVAL OF CAUSES—PRACTICE.

Where a case is removed into the United States circuit court after it has been put on the calendar and noticed for trial in the state court, it stands ready for trial in the circuit court immediately upon the record being filed therein.

This action was begun in the marine court of the city of New York. On May 29, 1882, the defendant served its answer, whereupon plaintiff filed a note of issue, and on June 7, 1882, noticed the case for trial for June 13th. On June 23d the defendant filed a petition and bond for removal into this court, and a removal was on that day duly had. The defendant filed the record on the first day of the present term of this court, (October 16th,) and it appears that the plaintiff had previously put the case upon the calendar of this court and again noticed it for trial.

The defendant moved to strike the cause from the calendar as improperly on, for the reason that the clerk could not put it upon the calendar, and plaintiff could not notice it for trial in this court, until after the record had been filed. The plaintiff, in opposition, claimed that, the cause standing "for trial" before removal, his practice had been regular, and cited section 6, Act of 1875, and *Railroad Co.* v. *Koontz*, 104 U. S. 13–18.

B. Lewinson, for plaintiff.

Robinson, Scribner & Bright, for defendant.

SHIPMAN, D. J. Under the rules of the circuit court I think that this case is now in a condition to be assigned for trial at any time at the present term.

*From *N. Y. Daily Register*, November 4, 1882.

STOUT and others *v.* YAEGER MILLING Co. and others.*

(*Circuit Court, E. D. Missouri.* October 30, 1882.)

1. CORPORATIONS—WHEN DIRECTORS MAY TAKE SECURITY FROM.
   The directors of a solvent corporation may lawfully pledge its securities to secure individual demands of directors and others, due and to accrue, for money loaned to it.
2. SAME—PLEDGE—DELIVERY.
   Where the directors of a corporation placed the company's policies of insurance in the hands of two of its directors without any formal assignment, to secure loans made and to be made by such directors and others to the corporation, *held*, that there was a sufficient delivery to sustain the pledge.
3. SAME—FRAUDULENT PREFERENCE.
   Where A., a bank which held stock in B., an insolvent corporation, and and which was a representative in B.'s board of directors, took security from B. for money due it from B., and for advances to be made by it on B.'s account, and thereafter made large advances on the faith of the security received, *held*, that A. was bound to account to unsecured creditors for their *pro rata* of the proceeds of such securities.

In Equity. Creditors' bill.

The Yaeger Milling Company, of St. Louis, was on the seventeenth day of August, 1880, and for several years prior to that date had been, a corporation engaged in the manufacture of flour, and owned a large mill and wheat warehouse, with elevator machinery, for the prosecution of its business. Both building and the machinery therein were unincumbered. On August 17, 1880, the company's mill and warehouse were both destroyed by fire. Several years prior to the fire, and while the company was solvent, it had placed a number of policies of insurance upon its mill, warehouse, etc., in the hands of two of its directors, which, together with their renewals, it agreed to allow to remain in said directors' hands as pledges to secure loans which had been, and which might thereafter be, made to it by defendants and others to enable it to carry on its business. There was no formal assignment of the policies—they were simply placed in the directors' hands. At the time the fire occurred John Crangle, Henry C. Yaeger, George D. Capen, Arnold Hussmann, H. D. McLean, and G. L. Joy were directors of the milling company. They represented stock owned by the Citizens' Insurance Company, the Second National Bank, and the Fourth National Bank, all of which were creditors of the milling company, having loaned it money and accepted as security the above-mentioned pledge of the company's policies of insurance.

*Reported by B. F. Rex, Esq., of the St. Louis bar.