

STATE OF NEW YORK

6180--A

Cal. No. 1135

2017-2018 Regular Sessions

IN SENATE

May 11, 2017

Introduced by Sen. BONACIC -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the debtor and creditor law, the civil practice law and rules, the estates, powers and trusts law and the workers' compensation law, in relation to enacting the "uniform voidable transactions act"; and to repeal certain provisions of the debtor and creditor law relating to fraudulent conveyances

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Short title. This act shall be known and may be cited as the "uniform voidable transactions act".

§ 2. Article 10 of the debtor and creditor law is REPEALED and a new article 10 is added to read as follows:

ARTICLE 10

UNIFORM VOIDABLE TRANSACTIONS ACT

Section 270. Definitions.

271. Insolvency.

272. Value.

273. Transfer or obligation voidable as to present or future creditor.

274. Transfer or obligation voidable as to present creditor.

275. When transfer is made or obligation is incurred.

276. Remedies of creditor.

276-a. Attorney's fees in action or special proceeding under this article to avoid a transfer or obligation.

277. Defenses, liability, and protection of transferee or obligee.

278. Extinguishment of claim for relief.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

LBD06162-03-7

1 279. Governing law.

2 280. Supplementary provisions.

3 281. Uniformity of application and construction.

4 281-a. Relation to electronic signatures in global and national
5 commerce act.

6 § 270. Definitions. As used in this article:

7 (a) "Affiliate" means:

8 (1) a person that directly or indirectly owns, controls or holds with
9 power to vote, twenty percent or more of the outstanding voting securi-
10 ties of the debtor, other than a person that holds the securities:

11 (i) as a fiduciary or agent without sole discretionary power to vote
12 the securities; or

13 (ii) solely to secure a debt, if the person has not in fact exercised
14 the power to vote;

15 (2) a corporation twenty percent or more of whose outstanding voting
16 securities are directly or indirectly owned, controlled or held with
17 power to vote, by the debtor or a person that directly or indirectly
18 owns, controls or holds, with power to vote, twenty percent or more of
19 the outstanding voting securities of the debtor, other than a person
20 that holds the securities:

21 (i) as a fiduciary or agent without sole discretionary power to vote
22 the securities; or

23 (ii) solely to secure a debt, if the person has not in fact exercised
24 the power to vote;

25 (3) a person whose business is operated by the debtor under a lease or
26 other agreement, or a person substantially all of whose assets are
27 controlled by the debtor; or

28 (4) a person that operates the debtor's business under a lease or
29 other agreement or controls substantially all of the debtor's assets.

30 (b) "Asset" means property of a debtor, but the term does not include:

31 (1) property to the extent it is encumbered by a valid lien;

32 (2) property to the extent it is generally exempt under non-bankruptcy
33 law; or

34 (3) an interest in property held in tenancy by the entirety to the
35 extent it is not subject to process by a creditor holding a claim
36 against only one tenant.

37 (c) "Claim", except as used in "claim for relief", means a right to
38 payment, whether or not the right is reduced to judgment, liquidated,
39 unliquidated, fixed, contingent, matured, unmatured, disputed, undis-
40 puted, legal, equitable, secured or unsecured.

41 (d) "Creditor" means a person that has a claim.

42 (e) "Debt" means liability on a claim.

43 (f) "Debtor" means a person that is liable on a claim.

44 (g) "Electronic" means relating to technology having electrical,
45 digital, magnetic, wireless, optical, electromagnetic or similar capa-
46 bilities.

47 (h) "Insider" includes:

48 (1) if the debtor is an individual:

49 (i) a relative of the debtor or of a general partner of the debtor;

50 (ii) a partnership in which the debtor is a general partner;

51 (iii) a general partner in a partnership described in subparagraph
52 (ii) of this paragraph; or

53 (iv) a corporation of which the debtor is a director, officer, or
54 person in control;

55 (2) if the debtor is a corporation:

56 (i) a director of the debtor;

