

ONE CHASE MANHATTAN PLAZA  
NEW YORK 5

June 11, 1963

Richard J. Bartlett, Esq.  
Chairman  
Temporary Commission on Revision  
of the Penal Law and Criminal  
Code  
Room 654  
155 Leonard Street  
New York, New York

JUN 12 1963

Dear Mr. Bartlett:

I thank you for your cordial letter of May 29, 1963 regarding the report of our Sub-committee on Fraudulent Transfers of the Committee on Bankruptcy of the New York County Lawyers Association. Since my term of office as Chairman of the Committee expired last month, I am forwarding your letter and enclosure to the new Chairman, Mr. Walter G. Schelker, Jr. of Dills & Schelker, 50 West 44th Street, New York 36, N.Y. for appropriate action by the Committee.

I can assure you of the continued interest of our Committee in the vital work of your Commission.

Very truly yours,

*Samuel L. Ballin*

SRB/ds

May 29, 1963

Samuel Ross Ballin, Esq.  
Chairman, Bankruptcy Committee  
New York County Lawyers Association  
1 Chase Manhattan Plaza  
New York 5, New York

Dear Mr. Ballin:

We have studied with interest the excellent report of your Sub-Committee on Fraudulent Transfers. My staff has prepared tentative formulations, for inclusion in the revised Penal Law, proscribing certain conduct in the area of fraudulent disposition of property in ways that may prejudice creditors. These staff proposals have adopted the approach suggested in your Sub-Committee's report

I am enclosing a copy of the staff's draft, and would be grateful for your comments and recommendations. Again, thank you for your interest and cooperation.

Very truly yours,

Richard J. Bartlett  
Chairman

RJB:evd  
enc.

## Fraud in Insolvency

1. The term "administrator" as used in this section means an assignee or trustee for the benefit of creditors, a liquidator, a receiver or any other person entitled to administer property for the benefit of creditors.

2. A person, knowing that proceedings have been or are about to be instituted for the appointment of an administrator, or knowing that a composition agreement or other arrangement for the benefit of creditors has been or is about to be made, commits fraud in insolvency when, with intent to benefit himself or another or to injure or defraud any creditor, he:

(a) conveys, transfers, removes, conceals, destroys, encumbers or otherwise disposes of any part of or any interest in the debtor's estate; or

(b) obtains any substantial part of or interest in the debtor's estate; or

(c) presents to any creditor or to the administrator any writing or record relating to the debtor's estate knowing the same to contain a false statement of material matter; or

(d) misrepresents or refuses to disclose to the administrator the existence, amount or location of any part of or any interest in the debtor's estate, or any other information which he is legally required to furnish to such administrator.

3. A person who commits fraud in insolvency is guilty of a misdemeanor.

Wrongful acts in relation to personal property  
subject to a security interest

A person who, having executed a security agreement creating a security interest in personal property securing a monetary obligation owed to a secured party commits a misdemeanor when:

(a) having under the security agreement both the right of sale or other disposition of the property and the duty to account to the secured party for the proceeds of disposition, he sells or otherwise disposes of the property and wrongfully fails to account to the secured party for the proceeds of disposition; or

(b) having under the security agreement no right of sale or other disposition of the property, he knowingly secretes, withholds or disposes of such property in violation of the security agreement.

Fraudulently secreting or disposing of or maliciously  
injuring personal property.

1. A person who, having theretofore executed a mortgage of personal property, or any instrument intended to operate as such, sells, assigns, exchanges, secretes or otherwise disposes of any part of the property, upon which the mortgage or other instrument is at the time a lien, with intent thereby to defraud the mortgagee or a purchaser thereof, or maliciously injures or destroys such property, is guilty of a misdemeanor.

2. When prior to the performance of the condition of a conditional sale contract, the buyer or any legal successor in interest of the buyer maliciously or with intent to defraud, shall injure, destroy or conceal the goods subject to the conditional sale contract or shall sell, mortgage or otherwise dispose of such goods under claim of full ownership, he shall be guilty of a misdemeanor.

ONE CHASE MANHATTAN PLAZA  
NEW YORK 5

Art 110  
E+R

March 1, 1963

Richard J. Bartlett, Esq., Chairman  
Temporary Commission on Revision of  
the Penal Law and Criminal Code  
Room 654  
155 Leonard Street  
New York, N. Y.

