

sequences may be unfortunate. Since this note was prepared, a limit on the appropriation power has been for the first time authoritatively announced; but the scope of the remaining power is not yet clear. *U.S. v. Butler*, 296 U.S.—Chicago Daily Tribune, Jan. 7, 1936, p. 6.

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**Contracts—Consideration—Uniform Written Obligations Act—[Pennsylvania].**—Assumpsit was brought on a note, signed by the defendant, which began with a promise to pay the plaintiff \$5,000, was followed by a pledge of collateral security, and concluded with the words "and should any balance remain unpaid, I [defendant] further promise and agree to pay the same to the holder thereof on demand." The note was not sealed. The defendant contended that because no consideration was averred, the plaintiff did not establish a good cause of action. *Held*, the Uniform Written Obligations Act (Pa. P.L. 985 (1927)) eliminates the defense of absence of consideration where the right of action is based on a written promise which contains an additional express statement, in any form or language, that the signer intends to be legally bound. Here, the express promise to pay was followed by another promise to pay any unpaid balance. *Gilmore, ex'rx. v. Kessler*, 22 Pa. Dist & County. Rep. 274 (1935).

For discussion of the Uniform Written Obligations Act see note, Contracts without Consideration, *ante*, p. 312.

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**Corporate Reorganization—A Foreclosure Receivership as a "Proceeding in Equity Receivership" within the Meaning of § 77B—[Federal].**—A petition was filed for involuntary reorganization proceedings under § 77B(a) of the Bankruptcy Act, the petitioner alleging that a receiver had been appointed in a pending mortgage foreclosure action which involved all of the debtor's property. *Held*, petition dismissed; a foreclosure receivership is not a pending equity receivership within the meaning of the Bankruptcy Act. *In re 2168 Broadway Corp.*, 78 F. (2d) 678 (C.C.A. 2d 1935), *cert. granted, sub nom. Duparquet Huot Moneuse Co. v. Frysinger, Evans et al.*, 56 Sup. Ct. 248 (1935).

By the terms of § 77B, subdivision (a), three creditors having a combined claim of \$1000 or more in excess of their securities, may file an involuntary petition for reorganization of a corporation. Their petition must allege, *inter alia*, that the debtor has committed an act of bankruptcy within the four preceding months or that a prior proceeding in bankruptcy or equity receivership is pending. Exactly what is meant by a "proceeding in equity receivership" has been the subject of sharp controversy. The expression "equity receivership" is broad enough to include all cases in which a receiver is appointed by a court of equity for any purpose whatsoever. 1 Clark, Receivers § 12 (2d ed. 1929). Influenced by this consideration the federal courts in the seventh circuit have held it to include a receivership in a mortgage foreclosure. *In re Granada Hotel Corp.*, 9 F. Supp. 909 (D.C. Ill. 1934), affirmed in 78 F. (2d) 409 (C.C.A. 7th 1935), *cert. granted, sub nom. Tuttle v. Harris*, 56 Sup. Ct. 150 (1935); *In re Flamingo Hotel Corp.*, 1 Corp. Reorg. Mag. 53 (D.C. Ill. 1934); *In re Surf Bldg. Corp.*, 11 F. Supp. 295 (D.C. Ill. 1934). In all of these cases the mortgage covered all or nearly all of the assets. See Spaeth and Friedberg, Early Developments under Section 77B, 30 Ill. L. Rev. 137, 139, note 6 (1935). Cf. Hanna, Corporate Reorganization under the Bankruptcy Act, 21 Am. B. Ass'n J. 73, 76 (1935). Among lawyers, however, the phrase "proceeding in equity receivership," is probably regarded as referring to the