

Chapter 7.08 RCW
ASSIGNMENT FOR BENEFIT OF CREDITORS

Sections

- 7.08.010 Assignment must be for benefit of all creditors.
- 7.08.030 Assignment—Procedure—Creditor's selection of new assignee.
- 7.08.900 Construction—Chapter applicable to state registered domestic partnerships—2009 c 521.

Fraud in assignment for benefit of creditors: RCW 9.45.100.

RCW 7.08.010 Assignment must be for benefit of all creditors.

No general assignment of property by an insolvent, or in contemplation of insolvency, for the benefit of creditors, shall be valid unless it be made for the benefit of all of the assignor's creditors in proportion to the amount of their respective claims. [2004 c 165 § 36; 1893 c 100 § 1; 1890 p 83 § 1; RRS § 1086.]

Purpose—Captions not law—2004 c 165: See notes following RCW 7.60.005.

RCW 7.08.030 Assignment—Procedure—Creditor's selection of new assignee. (1) An assignment under this chapter must be in substantially the following form:

ASSIGNMENT

THIS ASSIGNMENT is made this day of,, by and between, with a principal place of business at (hereinafter "assignor"), and, whose address is (hereinafter "assignee").

WHEREAS, the assignor has been engaged in the business of

WHEREAS, the assignor is indebted to creditors, as set forth in Schedule A annexed hereto, is unable to pay debts as they become due, and is desirous of providing for the payment of debts, so far as it is possible by an assignment of all property for that purpose.

NOW, THEREFORE, the assignor, in consideration of the assignee's acceptance of this assignment, and for other good and valuable consideration, hereby grants, assigns, conveys, transfers, and sets over, unto the assignee, and the assignee's successors and assigns, all of assignor's property, except such property as is exempt by law from levy and sale under an execution (and then only to the extent of such exemption), including, but not limited to, all real property, fixtures, goods, stock, inventory, equipment, furniture, furnishings, accounts receivable, general intangibles, bank deposits, cash, promissory notes, cash value and proceeds of insurance policies, claims, and demands belonging to the assignor, wherever such property may be located (hereinafter collectively the "estate"), which property is, to the best knowledge and belief of the assignor, fully and accurately set forth on Schedule B annexed hereto.

(2) The assignor shall annex to such assignment schedules in the form provided for by RCW 7.60.090(3) in the case of general receiverships, setting forth the creditors and the property of the assignor.

(3) Every assignment shall be effective when a petition to appoint the assignee as receiver has been filed by the assignor, by the assignee, or by any creditor of the assignor with the clerk of the superior court in the county of the assignor's residence if the assignor is an individual or a marital community, or in the county of the assignor's principal place of business or registered office within this state if the assignor is any other person. A petition shall set forth the name and address of the assignor and the name and address of the assignee, and shall include a copy of the assignment and the schedules affixed thereto, and a request that the court fix the amount of the receiver's bond to be filed with the clerk of the court.

(4) A person to whom a general assignment of property for the benefit of creditors has been made shall be appointed as general receiver with respect to the assignor's property by the superior court upon the filing of a petition under subsection (3) of this section. Except as provided for by subsection (5) of this section, following the assignee's appointment as general receiver, all proceedings involving the administration of the assignor's property and the claims of the assignee's creditors shall be governed by the provisions of chapter 7.60 RCW applicable to general receiverships and court rules applicable thereto.

(5) Upon motion of two or more creditors of the assignor served and filed at any time within thirty days following the date upon which notice is mailed to all known creditors under RCW 7.60.200, it shall be the duty of the court to direct the clerk of the court to order a meeting of the creditors of the assignor, to determine whether a person other than the assignee named in the assignment should be appointed as general receiver with respect to the property of the assignor; and thereupon the clerk of the court shall immediately give notice to all the creditors identified in the schedules affixed to the assignment to meet at the clerk's office or at such other location within the county as the clerk may specify, at a time stated not to exceed fifteen days from the date of such notice, to determine whether a person other than the assignee named in the assignment should be appointed as general receiver with respect to the property of the assignor. The assignor's creditors may appear in person or by proxy at the meeting, and a majority in both number and value of claims of the creditors attending or represented at the meeting may select a person other than the assignee named in the assignment to serve as general receiver with respect to the assignor's property, whereupon the court shall appoint the selected person as receiver under subsection (4) of this section if a receiver has not already been appointed, and shall appoint the person to replace the original assignee as receiver if the appointment already has been made, unless the court determines upon good cause shown that the appointment as receiver of the person selected by the creditors would not be in the best interests of creditors in general, in which event the court shall appoint or substitute as the receiver a person selected by the court other than the original assignee. If at least one-third of the number or amount of claims represented in person or by proxy at the meeting of creditors vote for the appointment as receiver of a person or persons other than the assignee named in the assignment, then the court upon

motion of any creditor served and filed within ten days following the meeting shall appoint as receiver a person selected by the court other than the original assignee, discharging the original assignee if the person previously was appointed as receiver. A creditor may not vote at any meeting of creditors called for the purpose of determining whether a person other than the assignee named in the assignment should be appointed as receiver, until the creditor has presented to the clerk, who presides at the meeting, a proof of claim in accordance with RCW 7.60.210.

(6) From the time a motion is made to elect a new assignee in accordance with subsection (5) of this section, and until either the meeting of creditors occurs without a selection of a new assignee, or until the court enters an order appointing as receiver a person other than the original assignee if the creditors vote to select a new assignee at that meeting, no property of the assignor, except perishable property, may be sold or disposed of by the assignee, whether or not the assignee has been appointed as receiver; but the same shall be safely and securely kept until then. [2004 c 165 § 37; 1890 p 83 § 3; RRS § 1088. Formerly RCW 7.08.030 and 7.08.040.]

Purpose—Captions not law—2004 c 165: See notes following RCW 7.60.005.

RCW 7.08.900 Construction—Chapter applicable to state registered domestic partnerships—2009 c 521. For the purposes of this chapter, the terms spouse, marriage, marital, husband, wife, widow, widower, next of kin, and family shall be interpreted as applying equally to state registered domestic partnerships or individuals in state registered domestic partnerships as well as to marital relationships and married persons, and references to dissolution of marriage shall apply equally to state registered domestic partnerships that have been terminated, dissolved, or invalidated, to the extent that such interpretation does not conflict with federal law. Where necessary to implement chapter 521, Laws of 2009, gender-specific terms such as husband and wife used in any statute, rule, or other law shall be construed to be gender neutral, and applicable to individuals in state registered domestic partnerships. [2009 c 521 § 16.]