

SALE OF MERCHANDISE

CHAPTER 221.

[S. B. No. 194—Turner]

SELLING STOCKS OF GOODS IN ENTIRETY FORBIDDEN.

AN ACT Providing for the Giving of Notice by Merchants to Their Creditors Before Making Sale of Their Entire Stock or Business.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. FRAUD TO SELL ENTIRE STOCK OF GOODS, WHEN.] A sale of any portion of a stock of merchandise otherwise than in the ordinary course of trade, in the regular and usual prosecution of the seller's business, or a sale of an entire stock of merchandise in gross, will be presumed to be fraudulent and void as against the creditors of the seller, unless the seller and purchaser shall at least five days before the sale make a full detailed inventory showing the quantity and, so far as possible, with the exercise of reasonable diligence, the cost price to the seller of each article to be included in the sale, and unless such purchaser shall at least five days before the sale, in good faith, make full, explicit inquiry of the seller as to the names and places of residence of each and all of the creditors of the seller and the amount owing each creditor, and unless the purchaser shall at least five days before the sale, in good faith, notify or cause to be notified, personally or by registered mail, each of the seller's creditors of whom the purchaser has knowledge, or can with the exercise of reasonable diligence acquire knowledge of said proposed sale, and of the said cost price of the merchandise to be sold, and of the price proposed to be paid therefor by the purchaser. The seller shall at least five days before such sale fully and truthfully answer, in writing, each and all of the said inquiries.

§ 2. PRESENT RULE OF EVIDENCE CONTINUED.] Except as expressly provided in this act, nothing therein contained nor any act thereunder shall change or affect the present rules of evidence or the present presumptions of law.

§ 3. EMERGENCY.] Whereas, there is no law now covering the above subject; therefore, an emergency is deemed to exist and this law shall take effect and be in force from and after its passage and approval.

Approved March 8, 1907.