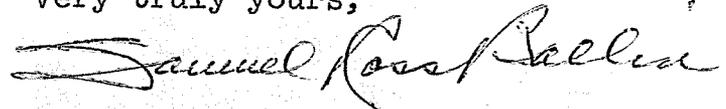
MAR 4 1963

Dear Mr. Bartlett:

I wrote to you on November 19, 1962, acknowledging receipt of your letter of November 9, 1962 and enclosures and advising you that the matter had been referred to our Sub-Committee on Fraudulent Transfers for a report.

Subsequently, Mr. I. Arnold Ross, Chairman of the Sub-Committee, presented the enclosed report, dated December 18, 1962, which was considered by the Committee and unanimously approved. On February 11, 1963, this report was submitted to the Board of Directors of our Association and was approved by the Board. I am now authorized to transmit this report to you on behalf of the Committee and to thank you for giving us this opportunity to express our views.

Very truly yours,



Chairman  
Committee on Bankruptcy  
New York County Lawyers Association

Enclosure

NEW YORK COUNTY LAWYERS' ASSOCIATION

REPORT OF THE SUBCOMMITTEE ON FRAUDULENT  
TRANSFERS TO THE COMMITTEE ON BANKRUPTCY  
ON  
TEMPORARY COMMISSION ON REVISION OF THE  
PENAL LAW AND CRIMINAL CODE REQUEST FOR  
VIEWS ON REVISION OF PENAL LAW ARTICLE 110.

December 18, 1962

ISSUES: Two issues were raised for discussion by the letter of request of the commission chairman, Richard J. Bartlett. They are:

I. Should the provisions of Article 110 (Insolvency) of the Penal Code, sections 1170-1173 be removed from the Penal Law and placed with other provisions dealing with protection of creditors, i.e.: in the Debtor and Creditor Law?

II. Should Article 110 be substantively changed?

RECOMMENDATIONS:

I. It is recommended that all penal provisions concerning criminal activities related to insolvency be kept in the Penal Law for the following reasons:

A. Placing all penal provisions in one place permits all criminal liabilities to be discovered in the Penal Law volumes.

B. Placing all penal provisions in one place permits District Attorneys to work with two (2) volumes rather than with 63 volumes of substantive criminal law.

C. If the Article 110 sections were to be removed from the Penal Law it would be impossible to place them with any single non-criminal substantive section or volume to which it could be said the penal provisions exclusively "belong".

For example: Assume A, president of insolvent corporation X, without giving the statutory notice to or of other creditors, transfers the bulk of the assets of X to B, treasurer of X, for less than full value.

- i. Both A and B are civilly liable for violation of Section 15 of the Stock Corporation Law. They may also be liable to punishment as misdemeanors under sections 1170 or 1171 if an intent to defraud creditors can be proven. Should those sections come after section 15 of the Stock Corporation Law?
- ii. B may be liable to account to or for creditors under section 273 of the Debtor and Creditor Law and the provisions of Article 10 of that law (Fraudulent Conveyances). Should these penal provisions appear at the end of that Article?
- iii. A transfer of property of insolvent corporation X to defraud creditors also, under certain circumstances, may violate provisions of the Lien Law, the Real Property Law or the Personal Property Law (i.e.: NYPPL sec.44, the Bulk Sales Act).

D. The present position in a single Penal Law of these penal provisions conforms with the practice used under federal law, wherein the penal provisions of the Federal Bankruptcy Act are placed in Title 18 ("Crimes and Criminal Procedure"), ch.9.

E. The practice of removing penal provisions from diverse sections of the New York statutes to transfer them to the Penal Law, rather than the reverse, has been found desirable in recent years, by the Law Revision Commission. E.g.: larceny provisions of former sections 4-a, 13(7), 25(6), 25-a, 25-b, 36, 36-a and 36-b of the Lien Law were moved in 1959 into new Penal Law section 1302-c, as recommended by the Law Revision Commission. [See Note of Commission, McKinney's 1959 Session Laws of New York, ch.696 pp. 976-977; Note under McKinney's Lien Law sec. 70 (1962 supp.); Leg. Doc. (1959) No. 65 (F).]

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II. It is recommended that the present penal provisions of Article 110 of the Penal Law ("Insolvency") be simplified and revised to cover at least the situations dealt with in the Model Penal Code, as supplemented by analogous situations suggested by Tit. 18, U.S.C.A. sec.152, and by a provision specifically referring to some of the situations covered in Debtor and Creditor Law Article 10 (Fraudulent Conveyances.)

