

[CHAPTER 114.]

AN ACT

May 15, 1935.

[S. 1616.]

[Public, No. 60.]

To amend an Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and Acts amendatory and supplementary thereto.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b), as amended and supplemented, of section 4 of the Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, is amended to read as follows:

Bankruptcy Act of 1898 amendments. Vol. 30, p. 547; Vol. 47, p. 47. U. S. C., p. 321. Involuntary bankruptcy; who may be adjudged.

"(b) Any natural person, except a wage earner or a farmer, any unincorporated company, and any moneyed, business, or commercial corporation (except a municipal, railroad, insurance or banking corporation, or a building and loan association) owing debts to the amount of \$1,000 or over, may be adjudged an involuntary bankrupt upon default or an impartial trial, and shall be subject to the provisions and entitled to the benefits of this Act.

Liability of officers, etc., of corporation.

"The bankruptcy of a corporation or association shall not release its officers, directors, or stockholders, as such, from any liability under the laws of a State or Territory or of the United States."

Vol. 47, p. 1469. U. S. C., p. 333.

SEC. 2. That subsection (1) of section 74 of the Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented, is amended to read as follows:

Trustee; when may be appointed.

(1) If (1) the debtor shall fail to comply with any of the terms required of him for the protection of and indemnity against loss by the estate; or (2) the debtor has failed to make the required deposit in case of a composition; or (3) the debtor's proposal has not been accepted by the creditors; or (4) confirmation has been denied; or (5) without sufficient reason the debtor defaults in any payment required to be made under the terms of an extension proposal when the court has retained jurisdiction of the debtor or his property, the court may appoint the trustee nominated by the creditors at the first meeting, and if the creditors shall have failed to so nominate, may appoint any other qualified person as trustee to liquidate the estate. The court shall in addition adjudge the debtor a bankrupt if satisfied that he commenced or prolonged the proceeding for the purpose of delaying creditors and avoiding an adjudication in bankruptcy, or if the confirmation of his proposal has been denied. No order of liquidation or adjudication shall be entered in any proceeding under this section instituted by or against a wage earner or a farmer unless the wage earner or farmer consents."

Nomination by creditors.

Vol. 47, p. 1473. U. S. C., p. 336.

SEC. 3. That subsection (r) of section 75 of the Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented, is amended to read as follows:

Term "farmer" construed.

"(r) For the purposes of this section, section 4 (b), and section 74, the term 'farmer' includes not only an individual who is primarily bona fide personally engaged in producing products of the soil, but also any individual who is primarily bona fide personally engaged in dairy farming, the production of poultry or livestock, or the production of poultry products or livestock products in their unmanufactured state, or the principal part of whose income is derived from any one or more of the foregoing operations, and includes the personal representative of a deceased farmer; and a farmer shall be deemed a resident of any county in which such operations occur."

Approved, May 15, 1935.