(ii) an officer of the debtor;
(iii) a person in control of the debtor;
(iv) a partnership in which the debtor is a general partner;
(v) a general partner in a partnership described in subparagraph (iv) of this paragraph; or
(vi) a relative of a general partner, director, officer or person in control of the debtor;
(3) if the debtor is a partnership:
(i) a general partner in the debtor;
(ii) a relative of a general partner in, a general partner of or a person in control of the debtor;
(iii) another partnership in which the debtor is a general partner;
(iv) a general partner in a partnership described in subparagraph (iii) of this paragraph; or
(v) a person in control of the debtor;
(4) an affiliate, or an insider of an affiliate as if the affiliate were the debtor; and
(5) a managing agent of the debtor.
(i) "Lien" means a charge against or an interest in property to secure payment of a debt or performance of an obligation, and includes a security interest created by agreement, a judicial lien obtained by legal or equitable process or proceedings, a common-law lien, or a statutory lien.
(j) "Organization" means a person other than an individual.
(k) "Person" means an individual, estate, partnership, association, trust, business or nonprofit entity, public corporation, government or governmental subdivision, agency or instrumentality, or other legal or commercial entity.
(l) "Property" means anything that may be the subject of ownership.
(m) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.
(n) "Relative" means an individual related by consanguinity within the third degree as determined by the common law, a spouse or an individual related to a spouse within the third degree as so determined, and includes an individual in an adoptive relationship within the third degree.
(o) "Sign" means, with present intent to authenticate or adopt a record:
(i) to execute or adopt a tangible symbol; or
(ii) to attach to or logically associate with the record an electronic symbol, sound, or process.
(p) "Transfer" means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with an asset or an interest in an asset, and includes payment of money, release, lease, license, and creation of a lien or other encumbrance.
(q) "Valid lien" means a lien that is effective against the holder of a judicial lien subsequently obtained by legal or equitable process or proceedings.
§ 271. Insolvency. (a) A debtor is insolvent if, at a fair valuation, the sum of the debtor's debts is greater than the sum of the debtor's assets.
(b) A debtor that is generally not paying the debtor's debts as they become due other than as a result of a bona fide dispute is presumed to be insolvent. The presumption imposes on the party against which the

1 presumption is directed the burden of proving that the nonexistence of
2 insolvency is more probable than its existence.

3 (c) Assets under this section do not include property that has been
4 transferred, concealed or removed with intent to hinder, delay or
5 defraud creditors, or that has been transferred in a manner making the
6 transfer voidable under this article.

7 (d) Debts under this section do not include an obligation to the
8 extent it is secured by a valid lien on property of the debtor not
9 included as an asset.

10 § 272. Value. (a) Value is given for a transfer or an obligation if,
11 in exchange for the transfer or obligation, property is transferred or
12 an antecedent debt is secured or satisfied, but value does not include
13 an unperformed promise made otherwise than in the ordinary course of the
14 promisor's business to furnish support to the debtor or another person.

15 (b) For the purposes of paragraph two of subdivision (a) of section
16 two hundred seventy-three and section two hundred seventy-four of this
17 article, a person gives a reasonably equivalent value if the person
18 acquires an interest of the debtor in an asset pursuant to a regularly
19 conducted, noncollusive foreclosure sale or execution of a power of sale
20 for the acquisition or disposition of the interest of the debtor upon
21 default under a mortgage, deed of trust, or security agreement.

22 (c) A transfer is made for present value if the exchange between the
23 debtor and the transferee is intended by them to be contemporaneous and
24 is in fact substantially contemporaneous.

25 § 273. Transfer or obligation voidable as to present or future credi-
26 tor. (a) A transfer made or obligation incurred by a debtor is voidable
27 as to a creditor, whether the creditor's claim arose before or after the
28 transfer was made or the obligation was incurred, if the debtor made the
29 transfer or incurred the obligation:

30 (1) with actual intent to hinder, delay or defraud any creditor of the
31 debtor; or

32 (2) without receiving a reasonably equivalent value in exchange for
33 the transfer or obligation, and the debtor:

34 (i) was engaged or was about to engage in a business or a transaction
35 for which the remaining assets of the debtor were unreasonably small in
36 relation to the business or transaction; or

37 (ii) intended to incur, or believed or reasonably should have believed
38 that the debtor would incur, debts beyond the debtor's ability to pay as
39 they became due.

