

HOLMESTED, REGISTRAR IN BANKRUPTCY. JANUARY 29TH, 1921.

RE RICHARDSON.

*Bankruptcy and Insolvency—Composition and Extension Agreement—Approval of Court—Proposal—Acceptance by Majority of Creditors—Report of Trustee as to Conduct of Debtor—Statement of Affairs—Necessity for Filing—Bankruptcy Act, 1919, secs. 13 (2), (3), (7), (9)—Rules 97, 98, et seq.*

Motion by a trustee in bankruptcy for the approval of a composition and extension agreement.

Vera Alexandra Robinson, for the trustee.

THE REGISTRAR, in a written judgment, said that it was not shewn that the required majority of creditors had accepted the proposal: see sec. 13 (3) of the Bankruptcy Act, 1919. The proposal of the debtor was varied by the creditors, and the consent of the debtor to the variation was not shewn to have been given. The report of the trustee as to the conduct of the debtor was not full enough: see secs. 13 (7), (9), and 59. The statement of affairs also should be, but was not, filed. It was argued that Rule 97 of the Bankruptcy Rules does not apply to proceedings under Rules 98 et seq., relating to "composition, extension, or scheme of arrangement;" but it appeared to the learned Registrar to apply to all statements of affairs. Under sec. 13 (2), the debtor, when seeking a composition and extension, must lodge a statement of his affairs; and, whenever the Act requires a statement of affairs to be made by the debtor, it seems clear that Rule 97 applies, and it must be prepared and filed as therein mentioned. This statement, filed in Court, remains of record and exhibits the state of the debtor's affairs at the time of the agreement, for the information of all whom it may hereafter concern.

This application must, therefore, stand for the production of further evidence.