AMENDMENTS OF BANKRUPTCY RULES.

ORDER.

It is ordered that Rule XXIX and Rule XLVIII, subdivision 4, of the General Orders in Bankruptcy be, and they hereby are, amended, effective immediately, to read as follows:

XXIX

PAYMENT OF MONEYS DEPOSITED

No moneys deposited as required by the Act shall be drawn from the depository unless by check or warrant, signed by the clerk of the court, or by a trustee, and countersigned by the judge of the court, or by a referee designated for that purpose, or by the clerk or his assistant under an order made by the judge, stating the date, the sum, and the account for which it is drawn; and an entry of the substance of such check or warrant, with the date thereof, the sum drawn for, and the account for which it is drawn, shall be forthwith made in a book kept for that purpose by the trustee or his clerk; and all checks and drafts shall be entered in the order of time in which they are drawn, and shall be numbered in the case of each estate. A copy of this general order shall be furnished to the depository, and also the name of any referee or clerk authorized to countersign said checks. This general order shall not apply to proceedings under section 77 or section 77B of the Act.

XLVIII

4. The commissions of the referee and of the custodian or receiver shall not exceed those payable to referees and receivers under sections 40 and 48 of the Act in the event of a composition in bankruptcy, and the amount of the debts whose maturity is to be extended shall be included

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for that purpose as part of "the amount to be paid creditors" within the meaning of those sections, but if the compensation so computed shall appear to be in excess of what is fair and reasonable it shall be correspondingly reduced, the intent of this provision being that the amount of such fees shall be subject at all times to the approval of the court. If the estate is liquidated under the provisions of subdivision (1) of section 74 of the Act, the referee shall return to the estate any commissions previously received and shall be entitled to commissions on all moneys disbursed to creditors by the trustee as provided in section 40 of the Act.

It is further ordered that the General Orders in Bankruptcy be, and they hereby are, amended by including therein a new Rule, numbered LII, to be immediately effective, and reading as follows:

LII

PROCEEDINGS UNDER SECTION 77B OF THE BANKRUPTCY ACT

The following additional rules shall apply to proceedings under section 77B of the Bankruptcy Act.

1. The clerk of the district court in which proceedings under section 77B are brought shall forthwith transmit to the Secretary of the Treasury copies of (a) the petition of the corporation, or of the creditors thereof desiring to effect a plan of reorganization; or (b) the answer, if any, of the corporation in those cases in which an involuntary proceeding is pending; (c) the order approving or dismissing the petition; (d) any order determining the time in which the claims and interests of creditors may be filed or evidenced and allowed, the division of creditors and stockholders into classes according to the nature of the respective claims and interests, and all orders extending the time in which such claims may be filed or evidenced; (e) any order for a hearing issued upon the report of the special master; (f) the plan of reorganization, amendments, or modifications; (g) any order (1) fixing the time for confirming the plan or dismissing the proceedings;

(2) adjudging the corporation to be solvent or insolvent; (3) confirming the plan or directing the liquidation of the estate; (h) such other papers filed in the proceedings as the Secretary of the Treasury may request of the clerk or the court may direct him to transmit. The clerk shall also transmit to the Collector of Internal Revenue for the district in which the proceedings are pending copies of the petition or answer above described in subdivisions (a) and (b):

Provided, however, that if the Secretary of the Treasury, upon receipt of the petition or answer, shall ascertain that the United States has no interest in the proceeding, he shall so notify the clerk, whereupon the clerk may dispense with the transmittal of further papers. All papers filed with the court shall have attached thereto such copies as the clerk may require for carrying out this general order.

2. Any order fixing the time for confirming any plan which deals with the interests or claims of the United States shall include a reasonable notice to the Secretary of the Treasury of at least thirty days.

3. The provisions of this general order shall not apply to any action heretofore taken; and failure to comply with any provision hereof, in any proceeding heretofore or hereafter instituted, shall not deprive the District Court of jurisdiction of such proceeding or invalidate any action taken by the Court, but shall be the subject of such consideration and remedial action as justice may require.

May 13, 1935.