APPENDIX

GENERAL ORDERS IN BANKRUPTCY, Promulgated April 13, 1925.

It is ordered by the court that General Order in Bankruptcy No. 5, entitled "Frame of Petition," be amended by adding at the end thereof the following sentence:

Petitioners in involuntary proceedings whose claims rest upon assignment or transfer from other persons shall annex to one of the duplicate petitions all instruments of assignment or transfer, and an affidavit setting forth the true consideration paid for the assignment or transfer of such claims and stating that the petitioners are the bona fide holders and legal and beneficial owners thereof, and whether or not they were purchased for the purpose of instituting bankruptcy proceedings.

And it is further ordered that the following rules be adopted and established as an additional General Orders in Bankruptcy:

XXXIX

REPRESENTATION OF CREDITORS BY RECEIVERS OR THEIR ATTORNEYS

Neither a receiver nor his attorney shall solicit any proof of debt, power of attorney, or other authority to act for or represent any creditor for any purpose in connection with the administration of the estate in bankruptcy or the acceptance or rejection of any composition offered by a bankrupt.

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Receivers and Marshals as Custodians

A receiver or marshal appointed by the court to take charge of the property of a bankrupt after the filing of a petition shall be deemed to be a mere custodian within the meaning of Section 48 of the Bankruptcy Act, unless his duties and compensation are specifically enlarged by order of the court, upon proper cause shown, either at the time of the appointment or later.

XLI

Waiver of Right to Share in Composition Deposits

Before confirming a composition the judge of the court shall require all creditors and other persons who may have waived their right to share in the distribution of the deposit made by the bankrupt, for claims, fees, or otherwise, to set forth in writing and under oath all agreements with respect thereto with the bankrupt, his attorney, or any other person, and shall also require an affidavit by the bankrupt that he has not directly or indirectly paid or promised any consideration to any attorney, trustee, receiver, creditor, or other person in connection with the composition proceedings, except as set forth in such affidavit or the offer of composition, and that he has no knowledge of any such payment or promise by any other party.

XLII

Compensation of Attorneys, Receivers, and Trustees

1. Every attorney, receiver, and trustee seeking an allowance of compensation from a bankrupt estate for services rendered shall file with the referee a petition under oath, setting forth a full and detailed statement of such services and the amount claimed therefor, and, in the case of an attorney or receiver, the amount of the

partial allowance, if any, theretofore made. And such petition shall be accompanied by an affidavit of the applicant stating that no agreement has been made, directly or indirectly, and that no understanding exists, for a division of fees between the applicant and the receiver, the trustee, the bankrupt, or the attorney of any of them. In the absence of such petition and affidavit no allowance of compensation shall be made.

2. Such petition shall be heard at a meeting of creditors; and the referee in sending the notice of such meeting prescribed by Section 58 of the Bankruptcy Act, shall state by whom and in what amount the allowance of the compensation is asked.

XLIII

Fees and Expenses of Attorneys for Petitioning Creditors

The court may deny the allowance of any fee to the attorney for petitioning creditors or the reimbursement of his expenses, or both, if it shall appear that the proceedings were instituted in collusion with the bankrupt or were not instituted in good faith.

XLIV

Appointment of Attorneys for Receivers or Trustees

In any District in which there is a city having at the last Federal census a population of 250,000 or more, no attorney for a receiver or a trustee shall be appointed except upon the order of the court, which shall be granted only upon the petition of the receiver or trustee, stating the name of the counsel whom he wishes to employ, the reasons for his selection, and the necessity for employing counsel at all; and there shall be submitted with this petition an affidavit of the person recommended, showing that he is not employed by or connected with the bankrupt or any person having an interest adverse to the receiver, trustee, or creditors.

XLV

Auctioneers, Accountants, and Appraisers

No auctioneer or accountant shall be employed by a receiver or trustee except upon an order of the court expressly fixing the amount of the compensation or the rate or measure thereof. The compensation of appraisers shall be provided for in like manner in the order appointing them.