

CHAPTER 247.

[S. B. 271.]

BULK SALES LAW.

AN ACT relating to the purchase, sale and transfer of certain businesses, stocks of goods, wares and merchandise, fixtures and equipment in bulk; amending sections 63.08.020, 63.08-.030, 63.08.040 and 63.08.050, RCW.

Be it enacted by the Legislature of the State of Washington:

Amendment.

SECTION 1. Section 63.08.020, RCW, as derived from section 1, chapter 98, Laws of 1943, is amended to read as follows:

Affidavit as to creditors; required.

Every person who bargains for or purchases all or substantially all of any stock of goods, wares, or merchandise, or a restaurant, cafe, beer parlor, tavern, hotel, club, or gasoline service station, or all or substantially all of the fixtures and equipment used in and about the business carried on by the vendor, in bulk, for cash or on credit, shall, before paying the vendor, or his agent or representative, or delivering to the vendor or his agent, any of the purchase price thereof, or any promissory note or other evidence of indebtedness therefor, demand of and receive from the vendor or his agent, or, if the vendor or agent is a corporation, from the president, vice-president, secretary, treasurer, or managing agent of the corporation, a statement in writing, sworn to substantially as hereinafter provided, giving the names and addresses of all persons to whom the vendor is indebted for or on account of services, commodities, goods, wares, or merchandise, or fixtures and equipment, used in or about or furnished to the business of the vendor, or for or on account of money borrowed to carry on the business of the vendor or for or on account of labor employed in the course of the business of the vendor, of which the goods, wares, and merchandise, or fixtures and equipment, bargained for or purchased, are a part, together with the amount

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of indebtedness due and owing and to become due and owing, by the vendor, to each of the creditors and the amount of unpaid taxes with respect to the operation of the business of the vendor; and the vendor or agent shall furnish the statement together with a statement of the consideration to be paid.

SEC. 2. Section 63.08.030, as derived from section 1, chapter 98, Laws of 1943, is amended to read as follows: Amendment.

The statement shall be to the following effect:

State of Washington }
 County of } ss.

Form of
 affidavit as
 to creditors.

....., being first duly sworn, on oath says: I am the vendor or the agent of....., the vendor, or the officer (naming him, of the corporation vendor, as the case may be) of that certain stock of goods, wares, and merchandise (or restaurant, cafe, beer parlor, tavern, hotel, club, or gasoline service station, as the case may be), or fixtures and equipment, situated at No., street, in the city (or town) of, county of, state of Washington, this day bargained to be sold to, vendee, whose address is No., street, in the city (or town) of, county of, state of Washington, for and in consideration of \$.....; that the foregoing statement contains the names of all the creditors of, the vendor, to whom the vendor is indebted, for or on account of services, commodities, goods, wares, or merchandise, or fixtures and equipment, used in and about or furnished to the business of the vendor, or for or on account of money borrowed to carry on the business of the vendor, or for or on account of labor employed in the course of the business of the vendor, of which the goods, wares, and merchandise, or fixtures and equipment, bargained for

or purchased, are a part, together with their addresses, and that the amounts set opposite the names of said creditors are the correct amounts now due and owing and which shall become due and owing by, the vendor, to such creditors respectively; that all taxes with respect to the operation of the business of the vendor have been paid, or if unpaid, that the amount of taxes set forth is the correct amount due according to the best knowledge of the vendor but subject to the final audit of the vendor's records by the state tax commission; that there are no creditors holding claims for or on account of such services, commodities, goods, wares, or merchandise, or fixtures and equipment, or for or on account of money so borrowed, to carry on the business of the vendor, or for or on account of labor employed in the course of business of the vendor, due or to become due from the vendor, other than as set forth in said statement; and that the matters set forth in said statement and in this affidavit are within my personal knowledge.

.....
 Subscribed and sworn to before me this.....
 day of, 19.....

.....
 Title of officer taking oath

Amendment.

SEC. 3. Section 63.08.040, RCW, as derived from section 1, chapter 98, Laws of 1943, is amended to read as follows:

The verified statement shall be made and executed in triplicate and delivered to the vendee who shall cause one of such statements to be filed in the office of the county auditor of the county in which the stock or fixtures proposed to be purchased are situated and served upon the office of the state tax commission, by mail or otherwise, at least seven days before the consummation of the purchase, and it shall be indexed as chattel mortgages are indexed,

Affidavit as to creditors; in triplicate.

Filing with county auditor.

Service on state tax commission.

Indexed as chattel mortgage.

the name of the vendor being indexed as mortgagor and the name of the intending purchaser as mortgagee.

SEC. 4. Section 63.08.050, RCW, as derived from section 2, chapter 122, Laws of 1939, is amended to read as follows: Amendment.

Whenever a person bargains for or purchases all or substantially all of a stock of goods, wares, or merchandise, or any restaurant, cafe, beer parlor, tavern, hotel, club, or gasoline service station, or all or substantially all of the fixtures and equipment used in and about the business of the vendor, in bulk, for cash or credit, and pays any part of the purchase price, or executes, or delivers to the vendor thereof, or to his order, or to any person for his use, a promissory note or other evidence of indebtedness for the purchase price, or any part thereof, without having demanded and received from the vendor or from his agent, the statement hereinbefore provided for, and without applying or causing to be applied such purchase price first, to the taxes with respect to the operation of the business of the vendor and without applying or causing to be applied the balance of such purchase price; secondly, pro rata to the payment of the bona fide claims of the creditors of the vendor as shown upon the statement, and without filing the statement in the office of the county auditor at least seven days before the consummation of the purchase, the sale or transfer shall be fraudulent and void as to creditors of the vendor, of the character to be included in the statement: *Provided*, That if the vendor produces and delivers a written waiver of the provisions of this act, from his creditors, as shown by the statement, the provisions of this section shall not apply. Transfer fraudulent and void as to creditors, when.

Passed the Senate March 11, 1953.

Passed the House March 9, 1953.

Approved by the Governor March 20, 1953.