40 (b) In determining actual intent under paragraph one of subdivision
41 (a) of this section, consideration may be given, among other factors, to
42 whether:

43 (1) the transfer or obligation was to an insider;

44 (2) the debtor retained possession or control of the property trans-
45 ferred after the transfer;

46 (3) the transfer or obligation was disclosed or concealed;

47 (4) before the transfer was made or obligation was incurred, the
48 debtor had been sued or threatened with suit;

49 (5) the transfer was of substantially all the debtor's assets;

50 (6) the debtor absconded;

51 (7) the debtor removed or concealed assets;

52 (8) the value of the consideration received by the debtor was reason-
53 ably equivalent to the value of the asset transferred or the amount of
54 the obligation incurred;

55 (9) the debtor was insolvent or became insolvent shortly after the
56 transfer was made or the obligation was incurred;

1 (10) the transfer occurred shortly before or shortly after a substan-
2 tial debt was incurred; and

3 (11) the debtor transferred the essential assets of the business to a
4 lienor that transferred the assets to an insider of the debtor.

5 (c) A creditor making a claim for relief under subdivision (a) of this
6 section has the burden of proving the elements of the claim for relief
7 by a preponderance of the evidence.

8 § 274. Transfer or obligation voidable as to present creditor. (a) A
9 transfer made or obligation incurred by a debtor is voidable as to a
10 creditor whose claim arose before the transfer was made or the obli-
11 gation was incurred if the debtor made the transfer or incurred the
12 obligation without receiving a reasonably equivalent value in exchange
13 for the transfer or obligation and the debtor was insolvent at that time
14 or the debtor became insolvent as a result of the transfer or obli-
15 gation.

16 (b) A transfer made by a debtor is voidable as to a creditor whose
17 claim arose before the transfer was made if the transfer was made to an
18 insider for an antecedent debt, the debtor was insolvent at that time,
19 and the insider had reasonable cause to believe that the debtor was
20 insolvent.

21 (c) Subject to subdivision (b) of section two hundred seventy-one of
22 this article, a creditor making a claim for relief under subdivision (a)
23 or (b) of this section has the burden of proving the elements of the
24 claim for relief by a preponderance of the evidence.

25 § 275. When transfer is made or obligation is incurred. For the
26 purposes of this article:

27 (a) a transfer is made:

28 (1) with respect to an asset that is real property other than a
29 fixture, but including the interest of a seller or purchaser under a
30 contract for the sale of the asset, when the transfer is so far
31 perfected that a good-faith purchaser of the asset from the debtor
32 against which applicable law permits the transfer to be perfected cannot
33 acquire an interest in the asset that is superior to the interest of the
34 transferee; and

35 (2) with respect to an asset that is not real property or that is a
36 fixture, when the transfer is so far perfected that a creditor on a
37 simple contract cannot acquire a judicial lien otherwise than under this
38 article that is superior to the interest of the transferee;

39 (b) if applicable law permits the transfer to be perfected as provided
40 in subdivision (a) of this section and the transfer is not so perfected
41 before the commencement of an action for relief under this article, the
42 transfer is deemed made immediately before the commencement of the
43 action;

44 (c) if applicable law does not permit the transfer to be perfected as
45 provided in subdivision (a) of this section, the transfer is made when
46 it becomes effective between the debtor and the transferee;

47 (d) a transfer is not made until the debtor has acquired rights in the
48 asset transferred; and

49 (e) an obligation is incurred:

50 (1) if oral, when it becomes effective between the parties; or

51 (2) if evidenced by a record, when the record signed by the obligor is
52 delivered to or for the benefit of the obligee.

53 § 276. Remedies of creditor. (a) In an action for relief against a
54 transfer or obligation under this article, a creditor, subject to the
55 limitations in section two hundred seventy-seven of this article, may
56 obtain:

1 (1) avoidance of the transfer or obligation to the extent necessary to
2 satisfy the creditor's claim;

3 (2) an attachment or other provisional remedy against the asset trans-
4 ferred or other property of the transferee if available under applicable
5 law; and

6 (3) subject to applicable principles of equity and in accordance with
7 applicable rules of civil procedure:

8 (i) an injunction against further disposition by the debtor or a
9 transferee, or both, of the asset transferred or of other property;

10 (ii) appointment of a receiver to take charge of the asset transferred
11 or of other property of the transferee; or

12 (iii) any other relief the circumstances may require.

