investments were tied up in the property. My chief solicitude on this hearing is not for those whose sole interest in the stock is for a point or two in its market quotations, but for those who have invested their means in these certificates as a source of constant and lasting income.

There was nothing in the appointment of these receivers, or the secrecy that attended the proceedings, until the papers reached the clerk's office at Peoria, that was either unusual or improper. The application was necessarily made out of court, and without notice; otherwise its presumably legitimate purpose might have been defeated by bringing on the adverse attacks which the proceedings were intended to forestall. It was not only the right, but the duty, of the clerk to keep the proceedings veiled until they had reached their destination in Peoria. But this does not relieve the case of the considerations, to some of which I have already adverted, and of others of which I shall now speak. It is shown that, not only were the complaining stockholders without any considerable interest in the property (and that only of a temporary character), but neither had the consenting president nor directors any substantial interest. The practical effect of the proceedings, therefore, was the bringing into the custody of the court, and away from the control of its owners, a vast property, without invoking upon full inquiry the independent judgment of the court as to the necessity of such a step, and at the instance of those who had only a small fraction of interest therein. I feel at liberty, therefore, to look upon the case now as if it were an original application for the appointment of receivers, and the stockholders were in court urging their several preferences. I have never felt that an officer of a corporation, whose misfortunes necessitated a receivership, should be ineligible to employment by the court, but this case convinces me that where a corporation is one that covers a vast diversity of conflicting interests, and especially of speculation, a stockholder's appointment to a receivership should be preceded by a most careful and thorough scrutiny into his official and personal antecedents and interests. The admissions in this case disclose that Mr. Greenhut, at the time of his appointment, was under an agreement upon the New York Stock Exchange to deliver upon demand 15,000 shares of stock of the company, and was not the possessor of any of them. In such a situation he could have but one personal interest. Every appreciation of the stock amounted to a large cut in his personal fortune. As a receiver, his duty would be to conserve the property, and enhance its value. As a private individual, his interest was to depreciate its value. Under such circumstances, his acceptance of the receivership was simply an imposition upon the court. Indeed, I will knowingly accept no man as a receiver for any corporation who is, or who has been, a speculator in its stocks. The private interest of the man is very apt to color, if not overcome, the duty of the official. The need of the day in corporate affairs is for managers who have an eye single to the interests of their trust. Such men will

never be found as long as stockholders permit them to gamble upon their securities. Especially is it the need of the day that officials who only come in contact with these affairs by virtue of their office should keep clean of any personal intermeddling that might, even remotely, tend to affect their official conduct. The only safe rule is to touch not with private fingers that which is intended only for the official hand. For these reasons I shall remove Mr. Greenhut.

I am determined, as far as possible, to have a searching inquiry into the affairs of the company, and in the interest of the conserving and rounding up of its assets, and for that purpose shall name a man who has no interest with any official or faction in the company, and who has, by his experience in like situations, proved himself both trustworthy and efficient. He will be the representative of the court, upon whose judgment the court will largely rely. I shall associate with him one of the nominees of the petitioners, because of their large interest in the assets, and also on account of their proposal to finance them out of their present difficulties, if given an opportunity. I think also the unanimous wish of the directors should be recognized. They are the parties in power, and would naturally continue in power until the 1st of April next, and they are especially intimate with the practical workings of the distillery business. I shall therefore associate with the principal receiver a man whose appointment will be agreeable to them, and whose experience as a distiller will aid in the administration of the trust. An order may be entered removing Mr. Greenhut, and appointing General John McNulta and John J. Mitchell to act along with Mr. Lawrence as receivers. General McNulta will be regarded as the principal receiver.

BOONE COUNTY NAT. BANK v. LATIMER et al.

(Circuit Court, W. D. Missouri, C. D. March 21, 1895.)

BANKS ANK BANKING—INSOLVENCY OF COLLECTING BANK—TRUST FUNDS.

A bank received a note for collection and remittance, but, instead of remitting as directed, credited its correspondent with the proceeds, and shortly thereafter failed. At the time of failure the cash on hand was less than the amount of the collection, but the receiver realized from the assets sufficient to pay all preferred claims. There was no proof that the proceeds of the note formed part of the assets converted into money by the receiver. *Held*, that the lien on the assets of the bank for the trust funds converted was limited to the amount of cash on hand at the time of the failure, the presumption of law being it was the residuum of the trust money.

Bill in equity brought by the Boone County National Bank against W. A. Latimer, receiver of the First National Bank of Sedalia, and the First National Bank of Sedalia.

This is a bill in equity to have claims of the complainant bank against the respondent bank declared a trust fund, and for preference in the distribution of the assets in the hands of the receiver. The case is submitted upon an agreed statement of facts, which is substantially as follows: (1)