

# SENATE . . . . No. 301

---

---

To accompany the petition of Samuel Scott that the sale or mortgage of merchandise in bulk be prohibited. Mercantile Affairs.

---

---

## The Commonwealth of Massachusetts.

---

In the Year One Thousand Nine Hundred and Fourteen.

---

### AN ACT

Relative to the Sale or Mortgage of Merchandise in Bulk.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Chapter four hundred and fifteen of the  
2 acts of the year nineteen hundred and three is hereby  
3 amended by striking out section one and inserting in  
4 place thereof the following:— *Section 1.* The sale or  
5 mortgage in bulk of any part or the whole of a stock  
6 of merchandise, otherwise than in the ordinary course of  
7 trade and in the regular and usual prosecution of the  
8 seller's or mortgagor's business, shall be fraudulent and  
9 void as against the creditors of the seller or mortgagor,  
10 unless the seller or mortgagor and purchaser or mort-  
11 gagee, at least five days before the sale or mortgage, make  
12 a full, detailed inventory, showing the quantity and, so

13 far as possible with exercise of reasonable diligence, the  
14 cost price to the seller or mortgagor of each article to be  
15 included in the sale or mortgage; and unless the pur-  
16 chaser or mortgagee demands and receives from the seller  
17 or mortgagor a written list of names and addresses of  
18 creditors of the seller or mortgagor, with the amount of  
19 indebtedness due or owing to each and certified by the  
20 seller or mortgagor, under oath, to be, to the best of his  
21 knowledge and belief, a full, accurate and complete list  
22 of his creditors and of his indebtedness; and unless the  
23 purchaser or mortgagee shall, at least five days before  
24 taking possession of such merchandise, or paying there-  
25 for, notify personally, or by registered mail, every credi-  
26 tor whose name and address are stated in said list, of the  
27 proposed sale or mortgage and of the price, terms and  
28 conditions thereof.

1 SECTION 2. Section two of the said chapter four hun-  
2 dred and fifteen is hereby amended by inserting after the  
3 word "sellers", in the first line, the words: — or mort-  
4 gagors, — and also by inserting after the word "pur-  
5 chasers", in the same line, the words: — or mortgagees,  
6 — so as to read as follows: — *Section 2.* Sellers or mort-  
7 gagors and purchasers or mortgagees under this act shall  
8 include corporations, associations, co-partnerships and  
9 individuals, but nothing contained in this act shall apply  
10 to sales by executors, administrators, receivers, assignees  
11 under a voluntary assignment for the benefit of creditors,  
12 trustees in bankruptcy, or by any public officer under  
13 judicial process.