13 (b) If a creditor has obtained a judgment on a claim against the
14 debtor, the creditor, if the court so orders, may levy execution on the
15 asset transferred or its proceeds.

16 § 276-a. Attorney's fees in action or special proceeding under this
17 article to avoid a transfer or obligation. In an action or special
18 proceeding under this article in which a judgment creditor who has been
19 awarded by court order or agreement or has waived attorney's fees avail-
20 able to prevailing parties by the terms of the statute under which the
21 creditor's underlying claim arose, or representative asserting the
22 rights of such judgment creditor, recovers judgment avoiding any trans-
23 fer or obligation, the justice or surrogate presiding at the trial shall
24 fix the reasonable attorney's fees of the creditor, or creditor repre-
25 sentative, incurred in such action or special proceeding under this
26 article as an additional amount required to satisfy the creditor's
27 claim, and the creditor, or creditor representative, shall have judgment
28 therefor against the debtor and, subject to the defenses and protections
29 in section two hundred seventy-seven of this article, against any trans-
30 feree (or person for whose benefit the transfer was made) against whom
31 relief is ordered, in addition to the other relief granted by the judg-
32 ment. The fee so fixed shall be without regard, or prejudice, to any
33 agreement, express or implied, between the creditor, or the creditor
34 representative, and his or her attorney with respect to the compensation
35 of such attorney.

36 § 277. Defenses, liability, and protection of transferee or obligee.
37 (a) A transfer or obligation is not voidable under paragraph one of
38 subdivision (a) of section two hundred seventy-three of this article
39 against a person that took in good faith and for a reasonably equivalent
40 value given the debtor or against any subsequent transferee or obligee.

41 (b) To the extent a transfer is avoidable in an action by a creditor
42 under paragraph one of subdivision (a) of section two hundred seventy-
43 six of this article the following rules apply:

44 (1) Except as otherwise provided in this section, the creditor may
45 recover judgment for the value of the asset transferred, as adjusted
46 under subdivision (c) of this section, or the amount necessary to satis-
47 fy the creditor's claim, whichever is less. The judgment may be entered
48 against:

49 (i) the first transferee of the asset or the person for whose benefit
50 the transfer was made; or

51 (ii) an immediate or mediate transferee of the first transferee, other
52 than:

53 (A) a good-faith transferee that took for value; or

54 (B) an immediate or mediate good-faith transferee of a person
55 described in clause (A) of this subparagraph.

1 (2) Recovery pursuant to paragraph one of subdivision (a) or subdivi-
2 sion (b) of section two hundred seventy-six of this article or from
3 the asset transferred or its proceeds, by levy or otherwise, is avail-
4 able only against a person described in subparagraph (i) or (ii) of
5 paragraph one of this subdivision.

6 (c) If the judgment under subdivision (b) of this section is based
7 upon the value of the asset transferred, the judgment must be for an
8 amount equal to the value of the asset at the time of the transfer,
9 subject to adjustment as the equities may require.

10 (d) Notwithstanding voidability of a transfer or an obligation under
11 this article, a good-faith transferee or obligee is entitled, to the
12 extent of the value given the debtor for the transfer or obligation, to:

13 (1) a lien on or a right to retain an interest in the asset trans-
14 ferred;

15 (2) enforcement of an obligation incurred; or

16 (3) a reduction in the amount of the liability on the judgment.

17 (e) A transfer is not voidable under paragraph two of subdivision (a)
18 of section two hundred seventy-three or section two hundred seventy-four
19 of this article if the transfer results from:

20 (1) termination of a lease upon default by the debtor when the termi-
21 nation is pursuant to the lease and applicable law; or

22 (2) enforcement of a security interest in compliance with article nine
23 of the uniform commercial code, other than acceptance of collateral in
24 full or partial satisfaction of the obligation it secures.

25 (f) A transfer is not voidable under subdivision (b) of section two
26 hundred seventy-four of this article:

27 (1) to the extent the insider gave new value to or for the benefit of
28 the debtor after the transfer was made, except to the extent the new
29 value was secured by a valid lien;

30 (2) if made in the ordinary course of business or financial affairs of
31 the debtor and the insider; or

32 (3) if made pursuant to a good-faith effort to rehabilitate the debtor
33 and the transfer secured present value given for that purpose as well as
34 an antecedent debt of the debtor.

