

# SENATE, No. 148

(P. L. 1899, p. 146.)

## STATE OF NEW JERSEY

INTRODUCED FEBRUARY 6, 1928.

By Mr. WOLBER.

Referred to Committee on Revision and Amendment of the Laws.

AN ACT to amend an act concerning general assignments (Revision of one thousand eight hundred and ninety-nine).

1 BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1 1. Section six of the act of which this act is amendatory be and the same  
2 is hereby amended so that the same shall read as follows:

3 6. It shall be lawful for the said assignee, or any creditor or other person  
4 interested by himself or attorney, at any time within sixty [thirty] days after the  
5 said list and statement shall have been filed and notice thereof shall have been mailed  
6 to the creditors, as directed in the fourth section of this act, to file in said Orphans'  
7 Court exceptions to the allowance or rejection by the assignee of any claim or  
8 demand of any creditor exhibited as aforesaid, and said court shall cause a notice  
9 to be served on said creditor, in such mode as the said court may direct, and said  
10 court shall then proceed to hear the proofs and allegations of the parties at the term  
11 at which such exceptions shall have been filed, or at any subsequent term, and  
12 adjudicate thereon; and in case of such hearing before the Orphans' Court the  
13 evidence and proceedings before the Orphans' Court, upon the application of either  
14 party, shall be reduced to writing by the register of the court or by a stenographer,  
15 under the direction of said court, appointed by said court for that purpose.

1 2. Section seven of the act of which this act is amendatory be and the same  
2 hereby is repealed.

1       3. Section ten of the act of which this act is amendatory be and the same is  
2 hereby amended so that the same shall read as follows :

3       10. **【The】** Wages **【of clerks, mechanics and laborers】** due from the assignor  
4 at the time of making such general assignment shall be preferred debts and  
5 shall be first paid by said assignee before any other claim or debt shall  
6 be paid, and in case any such wages shall have been earned or partly earned at  
7 the time of making such general assignment, but shall not be then payable, the  
8 same shall be equitably apportioned and shall be paid as preferred debts as afore-  
9 said up to the said time of making such assignment. **【 ; provided, however, that no**  
10 payment shall be made as a preferred debt to any one person to an amount exceed-  
11 ing three hundred dollars; and in case any claim shall receive a preference to the  
12 extent of three hundred dollars under this section, any balance of such claim yet  
13 remaining unpaid shall be entitled to all dividends to be calculated upon such  
14 balance. **】**

1       4. Section twelve of the act of which this act is amendatory be and the same is  
2 hereby amended so that the same shall read as follows :

3       12. In case of any such general assignment where the assignor shall be a ten-  
4 ant, all the goods and chattels of such tenant on the premises, in the possession of  
5 such tenant, shall be subject to a lien **【first bound】** for the payment of the rent  
6 due to his landlord; and the said claim for rent in favor of the landlord, not  
7 exceeding one year's rent, shall be first paid and satisfied by the assignee out of the  
8 goods and chattels of the said tenant which were on the demised premises at the  
9 time of the assignment.

1       5. Section sixteen of the act of which this act is amendatory be and the same  
2 is hereby amended so that the same shall read as follows :

3       16. If any person being insolvent or in contemplation of insolvency shall,  
4 within two months before the making of the general assignment for the benefit of  
5 creditors, regulated by the provisions of this act, and in contemplation of making  
6 a general assignment, mortgage, pledge assign, pay or transfer any of his property,  
7 or procure or suffer any of his property to be seized, attached or levied upon, or  
8 any lien or encumbrance to be placed or acquired thereon by legal process or other-  
9 wise, with a view to giving a preference to any creditor or person having a claim

10 against him, or who is under any liability for him, [the person receiving such  
11 preference in manner aforesaid, or to be benefited thereby, having reasonable cause  
12 to believe that such person is insolvent, or in contemplation of insolvency, and is  
13 contemplating making a general assignment,] the said mortgage, pledge, assign-  
14 ment, payment, transfer, seizure, attachment, levy, lien or encumbrance shall be void  
15 as against the assignee named in such general assignment for the benefit of creditors  
16 and his successors in trust, and the assignee may recover the property given by  
17 way of preference or the value thereof from the person so receiving the same or  
18 so benefited thereby.

1 6. Section twenty-two of the act of which this act is amendatory be and the  
2 same hereby is repealed.

1 7. Any and all assignments for the benefit of creditors not made in accordance  
2 with the provisions of the act to which this act is amendatory shall be null and void.

1 8. In case for any reason any section or part of any section or any provision  
2 of this act shall be questioned in any court and shall be held to be unconstitutional  
3 or invalid, the same shall not be held to affect any other section or part of any  
4 section or provision of this act.

1 9. All acts and parts of acts inconsistent with this act be and the same are  
2 hereby repealed.

1 10. This act shall take effect immediately.

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#### STATEMENT.

The purpose of this act is to prevent fraud upon creditors, to bring all general assignments for the benefit of creditors under the jurisdiction of a proper tribunal where creditors' rights shall be safeguarded according to law, and to make the general assignment act wholly operative in accordance with the decision of the United States Supreme Court in the case of Boese v. King, 108 U. S., 379.

[SECOND OFFICIAL COPY REPRINT.]

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9 wise, with a view to giving a preference to any creditor or person having a claim  
10-13 against him, or who is under any liability for him, the said mortgage, pledge, assign-  
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