An analysis of each set of penal provisions -- Federal Bankruptcy, Model Penal Code, and existing Penal Law, Article 110 -- follows:

FEDERAL LAW--Tit.18 U.S.C. sec.152 makes liable to up to \$5,000 fine or 5 years imprisonment or both one who

A. KNOWINGLY AND FRAUDULENTLY, after a bankruptcy petition is filed.

- a. CONCEALS property from trustee (receiver, creditors, marshal, custodian or other court officer);
- b. makes FALSE OATH OR ACCOUNT in relation to proceedings;
- c. presents under oath or uses a FALSE CLAIM;
- d. RECEIVES (material amount of) property of bankrupt with intent to defeat bankruptcy law;
- e. gives, (offers, receives, or attempts to obtain) bribe or promise of BRIBE for act or forbearance in proceeding; or
- f. WITHHOLDS DOCUMENT relating to affairs or property of bankrupt from trustee (receiver, marshal, custodian or other court officer); OR

B. in CONTEMPLATION OF BANKRUPTCY or with intent to defeat the bankruptcy law

- g. as agent (or officer) of person (or corporation) TRANSFERS OR CONCEALS property of the person (corporation); OR

C. in CONTEMPLATION OF BANKRUPTCY or after PETITION FILED

h. CONCEALS, destroys, mutilates, makes a false entry in, or FALSIFIES a DOCUMENT relating to affairs or property of bankrupt.

MODEL PENAL CODE of the American Law Institute, sections--make it a misdemeanor (providing under New York law up to a \$500 fine or one year imprisonment or both) for one who

A. To HINDER enforcement of a security interest:

REMOVES, CONCEALS, TRANSFERS, ENCUMBERS, destroys or otherwise deals with, secured property (sec.224.10); OR

B. KNOWING of actual (or contemplated) proceedings to appoint one to administer for creditors (or other composition or liquidation for creditors):

a. To defeat or OBSTRUCT creditor's claim (or law of administration of property for benefit of creditors), REMOVES, CONCEALS, TRANSFERS, ENCUMBERS, destroys or otherwise deals with property; or

b. KNOWINGLY FALSIFIES writing (or record) relating to the property; or

c. KNOWINGLY MISREPRESENTS (or refuses to disclose) to receiver or other person entitled to administer for creditors,

- i. existence, amount or location of property, or
- ii. other information legally required to be furnished. (sec.224.11).

N.Y. PENAL LAW -- Article 110 ("Insolvency") of the Penal Law makes it a misdemeanor, punishable under Penal Law sec. 1937 by up to \$500 fine, one year imprisonment or both, for

A. one who

a. with intent to DEFRAUD CREDITORS, purchasers or others BECOMES party to conveyance (or assignment) of a property interest [sec.1170(1)]; or

b. KNOWINGLY PUTS INTO USE as in good faith such a conveyance (or assignment), sec.1170(2); OR

B. one who--or a person who RECEIVES property KNOWING it is transferred or delivered to him by one who (sec.1172)--with intent to DEFRAUD CREDITOR or to prevent his property from being liable for or levied for his debts

c. REMOVES, SECRETES, CONVEYS, assigns or otherwise disposes of his property, (Sec.1171); OR

- C. one who, with intent to DEFRAUD CREDITOR
- d. REMOVES, SECRETES, conveys, assigns or otherwise disposes of his books of account, accounts, vouchers or writings relating to his affairs, or
  - e. ALTERS, destroys, obliterates or erases such or an entry therein (sec.1171); OR
- D. one who, as applicant for discharge as insolvent debtor or as general assignor for payment of debts, WILFULLY
- f. CONCEALS property or writing related to it; or
  - g. OMITTS to disclose sums collected or transfers since application; or
  - f. FRAUDULENTLY
    - i. presents application, or
    - ii. makes and exhibits, ALTERS, obliterates or destroys an account, voucher or entry therein relating to the condition of his affairs; or
  - g. KNOWINGLY presents to court or makes FALSE STATEMENT on application or supporting document; or
  - h. COMMITS any FRAUD ON CREDITOR to induce him to petition for or consent to discharge; or
  - i. FRAUDULENTLY CONSPIRES WITH or INDUCES another to consent to discharge, or to practice any fraud in aid thereof. (Sec.1173).

