

stitution, the laws of the United States," etc. Under the principles laid down in the decision in *Osborn v. Bank of the United States*, 9 Wheat. 738, 819, it must be regarded as settled that a suit by a corporation created by the United States is a suit arising under the laws of the United States.

The allegations of the petition above recited are sufficient to show that the suit arises under a law of the United States. The case is not like that of *Gold-Washing Co. v. Keyes*, 6 Otto, 199. In that case the corporation was not one created by an act of congress, and the petition for removal, which was made by the corporation and others, did not state facts sufficient to show that the case, which was a suit against the corporation and others, arose under the laws of the United States. In the present suit, the mere allegation that the plaintiff is a corporation created by act of congress shows that the suit is one arising under the laws of the United States.

The motion to remand the suit is denied.

In re HAMILTON, Bankrupt.

(District Court, D. Kentucky. April 14, 1880.)

PARTNERSHIP—CONJOINT FIRM—INDIVIDUAL PARTNERS.—There would seem to be no legal difficulty in the way of treating two firms as individual partners in a conjoint firm, if such be the obvious intention of the parties.

SAME—BANKRUPTCY OF MEMBER OF FIRM—CLAIM PROVED BY FIRM IN COMPETITION WITH CREDITORS OF CONJOINT FIRM—COMPROMISE.—One of such firms cannot, in competition with the creditors of the conjoint firm, prove a claim for the part payment of the partnership debts, against a bankrupt member of the other firm, where such creditors had released such partnership from all further obligation, upon the express consideration that the individual liability of the bankrupt for the residue of such partnership debt should not be impaired.

SAME—SAME—UNLAWFUL PREFERENCE—REV. ST. § 5128.—Such contract, made within four months of the filing of the petition in bankruptcy, did not constitute a preference in favor of the partnership creditors under section 5128 of the Revised Statutes.

BANKRUPTCY—DIVIDEND DECLARED UNDER A TRUST—PROOF OF WHOLE CLAIM.—A creditor cannot prove the full amount of his claim against

the estate of a bankrupt, where a dividend has been declared in favor of such creditor, under a trust for the benefit of creditors, prior to the filing of the petition in bankruptcy.

SAME—PROOF OF CLAIM—DECLARATION OF DIVIDEND UNDER TRUST AFTER PROOF OF DEBT.—Nothing less, however, than the payment of a sum of money, or the present right to receive such money before the proof of debt is made, will prevent a creditor from proving for the whole amount of his claim.

SAME—SAME—FRAUDULENT CONVERSION OF FIRM PROPERTY BY BANKRUPT PARTNERS.—If a partner has fraudulently converted property or money of the firm to his own use there would seem to be no reason why proof on behalf of the joint estate should not be allowed in respect of such property against his separate estate and in competition with his separate creditors.

SAME—SAME—WHEN ABSTRACTION OF FUNDS NOT FRAUDULENT.—In order to constitute fraud, however, in such a case, there must be something more than a mere abstraction of the funds without the knowledge of the copartner, particularly if it be done by one having the sole management of the business.

In Bankruptcy.

BROWN, J. This case arises upon petitions of the assignee to expunge certain proofs of debt made by Swearingen & Biggs, the Bank of Kentucky, and William Hughes, trustee. The material facts of the case are as follows: On the fifteenth of September, 1875, Swearingen & Biggs, a firm of distillers, composed of George W. Swearingen and Andrew Biggs, entered into a temporary partnership with Anderson, Hamilton & Co., a firm engaged in a general provision business, composed of William B. Hamilton, the bankrupt, W. T. Hamilton and D. M. Anderson, to pack pork together on general account for the season of 1875-6. The profits and losses of this business were to be divided in the proportion of three-fourths to Anderson, Hamilton & Co., and one-fourth to Swearingen & Biggs. No firm name was agreed upon, but for convenience it will be designated in this opinion as the conjoint firm.

The money to carry on its operations was to be raised by paper bearing the name of Swearingen & Biggs as drawers, and Anderson, Hamilton & Co. as acceptors. William B. Hamilton also became an indorser of such paper in his individual character.