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CLERK, U. S. DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

BY _____
Deputy Clerk

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

ORDER ADOPTING BANKRUPTCY
RULES

GENERAL ORDER NO. 15

The rules governing the procedure to be followed in all
bankruptcy matters in this Court from this date until further
order of the Court shall be as follows:

BANKRUPTCY RULES
OF DISTRICT COURT OF THE UNITED STATES
EASTERN DISTRICT OF CALIFORNIA

RULE 1. APPLICATION OF LOCAL RULES

The Local Rules of this Court, insofar as they are applicable and not inconsistent with the Bankruptcy Act, the General Orders in Bankruptcy or these Bankruptcy Rules, shall be followed as nearly as may be in all proceedings initiated under the Bankruptcy Act or any amendments or supplements now or hereafter in effect. The District Judge or Referee may shorten the limitations of time prescribed so as to expedite hearings, or otherwise modify such rules for the preparation or hearing of any particular proceeding. "Court," as used in these rules, shall mean the District Judge or the Referee of the Court of Bankruptcy in which the proceedings are pending.

RULE 2. PETITIONS, SCHEDULES AND PLEADINGS

In addition to the requirements of the Local Rules pertaining to civil procedure, petitions, schedules and pleadings in bankruptcy shall be filed in accordance with the following requirements:

(a) The petition shall set forth the address of the bankrupt or debtor, the full first and last name and middle name or

initial and all assumed, trade and other names or designations by or under which the bankrupt or debtor has been known or has conducted any business, occupation, profession or trade within six years next preceding the filing of the petition under the Bankruptcy Act.

(b) Separate petitions must be filed by each bankrupt or debtor, except where filed by partners on behalf of a partnership and a general partner or partners under Section 5 of the Bankruptcy Act. Separate schedules shall be filed on behalf of the partnership and each general partner.

(c) There shall be filed with the Clerk at the commencement of the proceedings, except as hereinafter provided in (g) of this rule, the following:

1. Voluntary Bankruptcy Proceedings: Three executed original petitions and three original schedules.

2. Involuntary Bankruptcy Proceedings: Three executed original petitions.

3. Corporate Reorganizations (Chapter X): Three executed original petitions and four additional copies thereof.

4. Arrangement Proceedings: (Chapter XI) Three executed original petitions and three executed original schedules and two additional copies of such petition and schedules.

5. Real Property Arrangements (Chapter XII): Three executed original petitions and three executed original schedules and two additional copies of such petition and schedules.

6. Wage Earners' Plans (Chapter XIII): Three executed original petitions and three executed original schedules and two additional copies of such petition and schedules.

(d) The Statement of Affairs shall be executed in triplicate and when not filed with the petition shall be filed not later than five (5) days before the first meeting of creditors.

(e) The District Judge, Referee, or Clerk may require additional copies of any paper to be supplied by the proper party.

(f) The first meeting of creditors in voluntary proceedings shall not be concluded unless and until the bankrupt or the debtor shall have filed his statement of affairs at least (5) days prior to the first meeting or any first meeting continued for that purpose.

(g) The Clerk of the Court shall accept for filing a petition presented on behalf of a bankrupt or a debtor, even though not accompanied by a schedule of assets, or a schedule of liabilities, or a statement of affairs, or a statement of executory contracts where required by the Bankruptcy Act, provided there is attached to the petition a list of creditors and their addresses, as required by Section 7a(8) of the Bankruptcy Act; and provided further that there is also attached to the petition of a debtor a summary of assets and liabilities, as required by Section 324(1) of Chapter XI, or Section 424(1) of Chapter XII, or Section 624(1) of Chapter XIII, or other appropriate section of the Bankruptcy Act, as the case may be. Upon the filing of

a petition as herein provided, the bankrupt or debtor shall make application for an extension of time within which to file a schedule of assets, a schedule of liabilities, a statement of affairs, and a statement of executory contracts as required by the Bankruptcy Act. This application for extension shall be presented forthwith to the Referee to whom the proceeding is referred upon the filing thereof, and the Referee shall promptly hear and determine it.

(h) No document shall be filed upon paper exceeding 16 lb. weight.

RULE 3. REFERENCES

(a) All petitions in bankruptcy, including reopened proceedings, ancillary proceedings, proceedings for arrangement or for wage earners' plans, shall be filed with the Clerk of the Court, who shall as of course and forthwith refer such petitions generally to a Referee in Bankruptcy of this Court, who shall conduct all proceedings, do all acts and perform all duties with reference thereto, except such as are expressly and specifically reserved exclusively to the District Judges.

(b) Each of the full-time Referees in Bankruptcy, whether heretofore or hereafter appointed, shall have concurrent district-wide jurisdiction to act in any and all cases in bankruptcy referred to any Referee of this District, at the request of the latter or upon order of any District Judge of this Court.