35 (g) The following rules determine the burden of proving matters
36 referred to in this section:

37 (1) A party that seeks to invoke subdivision (a), (d), (e) or (f) of
38 this section has the burden of proving the applicability of that subdivi-
39 vision.

40 (2) Except as otherwise provided in paragraphs three and four of this
41 subdivision, the creditor has the burden of proving each applicable
42 element of subdivision (b) or (c) of this section.

43 (3) The transferee has the burden of proving the applicability to the
44 transferee of clause (A) or (B) of subparagraph (ii) of paragraph one of
45 subdivision (b) of this section.

46 (4) A party that seeks adjustment under subdivision (c) of this
47 section has the burden of proving the adjustment.

48 (h) The standard of proof required to establish matters referred to in
49 this section is preponderance of the evidence.

50 § 278. Extinguishment of claim for relief. A claim for relief with
51 respect to a transfer or obligation under this article is extinguished
52 unless action is brought:

53 (a) under paragraph one of subdivision (a) of section two hundred
54 seventy-three of this article, not later than four years after the
55 transfer was made or the obligation was incurred or, if later, not later

1 than one year after the transfer or obligation was or could reasonably
2 have been discovered by the claimant;

3 (b) under paragraph two of subdivision (a) of section two hundred
4 seventy-three or subdivision (a) of section two hundred seventy-four of
5 this article, not later than four years after the transfer was made or
6 the obligation was incurred; or

7 (c) under subdivision (b) of section two hundred seventy-four of this
8 article, not later than one year after the transfer was made.

9 § 279. Governing law. (a) In this section, the following rules deter-
10 mine a debtor's location:

11 (1) A debtor who is an individual is located at the individual's prin-
12 cipal residence.

13 (2) A debtor that is an organization and has only one place of busi-
14 ness is located at its place of business.

15 (3) A debtor that is an organization and has more than one place of
16 business is located at its chief executive office.

17 (b) A claim for relief in the nature of a claim for relief under this
18 article is governed by the local law of the jurisdiction in which the
19 debtor is located when the transfer is made or the obligation is
20 incurred.

21 § 280. Supplementary provisions. Unless displaced by the provisions of
22 this article, the principles of law and equity, including the law
23 merchant and the law relating to principal and agent, estoppel, laches,
24 fraud, misrepresentation, duress, coercion, mistake, insolvency, or
25 other validating or invalidating cause, supplement its provisions.

26 § 281. Uniformity of application and construction. This article shall
27 be applied and construed to effectuate its general purpose to make
28 uniform the law with respect to the subject of this article among states
29 enacting it.

30 § 281-a. Relation to electronic signatures in global and national
31 commerce act. This article modifies, limits, or supersedes the Electron-
32 ic Signatures in Global and National Commerce Act, 15 U.S.C. Section
33 7001 et seq., but does not modify, limit, or supersede Section 101(c) of
34 that act, 15 U.S.C. Section 7001(c), or authorize electronic delivery of
35 any of the notices described in Section 103(b) of that act, 15 U.S.C.
36 Section 7003(b).

37 § 3. Paragraph 5 of subdivision (c) of section 5205 of the civil prac-
38 tice law and rules, as amended by chapter 93 of the laws of 1995, is
39 amended to read as follows:

40 5. Additions to an asset described in paragraph two of this subdivi-
41 sion shall not be exempt from application to the satisfaction of a money
42 judgment if (i) made after the date that is ninety days before the
43 interposition of the claim on which such judgment was entered, or (ii)
44 deemed to be [~~fraudulent conveyances~~] voidable transactions under arti-
45 cle ten of the debtor and creditor law.

