

other goods, and receive, not the full amount of \$500 in cash, but the pro rata his goods sold for or increased the sale of the other goods; in short, an equitable amount of cash. In re Richard, 94 Fed. 633, and cases cited. In this case, the goods having been sold, the referee and trustee should adopt some plan to correct the mistake, either by allowing the bankrupt to select from the inventory of property taken \$500 in value, or giving him an equitable part of the proceeds of sale. This can be done to better advantage by those (the referee and trustee) on the ground than can be suggested by the court. The bankrupt courts can neither enlarge nor diminish the exemptions allowed by the laws of the state, as already decided in this case. That is the law of this district until the court is reversed.

The charges of the deputy marshal for taking inventory, etc., are excessive, and will be reduced from five dollars to three dollars per day and actual and necessary expenses. One of the purposes of the act of 1898 in establishing a uniform system of bankruptcy was to avoid what was the principal cause of the repeal of the bankrupt act of 1867,—excessive fees and great expense. This being so, the law should be administered at the minimum cost consistent with efficient service. This fee is reasonable and just, considering the fees fixed in the act for other officers of the court.

The recommendation of the referee of an allowance of \$75 to the attorney for the petitioning creditors is approved, and this amount will be paid A. J. Feild, Esq., as such attorney, by the trustee.

The recommendation by the referee for an allowance of \$50 as a fee for the attorney of the bankrupt is disapproved, and such allowance will not be made. Section 64b provides the court may allow a reasonable fee to the attorney for the bankrupt in involuntary cases "while performing the duties herein prescribed." There is no evidence before the court that the bankrupt has performed the duties prescribed. He made an assignment with preferences,—the act of bankruptcy complained of,—and has been actively engaged in trying to defeat or delay the proceedings at every stage, and making the proceedings as expensive as possible. To make the allowance for the services of an attorney in this behalf does not seem to be contemplated in the act. The court has seen and heard nothing to warrant the exercise of the discretion in this behalf.

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In re TAYLOR.

(District Court, N. D. California. July 29, 1899.)

No. 2,872.

**BANKRUPTCY—ASSETS OF ESTATE—PROPERTY FRAUDULENTLY SOLD.**

Where a debtor makes a sale of certain of his personal property, but the same is fraudulent as to his creditors, under the statute of the state, because there is no delivery or change of possession, and he is afterwards adjudged bankrupt, title to such property vests in the trustee in bankruptcy for the benefit of the estate, notwithstanding that the sale was made more than four months before the filing of the petition in bankruptcy; and he will not be ordered to deliver such property to the original purchaser or his vendee.

**In Bankruptcy.** On review of ruling of referee.  
 John B. Mhoon and S. B. McKee, for petitioner.  
 Clarence Crowell, for trustee in bankruptcy.

DE HAVEN, District Judge. This proceeding was commenced by a petition filed in this court by the John Nicholl Company, praying for an order directing the trustee to deliver to it certain personal property. The facts certified by the referee show that the bankrupt, Taylor, was the owner of the property described in the petition on September 20, 1897, and that on that day he sold the same to the petitioner's vendor; that such sale was not accompanied by an immediate delivery, nor followed by an actual and continued change of possession of the property sold, but, on the contrary, from thence until Taylor was adjudged bankrupt it remained in his possession. Upon these facts the sale must, under section 3440 of the Civil Code of this state, be conclusively presumed to have been fraudulent as to the creditors of Taylor, and the property attempted to be transferred thereby might at any time while it remained in his possession have been levied upon and sold under judicial process against him at the suit of any of his creditors. *Brown v. O'Neal*, 95 Cal. 262, 30 Pac. 538; *Crocker v. Cunningham*, 122 Cal. 547, 55 Pac. 404. This being so, when Taylor was adjudged bankrupt, the title to the property in controversy vested in the trustee under clauses 4 and 5 of section 70 of the bankruptcy act. *Edmondson v. Hyde*, 2 Sawy. 205, Fed. Cas. No. 4,285; *Allen v. Massey*, 17 Wall. 351; *Southard v. Benner*, 72 N. Y. 424. And this, too, notwithstanding the fact that the sale under which the petitioner claims was made more than four months before the filing of Taylor's petition to be adjudged bankrupt. This conclusion is the only one which will harmonize with the evident intent and purpose of the bankruptcy act that all property which, under the laws of the state, may be resorted to for the satisfaction of the bankrupt's debts, shall pass to the trustee as the representative of all the creditors. The ruling of the referee is affirmed, and the petition will be denied.

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In re EMPIRE METALLIC BEDSTEAD CO.

(District Court, N. D. New York. June 28, 1899.)

**1. BANKRUPTCY—ACTS OF BANKRUPTCY—APPLICATION BY CORPORATION FOR VOLUNTARY DISSOLUTION.**

Where a corporation, under the provisions of a state statute, files in a state court its voluntary application for dissolution and for the appointment of a receiver to wind up its affairs and distribute its assets, such application is not an assignment for the benefit of its creditors, nor equivalent thereto, and does not constitute an act of bankruptcy by the corporation.

**2. SAME.**

Even if such a proceeding were equivalent to an assignment for the benefit of creditors, as producing similar results, still the provisions of the bankruptcy law, defining acts of bankruptcy, cannot be extended by construction to embrace transactions equivalent to, but not identical with, those denounced as acts of bankruptcy.