

CHAPTER 135.

[S. B. 19.]

SALES IN BULK.

AN ACT relating to and regulating the purchase, sale and transfer of stocks of goods, wares, and merchandise, and fixtures and equipment in bulk, providing penalties for violations thereof, and repealing certain acts in relation thereto.

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

A sale and transfer in bulk defined.

SECTION 1. Any sale, exchange or transfer, or attempted sale, exchange or transfer, of all or substantially all of any stock of goods, wares or merchandise, and/or all or substantially all of the fixtures and equipment used in and about the business of a vendor engaged in the business of buying and selling and dealing in goods, wares or merchandise, of any kind or description, made out of the usual and ordinary course of business of the vendor, or the sale, exchange or transfer, or attempted sale, exchange or transfer of substantially the entire business of buying, selling and dealing in goods, wares or merchandise conducted by the vendor, or the sale, exchange or transfer, or attempted sale, exchange or transfer, of the interest of the vendor in any such business, shall be deemed a sale and transfer in bulk, in contemplation of this act: *Provided*, That nothing contained in this act shall apply to sales or transfers of property by executors, administrators, receivers, or public officers acting under judicial process.

Exception.

Duty of buyer and seller.

SEC. 2. It shall be the duty of every person who shall bargain for or purchase all or substantially all of any stock of goods, wares or merchandise, and/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, 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, to demand of and receive from such vendor, or his agent, or, if the vendor or agent be a corporation, then from the president, vice-president, secretary, treasurer, or managing agent of such corporation, a statement in writing, sworn to substantially as hereinafter provided, giving the names and addresses of all of the creditors of the vendor, to whom the vendor may be indebted, for or on account of any goods, wares or merchandise, and/or fixtures and equipment, used in and about the business of the vendor, purchased upon credit, or for or on account of money borrowed to carry on the business of the vendor, of which the goods, wares and merchandise, and/or fixtures and equipment, bargained for or purchased, are a part, together with the amount of indebtedness due and owing and to become due and owing, by the vendor, to each of said creditors; and it shall be the duty of said vendor, or agent, to furnish such statement, which shall be verified under oath, to the following effect:

Vendor to give list of creditors and liabilities.

Statement under oath.

State of Washington, }
 County of..... } ss.

....., 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, and/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....., the vendee; that the foregoing statement contains the names of all of the creditors of said....., the vendor, to whom the

Form of affidavit.

vendor is indebted, for or on account of any goods, wares or merchandise, and/or fixtures and equipment, used in and about the business of the vendor, purchased upon credit, or for or on account of money borrowed to carry on the business of the vendor, of which the goods, wares and merchandise, and/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 said....., the vendor, to such creditors respectively; that there are no creditors holding claims for or on account of any goods, wares or merchandise, and/or fixtures and equipment, so purchased upon credit, or for or on account of money so borrowed, to carry on the business of the vendor, due or to become due from said 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.)

Copy of statements to be filed with and recorded by county auditor.

The verified statements above provided for shall be made in duplicate and the vendee shall file one of such statements in the office of the county auditor of the county in which the stock and/or fixtures proposed to be purchased are situated, at least five days before the consummation of such purchase and the same shall be indexed as chattel mortgages are indexed, the name of the vendor being indexed as mortgagor and the name of the intending purchaser as mortgagee.

SEC. 3. Whenever any person shall bargain for, or purchase, all or substantially all of any

stock of goods, wares or merchandise, and/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 shall pay any part of the purchase price, or execute or deliver to the vendor thereof, or to his order, or to any person for his use, any promissory note or other evidence of indebtedness for said purchase price, or any part thereof, without first having demanded and received from said vendor or from his agent, the statement provided for in section 2 of this act, verified as therein provided, and without applying or causing to be applied such purchase price pro rata to the payment of the *bona fide* claims of the creditors of the vendor as shown upon such verified statement, and without filing the verified statement in the office of the county auditor at least five days before the consummation of the purchase as provided in the preceding section, such sale, or transfer, shall be fraudulent and void as to the creditors of the vendor, of the character specified in section 2: *Provided*, That if such vendor produces and delivers a written waiver of the provisions of this act, from his creditors, as shown by such verified statements, then, in that case, the provisions of this section shall not apply.

Part payment of purchase price.

Vendor's statement as to creditors and liabilities.

Application of payment to creditors' claims.

Filing statement with auditor.

Sale may be void.

Written waiver by creditors of vendor.

SEC. 4. Any vendor of all or substantially all of any stock of goods, wares or merchandise, and/or all or substantially all of the fixtures and equipment used in and about the business of the vendor, sold or transferred in bulk, or any other person who is acting for or in behalf of such vendor, who shall knowingly or wilfully make or deliver, or cause to be made or delivered, a statement as provided for in section 2 of this act, which shall not include the names of all of the creditors of such vendor, of the character specified in section 2, together with their addresses, and the correct amounts due, and to be-

False statement as to creditors and liabilities in perjury.

Perjury.

come due each of them respectively, or which shall contain any false statement, shall be deemed guilty of perjury.

Repeals §§ 7748 to 7751-a, Pierce's Code.

Law violations and accrued rights under repealed acts not affected.

SEC. 5. That Chapter CIX (109) of the Laws of 1901, pages 222-224, and chapter 175 of the Laws of 1913, pages 608-611, are hereby repealed; *Provided*, That such repeal shall not affect any transaction had, violation committed, or criminal or civil action begun, under or on account of anything in said repealed acts contained; but all such violations shall be prosecuted, as though said acts had not been repealed, and all rights accruing out of any transactions affected by said repealed acts, shall survive and recovery be had thereon, as though said acts had not been repealed.

Passed the Senate December 31, 1925.

Passed the House December 30, 1925.

Approved by the Governor January 12, 1926.

CHAPTER 136.

[S. B. 120.]

RE-CONVEYANCE TO THE YESLER ESTATE AND TO J. J. BONNELL OF CERTAIN KING COUNTY LANDS.

AN Act authorizing and directing the Governor to re-convey certain premises secured as a part of the proposed location of former state road No. 7 which location was afterwards abandoned.

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

Quit claim deed to the Yesler estate and to J. J. Bonnell.

SECTION 1. That the Governor be and he is hereby authorized and directed to convey in the name of the state of Washington by quit claim deed to the Yesler Estate, Incorporated, a corporation, and to J. J. Bonnell, the following described premises situate in King County, Washington, said premises