46 § 4. Subdivision (g) of section 5519 of the civil practice law and
47 rules, as added by chapter 184 of the laws of 1988, is amended to read
48 as follows:

49 (g) Appeals in medical, dental or podiatric malpractice judgments. In
50 an action for medical, dental or podiatric malpractice, if an appeal is
51 taken from a judgment in excess of one million dollars and an undertak-
52 ing in the amount of one million dollars or the limit of insurance
53 coverage available to the appellant for the occurrence, whichever is
54 greater, is given together with a joint undertaking by the appellant and
55 any insurer of the appellant's professional liability that, during the
56 period of such stay, the appellant will make no [~~fraudulent conveyance~~

1 ~~without fair consideration~~ voidable transaction as described in
2 ~~[section two hundred seventy-three-a]~~ article ten of the debtor and
3 creditor law, the court to which such an appeal is taken shall stay all
4 proceedings to enforce the judgment pending such appeal if it finds that
5 there is a reasonable probability that the judgment may be reversed or
6 determined excessive. In making a determination under this subdivision,
7 the court shall not consider the availability of a stay pursuant to
8 subdivision (a) or (b) of this section. Liability under such joint
9 undertaking shall be limited to ~~[fraudulent conveyances]~~ voidable trans-
10 actions made by the appellant subsequent to the execution of such under-
11 taking and during the period of such stay, but nothing herein shall
12 limit the liability of the appellant for ~~[fraudulent conveyances]~~ voida-
13 ble transactions pursuant to article ten of the debtor and creditor law
14 or any other law. An insurer that pays money to a beneficiary of such a
15 joint undertaking shall thereupon be subrogated, to the extent of the
16 amount to be paid, to the rights and interests of such beneficiary, as a
17 judgment creditor, against the appellant on whose behalf the joint
18 undertaking was executed.

19 § 5. Subparagraph 4 of paragraph (b) of section 7-3.1 of the estates,
20 powers and trusts law, as amended by chapter 206 of the laws of 1998, is
21 amended to read as follows:

22 (4) Additions to an asset described in subparagraph one of this para-
23 graph shall not be exempt from application to the satisfaction of a
24 money judgment if (i) made after the date that is ninety days before the
25 interposition of the claim on which such judgment was entered, or (ii)
26 deemed to be ~~[fraudulent conveyances]~~ voidable transactions under arti-
27 cle ten of the debtor and creditor law.

28 § 6. Paragraph 3 of subdivision 3-a of section 50 of the workers'
29 compensation law, as amended by chapter 139 of the laws of 2008, is
30 amended to read as follows:

31 (3) A member's participation in a group self-insurer shall not relieve
32 it of its liability for compensation prescribed by this chapter except
33 by the payment thereof by the group self-insurer or by itself. Each
34 member shall be responsible, jointly and severally, for all liabilities
35 of the group self-insurer provided for by this chapter occurring during
36 its respective period of membership, and such liability shall attach to
37 any recipient of a conveyance of assets made in violation of subdivision
38 (a) of section two hundred ~~[seventy-three]~~ seventy-four of the debtor
39 and creditor law. As between the employee and the group self-insurer,
40 notice to or knowledge of the occurrence of the injury on the part of
41 the member shall be deemed notice or knowledge, as the case may be, on
42 the part of the group self-insurer; jurisdiction of the member shall,
43 for the purpose of this chapter, be jurisdiction of the group self-in-
44 surer and such group self-insurer shall in all things be bound by and
45 subject to the orders, findings, decisions or awards rendered against
46 the participating member for the payment of compensation under the
47 provisions of this chapter. The insolvency or bankruptcy of a partic-
48 ipating member shall not relieve the group self-insurer from the payment
49 of compensation for injuries or death sustained by an employee during
50 the time the member was a participant in such group self-insurer. Notice
51 of termination of a participating member shall not be effective until at
52 least ten days after notice of such termination, on a prescribed form,
53 has been either filed in the office of the chair or sent by certified or
54 registered letter, return receipt requested, and also served in like
55 manner upon the member. In the event such termination is due to a

1 member's failure to pay required contributions, such member's termi-
2 nation shall not be rescinded more than three times.
3 § 7. This act shall take effect one hundred twenty days after it shall
4 have become a law, and shall apply to a transfer made or obligation
5 incurred on or after such effective date, but shall not apply to a
6 transfer made or obligation incurred before such effective date, nor
7 shall it apply to a right of action that has accrued before such effec-
8 tive date. For the purposes of this act, a transfer is made and an obli-
9 gation is incurred at the time provided in section 275 of the debtor and
10 creditor law, as added by section two of this act.