(c) The authority of a Referee to whom a case has been referred by an order of general reference shall not terminate when the case is concluded before him, but shall continue so long as he remains in office unless the reference to him is expressly revoked.

RULE 4. APPLICATIONS FOR ORDERS TO BE MADE TO REFEREE

After a proceeding has been referred generally to a Referee, all applications for orders within the Referee's jurisdiction shall be made to the Referee. The District Judges shall refuse to hear such applications unless the Referee is absent and no other Referee is available.

RULE 5. PAPERS TO BE SERVED UPON BANKRUPT AND HIS ATTORNEY

All reports and pleadings affecting the rights of the bankrupt, and upon which he would be entitled to a hearing in Court, which are filed with the Referee, shall be accompanied with proof of service, personally or by mail, upon the bankrupt and his attorney.

All persons obtaining the ex parte orders extending the time within which to file objections to the bankrupt's discharge, shall serve a copy upon the bankrupt and his attorney, personally or by mail, and file proof of service with the Referee within five days.

RULE 6. STENOGRAPHIC RECORD OF PROCEEDINGS BEFORE REFEREE

Each Referee may designate one or more official reporters, and all proceedings before him shall be recorded either by shorthand or stenotype or approved electronic recording device. The

compensation of the reporters shall be fixed by the Referee and charged against the assets of the estate, except that in adversary proceedings the compensation shall be taxed as costs jointly against the parties.

RULE 7. PRACTICE IN SUMMARY PROCEEDINGS

(a) A respondent desiring to contest a summary proceeding against him, shall serve and file not less than one (1) day before the hearing a written answer, objection or other responsive pleading which shall be verified if it sets up matters of fact.

(b) If the respondent fails to serve and file such answer, objection or other responsive pleading, as in this rule provided, the Court may upon application of the petitioner or upon its own motion enter the default of the respondent.

(c) Reference to the provisions of Bankruptcy Rule 7(a) shall by appropriate language be incorporated in all orders to show cause or notices given in adversary proceedings so that the adverse party may have notice thereof. The Court for good cause, or when it deems the same in the interest of justice, may dispense with such provisions but the inclusion of such provision shall be the rule, not the exception.

(d) Where an order of the Court requires the payment of a sum of money, or the performance of an act, satisfaction or enforcement may be compelled and enforced by appropriate process of the Court. Where an order is made by a Referee and is not complied with, he may, and upon request shall, certify the fact to the Clerk, who shall thereupon issue such process as may be appropriate and necessary for the enforcement of such order.

RULE 8. CONSEQUENCES OF UNREASONABLE DELAY IN HEARING
OF OBJECTIONS TO DISCHARGE.

If, after the filing of specifications of objections to a bankrupt's discharge, the Referee finds that there is unreasonable delay either in bringing the objections on for hearing or in completing the hearing, he may deny the discharge or dismiss the specifications of objections, upon such notice as he deems advisable to the attorneys for the objecting party and the bankrupt.

RULE 9. CHAPTER XI PROCEEDINGS

(a) Every debtor in possession, receiver or trustee authorized to operate a business, unless otherwise ordered by the Court, shall file in duplicate with the Court, on the first day of each month, a verified statement covering operations of the preceding month showing receipts and disbursements and the balance on hand; the dates, the persons to whom payments were made, the consideration therefor and the amounts thereof; the amount deducted for withholding, social security and all other taxes, the date, where deposited and that Rule 9(b) has been complied with; the dates, the persons, the considerations and amounts of all unpaid obligations contracted; the change in the amount and status of the inventory; a general summary of operations during said week and such additional data as the Court may direct or require.

(b) The debtor in possession, receiver or trustee, when operating a business under order of the Court in any proceeding initiated under any provisions or chapter of the Bankruptcy Act shall open a special tax account in one of the depositories on

the designated and approved list of this Court, in which he shall forthwith upon receipt deposit all withholding, social security, unemployment, excise, sales, use or other taxes collected or received or withheld for or on behalf of the United States, State of California or any political subdivision thereof.

(c) No compensation shall be paid to the debtor or if a copartnership to any of the partners or if a corporation to any officer, director or stockholder thereof, from the time of the filing of the petition until confirmation of the arrangement unless such employment and the basis of compensation has been first authorized by order of the Court.

(d) Objections to the confirmation of plan of arrangement shall be in writing and shall be served upon the debtor and filed at least five (5) days before the date set for confirmation of the plan.

