

A BILL

FOR AN ACT TO PREVENT SALES OF STOCKS OF MERCHANDISE IN BULK IN
FRAUD OF CREDITORS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. A sale of any portion of a stock of merchandise other than in the ordinary
2 course of trade, in the regular and usual presecution of the seller's business or the sale of an
3 entire stock of merchandise in bulk, shall be presumed to be fraudulent and void as against
4 the creditors of the seller, unless the seller and the purchaser shall at least five days before
5 the sale make a full and detailed inventory showing the quality, and, so far as possible with
6 the exercise of reasonable deligence the cost price to the seller of each article to be included
7 in the sale, and unless such purchaser shall at least five days before the sale in good faith
8 make full explicit inquiry of the seller as to the name and place of the residence or place of
9 business of each, and every creditor of the seller, and the amount owing each creditor, and un-
10 less the purchaser shall at least five days before the sale in good faith notify or cause to be
11 notified personally or by registered mail each of the seller's creditors of whom the purchaser
12 has knowledge, or can with the exercise of reasonable diligence acquire knowledge of such
13 proposed sale and of the stated cost price of the merchandise to be sold, and of the price pro-
14 posed to be paid therefor by the purchaser. The seller shall at least five days before such
15 sales file a truthful answer in writing to each and all of said inquiries.

Sec. 2. That except as provided in the preceding section, nothing therein contained,
2 nor any act thereunder, shall change or effect the present rules of evidence, or the present
3 presumptions of law.

Sec. 3. Nothing contained in this act shall apply to sales by executors, administrators,
2 receivers or any public officers conducting a sale in their official capacity.

Sec. 4. This act being deemed of immediate importance shall take effect and be in force
2 from and after its publication in the Iowa Register and Leader, and Des Moines Daily Capital,
3 newspapers published in Des Moines, Iowa.