

14. Before the declaration of any dividend by the sequestrator or trustee of any estate, the accounts of the estate shall first have been examined by the Inspector, and sanction obtained as to the payment of a dividend.

15. Every trustee shall, after the expiration of the date for the final winding up of the estate, pay into the Colonial Treasury all unclaimed dividends to the credit of a fund to be called "The Unclaimed Dividend Fund," to be withdrawn by the parties entitled thereto, upon the production of a certificate from the Inspector in Bankruptcy acting for the estate.

16. The final account of any sequestrator or trustee shall be duly verified upon oath.

17. Every sequestrator or trustee, receiver, attorney, solicitor, agent, auctioneer, or other person employed in the management or winding up of sequestered estates, who shall receive an order from the Inspector shall comply with the same.

18. Every sequestrator or trustee shall keep possession of all the books of an insolvent debtor until the final winding up of the estate, when the said books shall be lodged with the Inspector; and in the event of the estate of any insolvent debtor being sold by a sequestrator or trustee, the books of such debtor shall be lodged with the Inspector, who shall, upon an order signed by a sequestrator or trustee, permit the temporary use, for the purpose of proof of debts, of any of the said books; and, in like manner, shall permit the person purchasing the said estate to make any extract from the said books which he may require. Books thus obtained under order of the trustee shall, at the expiration of the time during which their use was requested, be returned forthwith to the Inspector.

19. Every sequestrator, trustee, receiver, attorney, solicitor, agent, auctioneer, or other person employed in the management or winding up of a sequestered estate, who shall be found guilty of disobedience, shall be liable to a fine in any sum not exceeding £100.

20. Whenever any creditor in the estate of an insolvent debtor shall reside outside the Colony, the sequestrator or trustee shall give due notice to such creditor that a certain time has been appointed for proof of debts, and no dividend shall be declared until the expiration of that period.

IV.—General.

21. In the event of no distinct provision being made by the creditors, by deed, for the payment of commission to sequestrators and trustees, then the maximum sum of 5 per cent. shall be payable to every sequestrator or trustee as a remuneration for services rendered in the realization of any sequestered estate; but the Inspector shall have power, upon examination as to the character of the services so rendered, to make an order for the payment of a lesser amount of commission to the said sequestrator or trustee, the minimum amount of which shall not be under 2½ per cent.

22. Every debtor shall, immediately upon filing his petition, furnish the Inspector with correct information as to his place of abode, and shall, in case he shall at any time change such place of abode before his final discharge, report the same to the Inspector.

23. Every debtor shall attend, whenever required by the Inspector, for the purpose of assisting in the realization of the estate.

No. 9.

Copy of a Letter from Mr. G. BRODIE to the Hon. E. W. STAFFORD.

SIR,—

Wellington, 30th April, 1866.

I have the honor to forward herewith a statement in detail of the probable amount of expenditure for the Department of Inspector in Bankruptcy for the Province of Otago during the year 1866-7.

I have, &c.,

GEO. BRODIE,

The Hon. the Colonial Secretary.

Inspector in Bankruptcy for the Province of Otago.

Enclosure in No. 9.

For the information of the Colonial Secretary, the Inspector in Bankruptcy for the Province of Otago has the honor to submit a statement showing the probable amount of business likely to be transacted through his office.

In the first place, the Inspector has already been called upon to interfere in a large number of estates which involved a correspondence of over 200 letters and circulars.

When it is considered that the arrears under "The Debtors and Creditors Act, 1862," consist of 177 estates to be wound up under deed of assignment, the sworn assets of which estates are £220,000; and that in addition there are over 300 estates not taken out of Court, the gross amount of assets being over £400,000, it will be seen that for the first twelve or eighteen months the business of the office must necessarily be very heavy. The clerical assistance required will in many cases be of the nature of the work of an accountant, and hence the necessity of obtaining the services of a person who is capable of performing duties other than those of an ordinary clerk. It is impossible to say how many of the estates may be brought under the notice of the Inspector, because sequestrators and trustees have not, so far as I am aware, obtained the sanction of the Supreme Court to the final accounts. As they have not thus relieved themselves from the responsibilities attached to their trust, discontented creditors are now taking the opportunity of looking into their conduct. Again, it is the opinion of Judge Richmond that if the Inspector is to obtain correct information "as to the true state of affairs" of each estate, he should attend every meeting of creditors, be present at their first, second, and third hearings at the Supreme Court, be in a position to answer any query of the Judge as to the conduct of the insolvent, and, when necessary, question the insolvent in Court. For this purpose the Inspector has been allowed by Judge Richmond a *locus standi* in Court.

As regards the current business of the office, the Inspector has to report that since his appointment the number of insolvencies have averaged about two a week.

GEO. BRODIE,
Inspector in Bankruptcy, Otago.