

CHAPTER 122.

[S. B. 190.]

BULK SALES LAW.

AN ACT relating to sales, relating to and regulating the purchase, sale and transfer of goods, wares and merchandise, and restaurants, cafes, beer parlors, taverns, hotels, clubs and gasoline service stations, and fixtures and equipment, in bulk, providing penalties for violations thereof; and amending sections 5832, 5833, 5834 and 5835 of Remington's Revised Statutes of Washington.

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

SECTION 1. That section 5832 of Remington's Revised Statutes of Washington be amended to read as follows:

Amends
§ 5832 Rem.
Rev. Stat.

Section 5832. 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, or any restaurant, cafe, beer parlor, tavern, hotel, club or gasoline service station, 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

Vendor to
give list of
creditors.

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, 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 together with a statement of the consideration to be paid which shall be verified under oath, to the following effect:

Affidavit.

STATE OF WASHINGTON }
 COUNTY OF }

....., 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), 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, for and in consideration of \$.....; that the foregoing statement contains the names of all of the creditors of said the vendor, to whom the 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, or for or on account of labor employed in the course of 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, or for or on account of labor employed in the course of the business of the vendor, due or to become due from said vendor, other than as set forth in said statements; and that the matters set forth in said statements and in this affidavit are within my personal knowledge.

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

.....
 (Title of officer taking oath)

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. Copy filed.

SEC. 2. That section 5833 of Remington's Revised Statutes of Washington be amended to read as follows: Amends
§ 5833 Rem.
Rev. Stat.

Section 5833. Whenever any person shall bargain for, or purchase, all or substantially all of any stock of goods, wares or merchandise, or any restaurant, cafe, beer parlor, tavern, hotel, club or

Part
payment
without
receiving
list of
creditors,
sale void.

gasoline service station, 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 statements provided for in section 5832, 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 statements, and without filing the verified statements 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 creditors of the vendor, of the character specified in section 5832: *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.

Written
waiver by
creditors.

Amends
§ 5834 Rem.
Rev. Stat.

SEC. 3. That section 5834 of Remington's Revised Statutes of Washington be amended to read as follows:

False
statement.

Section 5834. Any vendor of all or substantially all of any stock of goods, wares or merchandise, or any restaurant, cafe, beer parlor, tavern, hotel, club or gasoline service station, 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 willfully make or deliver, or cause to be made or delivered, a statement as provided for in section

5832, which shall not include the names of all of the creditors of such vendor, of the character specified in section 5832, together with their addresses, and the correct amounts due, and to become due each of them respectively, or which shall contain any false statement, shall be deemed guilty of perjury.

Perjury.

SEC. 4. That section 5835 of Remington's Revised Statutes of Washington be amended to read as follows:

Amends
§ 5835 Rem.
Rev. Stat.

Section 5835. 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, or in the business of operating a restaurant, cafe, beer parlor, tavern, hotel, club or gasoline service station, 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, or of operating a restaurant, cafe, beer parlor, tavern, hotel, club or gasoline service station, 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.

Sale and
transfer in
bulk.Judicial
sales.

Passed the Senate February 23, 1939.

Passed the House March 9, 1939.

Approved by the Governor March 15, 1939.