

## CHAPTER 47.

[ S. H. B. 33. ]

## PREFERENCES OF INSOLVENT CORPORATIONS.

AN ACT relating to insolvent corporations, defining preferences, providing for offsets, and limiting the time in which actions for preferences may be commenced.

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

SECTION 1. Actions in the courts of this state by a trustee, receiver or other liquidating officer of an insolvent corporation, to recover a preference as herein defined may be commenced at any time within six months from the time of the filing of the application for the appointment of such trustee, receiver or other liquidating officer.

Court actions, commencement.

SEC. 2. a. A corporation shall be deemed to have given a preference if, being insolvent, it has, within four months before the filing of an application for the appointment of a trustee, receiver, or other liquidating officer of such corporation, procured or suffered a judgment to be entered against itself in favor of any person, or made a transfer of any of its property, and the effect of the enforcement of such judgment or transfer will be to enable any one of the creditors of said insolvent corporation to obtain a greater percentage of his debt than any other of such creditors of the same class.

Preferences, defined.

b. If a corporation shall have procured or suffered a judgment to be entered against it in favor of any person or has made a transfer of any of its property, and if, at the time of the transfer, or of the entry of the judgment, the corporation be insolvent and the judgment and transfer then operate as a preference, and the person receiving it or to be benefited thereby, or his agent acting therein, shall then have reasonable cause to believe that the en-

forcement of such judgment or transfer would effect a preference, it shall be voidable by the trustee, receiver, or other liquidating officer of said insolvent corporation, and he may recover the property or its value from such person.

c. If a creditor has been preferred, and afterwards in good faith gives the insolvent corporation further credit without security of any kind for property which becomes a part of the assets of the insolvent corporation, the amount of such new credit remaining unpaid at the time of the application for the appointment of a trustee, receiver or other liquidating officer for such corporation, may be set off against the amount which would otherwise be recoverable from him.

d. If an insolvent corporation shall, directly or indirectly, in contemplation of the filing of an application by or against it, for the appointment of a trustee, receiver or other liquidating officer, pay money or transfer property to an attorney and counselor-at-law, solicitor in equity, or proctor in admiralty for services to be rendered, the transaction shall be re-examined by the court on petition of the trustee, receiver or other liquidating officer of such corporation, or any creditor, and shall only be held valid to the extent of a reasonable amount to be determined by the court, and the excess may be recovered by the trustee, receiver or other liquidating officer for the benefit of the creditors of the insolvent corporation.

SEC. 3. a. In all cases of mutual debts or mutual credits between the insolvent corporation and a creditor the amount shall be stated and one debt shall be set off against the other, and the balance only shall be allowed or paid.

Mutual debts  
and credits.

b. A set-off or counterclaim shall not be allowed in favor of any debtor of the insolvent corporation which (1) is not provable against the insolvent cor-

Set-off or  
counter-  
claim.

poration, or (2) was purchased by or transferred to him after the filing of the application for the appointment of a trustee, receiver, or other liquidating officer for such corporation, or within four months before the filing of such application, with a view to such use and with knowledge or notice that such corporation was insolvent.

Passed the House February 23, 1931.

Passed the Senate March 9, 1931.

Approved by the Governor March 17, 1931.

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## CHAPTER 48.

[ H. B. 64. ]

### UNIVERSITY OF WASHINGTON TUITION.

AN ACT relating to tuition at the University of Washington and amending Section 4546 of Remington's Compiled Statutes.

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

SECTION 1. That section 4546 of Remington's Compiled Statutes be amended to read as follows:

Section 4546. The University of Washington shall charge to and collect from each of the students registering therein the following fees: (a) A general tuition fee of fifteen dollars (\$15.00) per quarter from each person domiciled in this state or the territory of Alaska, for the period of one year prior to registration; *Provided*, That the children of persons engaged in the military, naval, lighthouse or national park service of the United States within the State of Washington, shall be considered as domiciled within the meaning of this section, and not subject to the time limit of such domicile, and fifty dollars (\$50.00) each per quarter from all others. (b) Special tuition fees to include fees for summer session, short courses, marine station work, correspondence or extension courses, individual instruction fees, and such

Amends  
§ 4546 Rem.  
Comp. Stat.

Registration  
fees.

Special.