

BILL

No. 50 of 1913.

An act to regulate the Purchase, Sale and Transfer of Stocks of Goods in Bulk.

(Assented to , 1913.)

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:—

1. This Act may be cited as "*The Bulk Sales Act of Alberta*". Short title

2. It shall be the duty of every person who shall bargain for, buy or purchase any stock of goods, wares or merchandise in bulk, for cash or on credit, before closing the purchase of the same, and before paying to the vendor any part of the purchase price, or giving any promissory note or notes, or any security for the said purchase price, to demand of and receive from such vendor, and it shall be the duty of each vendor of such goods to furnish to the purchaser a written statement, verified by the statutory declaration of the vendor or his duly authorized agent, or if the vendor is a corporation, by the statutory declaration of the president, vice-president, secretary-treasurer or manager of such corporation, which statement shall contain the names and addresses of all the creditors of the said vendor, together with the amount of the indebtedness or liability due, owing, payable or accruing due, or to become due and payable by said vendor to each of said creditors, which said statement and declaration may be in the form set forth in schedule A hereto, or to a like effect. Purchaser of stock of goods in bulk to demand and vendor to furnish statement showing particulars of all debts over \$50 verified by statutory declaration

3. Whenever any person shall bargain for or purchase any stock of goods, wares or merchandise in bulk, for cash or on credit, and shall pay any part of the purchase price or execute or deliver to the vendor or to his order, or to any person for his use, any promissory note or other document for or on account of the purchase price of said goods, or any part thereof, without first having demanded and obtained from the vendor, or from his agent, or if the vendor is a corporation from the president, vice-president, secretary-treasurer or manager thereof, a written statement verified by statutory declaration purporting to be such as is provided for in the preceding section of this Act, then such sale shall, in and with respect to any action or proceeding which within sixty days thereafter is brought, had or taken against such purchaser, to impeach or set aside such transaction, be deemed to be fraudulent and shall be absolutely void as against the creditors of the vendor, and every disposition made of the purchase money or of a note or other security given therefor by the purchaser shall be fraudulent and void as between the purchaser and creditors of the vendor, unless the whole of the proceeds of such sale, or sufficient thereof to satisfy the claims of all creditors of the vendor is in fact actually applied if such statutory declaration not demanded and furnished sale deemed fraudulent and shall be void as against the creditors of the vendor Unless proceeds applied in payment of debts

by the vendor in or towards payment of all his creditors, without giving any preference or priority to one over another except such as is provided for by law or previous contract.

(2) Where goods, wares and merchandise purchased in bulk contrary to the provisions of this Act are resold in bulk, and it appears to the court that the sale and re-sale were made for the purpose of evading this Act, the rights of the creditors of the original vendor hereunder shall be capable of enforcement against the person or persons in possession of such goods, wares and merchandise, in the same way as though they were still in the hands of the original purchaser.

4. Any such purchaser upon obtaining such written statement and statutory declaration shall either obtain the written waiver hereinafter referred to, from the creditors of the vendor, or shall pay the whole of his purchase money or sufficient thereof to satisfy the claims of all the creditors of the vendor, or deliver his promissory note or notes or other documents securing the same, or part thereof, into the hands of an official assignee, for distribution *pro rata* among the creditors of the said vendor, subject to any preferences provided for by law or by previous contract. Such distribution shall be made in like manner as moneys are distributed by an official assignee under *The Assignments Act*, and all the provisions of *The Assignments Act* relating to meetings of creditors, advertising for creditors and proof of claims shall apply to proceedings had by an official assignee under this section. The fees of any such official assignee shall not exceed 3 per cent. of the total proceeds of such sale which shall come to his hands, and shall together with any disbursements be paid by being deducted out of the moneys to be received by the said creditors and shall in no event be charged to the debtor; provided further that from and after the furnishing of such declaration no preference or priority shall be obtainable by any creditor by attachment or garnishing process or otherwise.

5. If such purchaser upon receiving such written statement and statutory declaration shall fail to observe the requirements of the last preceding section without obtaining the written waiver from creditors hereinafter referred to, then such purchaser shall be liable to the creditors of the vendor in the amount of the purchase price or such portion thereof as is not or has not been paid or applied in or towards payment of all the creditors of the vendor *pro rata* without giving any preference or priority to one over another, except such as is provided by law or previous contract.

6. Any sale or transfer of a stock of goods, wares or merchandise, or part thereof, out of the usual course of business or trade of the vendor, or whenever substantially the entire stock-in-trade of the vendor shall be sold or conveyed, or whenever an interest in the business or trade of the vendor is sold or conveyed, or attempted to be sold and conveyed, such sale, transfer or conveyance shall be deemed "a sale in bulk" within the meaning of this Act; provided, however, that if the vendor produces and delivers to the vendee a written waiver of the provisions of this Act from his creditors, representing fifty per cent. in number and value of the claims as shown by said written statement, then the provisions of this Act shall not apply.

7. This Act shall only apply to sales by traders and merchants defined as follows: Only sales by traders and merchants affected

- (a) Persons who as their ostensible occupation buy and sell goods, wares and merchandise, ordinarily the subject of trade and commerce;
- (b) Commission merchants;
- (c) Manufacturers.

8. Nothing in this Act contained shall apply to or affect any sale by executors, administrators, receivers, assignees for the benefit of creditors or any public official acting under judicial process. Certain sales in bulk not affected

9. This Act shall come into force on the..... day of..... 19... When Act in force

SCHEDULE A.

Statement showing names and addresses of all creditors of..... of.....

Name of Creditors	Post Office address	Nature of indebtedness	Amount	When due

STATUTORY DECLARATION

I,..... of..... in the Province of Alberta, do solemnly declare that the above is a true and correct statement of the names and addresses of all..... creditors, and shows correctly the amount of the indebtedness or liability due, owing, payable or accruing due, or to become due, and payable by..... to each of said creditors. *(If the declaration is made by an agent add)* I am the duly authorized agent of the vendor and have a personal knowledge of the matters herein declared to.

Or, if the vendor is a corporation—

I,..... of..... in the Province of Alberta, do solemnly declare that the above is a true and correct statement of the names and addresses of all the creditors of the..... company, and shows correctly the amount of the indebtedness or liability due, owing, payable or accruing due, or to become due and payable by such company to each of said creditors, and that I am the..... of the said company, and have a personal knowledge of the matters herein declared to.

And I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of *The Canada Evidence Act*.

Declared before me at the
.....of
..... in the
Province of Alberta, this
.....day of
.....A. D. 19...

.....
A Commissioner, etc.

No. 50

FOURTH SESSION
SECOND LEGISLATURE

3 GEORGE V

1913

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and Transfer of Stocks of Goods in
Bulk.

Received and read the

First time.....

Second time.....

Third time.....

EDMONTON:
J. W. JEFFERY, GOVERNMENT PRINTER
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