(e) Escrowing of Securities Issued Pursuant to
Plan of Arrangement

The order confirming a plan of arrangement proposed under Chapter XI of the Bankruptcy Act (11 U.S.C. Sec. 701-799) shall require that all stock, debentures, or other securities issued pursuant to such plan, be deposited in escrow with the Commissioner of Corporations of the State of California, as escrow holder, and shall require payment of all fees required for such services by the Corporate Securities Law of California. Where there are compelling considerations which in the opinion of the Court warrant immediate release of all or part of such stock, debentures, or securities, such an escrow need not be required.

The Court's jurisdiction of such escrowed stock, debentures, or securities, shall immediately cease and terminate upon the entry of the order confirming the plan of arrangement, except with respect to the inherent and continuing jurisdiction which the Court has to enforce compliance with such order of confirmation. Neither all nor any part of such escrowed stock, debentures, or securities, shall thereafter be released from escrow or transferred, until an application for such release from escrow or transfer shall have been filed with, and an order therefor secured from, the Commissioner of Corporations of the State of California.

(f) Upon the filing of a proceeding for an arrangement, if the debtor is then permitted to remain temporarily in possession, the Court may issue an Order to Show Cause directing the debtor and all other persons it may deem advisable or in the best interests of the creditors to appear before the Court, at a time and date therein fixed, then and there to show cause why the debtor should not be required to file a bond or undertaking, in such amount and with such sureties as may be approved by the Court, indemnifying the debtor's estate and the creditors against subsequent loss or diminution of assets, in the event of entry of or order of adjudication under Chapter XI of the Bankruptcy Act; or, in the alternative, why a receiver should not be appointed forthwith to take possession of the property of the debtor

pending hearing and determination of any plan of arrangement which may be proposed, or pending adjudication of the debtor as a bankrupt, in the event no plan of arrangement is confirmed within the time fixed therefor. The Order to Show Cause may be served by mailing a copy thereof to the attorney for the debtor, and any other person therein directed to appear.

RULE 10. ORIGINAL ORDERS TO BE SENT TO CLERK

In lieu of a certified copy of any of the orders specified in Section 39a(8) of the Bankruptcy Act, the Referee may transmit to the Clerk the original order.

RULE 11. REVIEW OF REFEREE'S ORDERS

(a) Extensions of Time to File Petition for Review.

The Referee shall not extend the time to file a petition for review of any order more than an additional 30 days beyond the ten-day period specified in Section 39c of the Bankruptcy Act (11 U.S.C. 67c) unless the attorney for the party in whose favor the order was made consents in writing.

(b) Party Seeking Review to Furnish Transcript. The party filing a petition to review an order of the Referee shall within ten days, or such further time as the Referee may allow, furnish the Referee with a transcript of the evidence, or a summary agreed on by the parties. If the transcript or summary is not furnished, the Referee shall so certify, and the petition shall be dismissed unless the District Judge, for good cause shown, shall determine otherwise.

(c) Hearing of Petition for Review. Petitions for review of Referees' orders shall be heard the next Law and Motion day following the expiration of ten days from filing of the Referee's certificate of review. The Clerk of the District Court shall give notice of the hearing to the parties or their counsel.

RULE 12. HEARING OF REPORTS OF SPECIAL MASTERS

Reports of Special Masters shall be heard the next Law and Motion day following the expiration of ten days from filing. The Clerk of the District Court shall give notice to all parties or their counsel of the filing and time for hearing. Any exceptions shall be filed within ten days from the filing of the report.

If exceptions are filed, the District Judge may refer the exceptions to the Master for hearing and supplemental report. The Master shall give notice of the filing and time for hearing of the supplemental report to all parties or their counsel who appeared before him with respect to the exceptions.

The giving of notice by a Special Master of the filing of his reports shall be in lieu of the Clerk's notice provided for in Rule 53, Federal Rules of Civil Procedure.

RULE 13. CHAPTER X PROCEEDINGS

(a) If application for approval of a debtor's petition praying for reorganization be not made within ten days after the filing of such petition, the Clerk shall enter an order dismissing such petition unless an order be obtained extending the time for the making of such application.

(b) The trustee, prior to or concurrently with qualifying in the manner as provided in the Bankruptcy Act, shall file with the Clerk an affidavit showing that he is qualified and disinterested under Section 156 and 158 of the said Act.

(c) No attorney shall be appointed to represent a trustee unless prior to his appointment he shall have filed with the Clerk an affidavit showing that he is disinterested as defined by Sections 157 and 158 of the Bankruptcy Act.

(d) Unless otherwise ordered, the trustee or debtor in possession shall file in duplicate with the Clerk, not less than three days prior to the hearing provided for in Section 161 of the Bankruptcy Act, a report and summary of the operations of the business of the debtor and the present condition thereof.