The comparative simplicity of the Federal Acts and the Model Penal Code contrasts sharply with the ancient language of our own pre-Bankruptcy Act statutes still on the books. The argument that our own provisions have had a century of interpretation to give them meaning in many situations just simply does not stand up to the factual evidence. An analysis of the annotations under these sections discloses the following:

Sec.1170--Indictment under identical prior section was upheld in Loomis v. People, 19 Hun. 60, in 1880. Sec.1170 was passed in its present language but under a different section number in 1881. Since then there has not been a single case upholding liability. Indeed, aside from citations in two disciplinary proceedings against attorneys, the case was cited but once, in a civil case whose dicta included a statement that a merger of two corporations expressly "without prejudice to any creditor" under the merger section of the Stock Corporation Law (§85) did not violate this section. Irvine v. N.Y. Edison Co., 207 N.Y. 425 (1913).

Sec.1171--In the first non-disciplinary case under this section's language, the evidence was held on appeal to be insufficient to sustain conviction. People v. Schmulowitz,

133 App.Div.697, 118 N.Y.S. 183 (1st Dept. 1909) where Defendant's removal of 700 pairs trousers and cut-goods for vests from his shop while indebted to Myer Cohen for \$475 when other property was still kept in the shop worth \$3,000 was held not incompatible with innocence.

Other annotation cases show only one other conviction, also in 1909, and also reversed, this time for use of a patently inadmissible petition of a third party to "prove" a general scheme of defrauding creditors from which the jury had been allowed to conclude the specific check transfer involved was also fraudulent. People v. Schlessel, 196 N.Y. 476 (1909) reversing 127 App. Div. 510, 112 N.Y.S. 45 (1st Dept. 1908). The third annotation case dealt with an indictment under a different section and held that the venue provision for this section was inapplicable. People v. Taylor, 159 Misc. 377, 287 N.Y.S. 667 (Niagara County Court) indictment dismissed for lack of jurisdiction. (Note the other statute was sec.940 on fraudulent secretion of mortgaged personal property).

Sec.1172--No cases.

Sec.1173--No cases.

Respectfully submitted,

Subcommittee on Fraudulent Transfers  
I. Arnold Ross, Chairman

ONE CHASE MANHATTAN PLAZA  
NEW YORK 5

November 19, 1962

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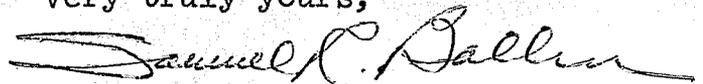
Richard J. Bartlett, Esq., Chairman  
Temporary Commission on Revision of  
the Penal Law and Criminal Code  
Room 654  
155 Leonard Street  
New York, N. Y.

Dear Mr. Bartlett:

On behalf of the Committee on Bankruptcy of the  
New York County Lawyers Association, I am glad to acknowledge  
receipt of your letter of November 9, 1962 and enclosures.  
The matter was considered at a meeting of the Committee held  
on November 15, 1962 and referred to our Sub-Committee on  
Fraudulent Transfers, of which Mr. I. Arnold Ross of 150  
Broadway, New York, N.Y. is Chairman. We hope that the Sub-  
Committee will be able to present a report to the Committee  
at its next meeting, after which the consensus of our views  
will be communicated to you.

Assuring you of our desire to cooperate with your  
Commission in any way we can, I am

Very truly yours,



Chairman,  
Committee on Bankruptcy  
New York County Lawyers Association

SRB/ds

RTMcQ

November 9, 1962

Samuel Ross Ballin, Esq.  
Chairman, Bankruptcy Committee  
New York County Lawyers  
Association  
1 Chase Manhattan Plaza  
New York, New York

Dear Mr. Ballin:

This Commission was created to make a study of the existing criminal laws of the State, and to prepare for submission to the Legislature, among other proposals, a revised, simplified body of substantive law relating to crimes. Specifically, we have been charged with the duty of eliminating Penal Law provisions which are no longer useful or necessary, and to rearrange and reclassify the substantive law so as to make for orderly and logical grouping of related subject matter.

Penal Law Article 110, "Insolvency", Sections 1170-1173, relates generally to fraudulent conveyances. The four sections in this Article have remained essentially unchanged for over one hundred years. One question facing this Commission is whether this Article needs to be substantively changed. Another question is whether these sections ought not to be dealt with in the context of other provisions dealing with the protection of creditors, i.e., placing these sections in the Debtor and Creditor Law, rather than in the Penal Law. The latter presently contains a large number of sections of a regulatory nature with criminal sanctions. It is often a hindrance rather than an aid to one researching a particular field, e. g., fraudulent conveyances, for he must search two bodies of law rather than

one. The approach of this Commission is that a proper penal code should make no endeavor to cover the entire field of criminality, but instead, should comprise the more fundamental and familiar offenses, defined with simplicity and grouped under a thoughtful category format. Enclosed herein is a copy of Penal Law Sections 1170-1173, as well as a copy of Sections 224.10-224.11 of the American Law Institute's Model Penal Code, which authorize punishment to prevent defrauding of secured and unsecured creditors. I am also enclosing a copy of our Interim Report.