(e) Every debtor in possession, receiver or trustee authorized to operate the business of the debtor in a proceeding filed under Chapter X, unless otherwise ordered by the Court, shall not later than the tenth day of each month file a report in triplicate with the Court, covering operations of the pending calendar month, showing receipts and disbursements and balance on hand, the date, person, consideration and amount of all disbursements, the amount deducted, received or withheld for withholding, social security and all other taxes and whether such taxes have been deposited in a special tax account as required by these rules, and the name of such depository, the date, person, consideration and amount of all unpaid obligations incurred or contracted, the change in the amount or character of

the inventory and equipment, a general summary of operations and such other data as the Court may direct or require.

(f) All petitions filed under Chapter X of the Bankruptcy Act, pursuant to Section 117 of the Bankruptcy Act, shall as of course and forthwith be referred by the Clerk to a Referee in Bankruptcy of this Court to hear and determine any and all matters not reserved to the Judge by the provisions of said chapter.

RULE 14. BANKRUPTCY DEPOSITORIES

Depositories of bankruptcy funds shall file with the Clerk during the first ten days of January, April, July and October of each year, a statement showing the balance in each estate as of the last business day of each of the three preceding months. Paid checks shall be held by the depository subject to the order of the Referee, and a statement of any account shall be furnished him upon request.

If the total bankruptcy funds on deposit with any depository, after deducting that portion of each account insured by the Federal Deposit Insurance Corporation (12 U.S.C. 264), shall exceed the amount of the security furnished by the depository, no money shall be thereafter deposited with such depository, nor shall such depository accept any deposit belonging to bankruptcy estates, until additional security shall have been given and approved by the Court. If the amount of security furnished by any depository shall exceed these requirements, the Court, upon application, may permit withdrawal of the excess.

Copies of this rule shall be furnished by the Clerk to each depository within this District.

RULE 15. PAYMENT OF FILING FEES IN BANKRUPTCY CASE
WHERE ATTORNEYS' FEES HAVE BEEN PAID

In proceedings where the payment of the filing fee provided by law is not tendered in full at the time of filing, the Clerk of this Court, or any of his Deputies, is directed to decline to file any petition, schedules or statement of affairs in bankruptcy, wherein it appears that the attorney for the petitioner has received compensation on account of attorneys' fees.

RULE 16. BOOKS AND RECORDS OF BANKRUPT OR DEBTOR

(a) The receiver or trustee shall take into his possession or hold subject to his continuous control such books of account and records belonging to the bankrupt or debtor as may be required for the proper administration of the estate.

(b) Upon the approval of his final report and account, unless otherwise ordered, the trustee shall return all books and records belonging to the debtor or bankrupt taken into his possession and if the debtor or bankrupt shall fail to take possession of the same within sixty (60) days after written notification by the trustee, then said books and records may be destroyed.

RULE 17. CLAIMS

(a) Every claim, including claims of the United States and of any State or Subdivision thereof, shall when filed, set forth a statement in sufficient detail to show that the full amount thereof is justly owing from the bankrupt to the creditor.

Failure to comply with this rule shall in itself be sufficient cause for the disallowance of a claim.

(b) No person shall be entitled to vote any claim other than his own, for any purpose whatsoever, except upon the filing of a written power of attorney authorizing him so to do, prepared in accordance with General Order 21 and Official Forms in Bankruptcy Nos. 18 or 19.

(c) Claims filed for wages, salaries or other compensation shall state (1) the social security number of the claimant, (2) the nature of the services rendered, (3) the date such services commenced and terminated, (4) the hourly, weekly, bi-weekly, monthly or other rate or basis of compensation, (5) any vacation pay claimed and the details thereof, (6) any severance or other sums claimed and the details thereof, and (7) the priority claimed.

RULE 18. APPLICABILITY OF RULES OF CIVIL PROCEDURE

The Rules of Civil Procedure for the United States District Courts insofar as they are not inconsistent with the Bankruptcy Act or the General Orders, shall apply to and regulate proceedings before the Referees.

RULE 19. REGULATIONS OF REFEREES

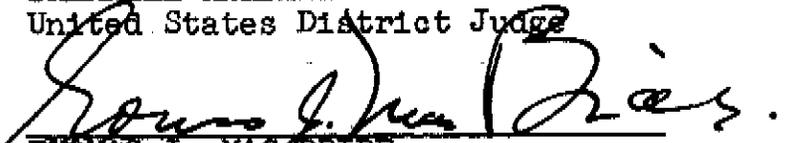
The Referees of this Court, by majority action, may adopt regulations for the conduct and disposition of matters referred to and pending before them, within their territorial jurisdiction, which are not inconsistent with the provisions of the

Bankruptcy Act, the General Orders, the Rules of the District Court or these Bankruptcy Rules.

SEPTEMBER 19th, 1966.


M. D. CROCKER
Chief United States District Judge


SHERRILL HALBERT
United States District Judge


THOMAS J. MACBRIDE
United States District Judge