The Commission would welcome the views of your Committee with respect to the two questions above. We are, of course, most anxious to cooperate in any manner with your Committee's consideration of this issue, and are grateful for your assistance and interest.

Very truly yours,

Richard J. Bartlett  
Chairman

RJB/cd  
Enclosures

THE AMERICAN LAW INSTITUTE

MODEL PENAL CODE

Section 224.10. Defrauding Secured Creditors.

A person commits a misdemeanor if he destroys, removes, conceals, encumbers, transfers or otherwise deals with property subject to a security interest with purpose to hinder enforcement of that interest.

Section 224.11. Fraud in Insolvency.

A person commits a misdemeanor if, knowing that proceedings have been or are about to be instituted for the appointment of a receiver or other person entitled to administer property for the benefit of creditors, or that any other composition or liquidation for the benefit of creditors has been or is about to be made, he:

(a) destroys, removes, conceals, encumbers, transfers, or otherwise deals with any property with purpose to defeat or obstruct the claim of any creditor, or otherwise to obstruct the operation of any law relating to administration of property for the benefit of creditors; or

(b) knowingly falsifies any writing or record relating to the property; or

(c) knowingly misrepresents or refuses to disclose to a receiver or other person entitled to administer property for the benefit of creditors, the existence, amount or location of the property, or any other information which the actor could be legally required to furnish in relation to such administration.

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NEW YORK STATE PENAL LAW

ARTICLE 110

INSOLVENCY

§ 1170. Fraudulent conveyances of property.

A person who:

1. Becomes a party to a conveyance or assignment of real or personal property, or of an interest therein, with intent to defraud prior or subsequent purchasers, or to hinder, delay, or defraud creditors or other persons; or,
2. Being a party or privy to, or knowing of, such a conveyance or assignment so made, wilfully puts the same in use as having been made in good faith,  
Is guilty of a misdemeanor.

§ 1171. Fraudulent removal of property to prevent levy.

A person who with intent to defraud a creditor, or to prevent any of his property from being made liable for the payment of any of his debts, or levied upon by an execution or warrant of attachment, removes any of his property or secretes, assigns, conveys or otherwise disposes of the same; or with intent to defraud a creditor, removes, secretes, assigns conveys or otherwise disposes of any of his books of account, accounts, vouchers or writings in any way relating to his business affairs, or destroys, obliterates, alters or erases any of such books of account, accounts, vouchers or writings, or any entry, memorandum or minute therein contained, is guilty of a misdemeanor.

§ 1172. Knowingly receiving property removed to defraud creditors.

A person who receives any property from another knowing that the same is transferred or delivered to him in violation of, or with intent to violate, the last section, is guilty of a misdemeanor.

§ 1173. Concealment of effects of insolvent debtor.

A person who being an applicant, as an insolvent debtor, for a discharge from his debts or for exoneration or discharge from imprisonment, or having made a general assignment of his property for the payment of his debts, wilfully:

1. Conceals any part of his estate or effects, or any book, account, or other writing relative thereto; or,
  2. Omits to disclose, to the court before which his application is pending, any debt or demand which he has collected, or any transfer of property which he has made, since the presentation of his application; or,
  3. Fraudulently presents, or authorizes to be presented in his behalf, such an application, in a case where it is not authorized by law; or,
  4. Makes or presents to the court or officer in support of such an application, a petition, schedule, book, account, voucher, or other paper or document, knowing the same to contain a false statement; or,
  5. Fraudulently makes and exhibits, or alters, obliterates, or destroys an account or voucher, relating to the condition of his affairs, or an entry or statement in such an account or voucher; or,
  6. Commits any fraud upon a creditor, to induce him to petition for, or consent to such a discharge; or,
  7. Conspires with, or induces another fraudulently to consent as creditor to a petition for such discharge, or to practice any fraud in aid thereof,
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1. Conceals any part of his estate or effects, or any book, account, or other writing relative thereto; or,
2. Omits to disclose, to the court before which his application is pending, any debt or demand which he has collected, or any transfer of property which he has made, since the presentation of his application; or,
3. Fraudulently presents, or authorizes to be presented in his behalf, such an application, in a case where it is not authorized by law; or,
4. Makes or presents to the court or officer in support of such an application, a petition, schedule, book, account, voucher, or other paper or document, knowing the same to contain a false statement; or,
5. Fraudulently makes and exhibits, or alters, obliterates, or destroys an account or voucher, relating to the condition of his affairs, or an entry or statement in such an account or voucher; or,
6. Commits any fraud upon a creditor, to induce him to petition for, or consent to such a discharge; or,
7. Conspires with, or induces another fraudulently to consent as creditor to a petition for such discharge, or to practice any fraud in aid thereof,  
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1. Conceals any part of his estate or effects, or any book, account, or other writing relative thereto; or,
2. Omits to disclose, to the court before which his application is pending, any debt or demand which he has collected, or any transfer of property which he has made, since the presentation of his application; or,
3. Fraudulently presents, or authorizes to be presented in his behalf, such an application, in a case where it is not authorized by law; or,
4. Makes or presents to the court or officer in support of such an application, a petition, schedule, book, account, voucher, or other paper or document, knowing the same to contain a false statement; or,
5. Fraudulently makes and exhibits, or alters, obliterates, or destroys an account or voucher, relating to the condition of his affairs, or an entry or statement in such an account or voucher; or,
6. Commits any fraud upon a creditor, to induce him to petition for, or consent to such a discharge; or,
7. Conspires with, or induces another fraudulently to consent as creditor to a petition for such discharge, or to practice any fraud in aid thereof,  
Is guilty of a misdemeanor.

NEW YORK STATE PENAL LAW

ARTICLE 110

INSOLVENCY

§ 1170. Fraudulent conveyances of property.

A person who:

1. Becomes a party to a conveyance or assignment of real or personal property, or of an interest therein, with intent to defraud prior or subsequent purchasers, or to hinder, delay, or defraud creditors or other persons; or,

2. Being a party or privy to, or knowing of, such a conveyance or assignment so made, wilfully puts the same in use as having been made in good faith,

Is guilty of a misdemeanor.

§ 1171. Fraudulent removal of property to prevent levy.

A person who with intent to defraud a creditor, or to prevent any of his property from being made liable for the payment of any of his debts, or levied upon by an execution or warrant of attachment, removes any of his property or secretes, assigns, conveys or otherwise disposes of the same; or with intent to defraud a creditor, removes, secretes, assigns, conveys or otherwise disposes of any of his books of account, accounts, vouchers or writings in any way relating to his business affairs, or destroys, obliterates, alters or erases any of such books of account, accounts, vouchers or writings, or any entry, memorandum or minute therein contained, is guilty of a misdemeanor.

§ 1172. Knowingly receiving property removed to defraud creditors.

A person who receives any property from another knowing that the same is transferred or delivered to him in violation of, or with intent to violate, the last section, is guilty of a misdemeanor.

§ 1173. Concealment of effects of insolvent debtor.

A person who being an applicant, as an insolvent debtor, for a discharge from his debts or for exoneration or discharge from imprisonment, or having made a general assignment of his property for the payment of his debts, wilfully:

1. Conceals any part of his estate or effects, or any book, account, or other writing relative thereto; or,
2. Omits to disclose, to the court before which his application is pending, any debt or demand which he has collected, or any transfer of property which he has made, since the presentation of his application; or,
3. Fraudulently presents, or authorizes to be presented in his behalf, such an application, in a case where it is not authorized by law; or,
4. Makes or presents to the court or officer in support of such an application, a petition, schedule, book, account, voucher, or other paper or document, knowing the same to contain a false statement; or,
5. Fraudulently makes and exhibits, or alters, obliterates, or destroys an account or voucher, relating to the condition of his affairs, or an entry or statement in such an account or voucher; or,
6. Commits any fraud upon a creditor, to induce him to petition for, or consent to such a discharge; or,
7. Conspires with, or induces another fraudulently to consent as creditor to a petition for such discharge, or to practice any fraud in aid thereof,  
Is guilty of a misdemeanor.

RE: ART. 110 "INSOLVENCY"  
§§ 1170-1173

Copy of letter w/memo,  
dated, 4/26/62 to Hon. Louis Lefkowitz,  
Attorney General.

See: Excision and Relocation, Art. 36  
"Bucket Shops, §§390-395 for  
copy of letter w/memo.