

CHAPTER 90

AN ACT

[H. B. 114]

Relating to the assignment of accounts or accounts receivable, defining terms, establishing validity as to creditors and subsequent assignees, providing for filing of notice, effective duration thereof, and cancellation of notice, designating the assignor as trustee, and establishing priority among assignees.

Be it enacted by the Legislature of the Territory of Alaska:

Section 1. TERMS DEFINED. Definitions. In this act: Definitions

(1) "Account" or "Account Receivable" means an open book account, mutual account, or account stated, due or to become due, and not represented by a judgment, note, draft, acceptance, or other similar instrument for the payment of money; it includes rights under an unperformed contract written or oral for work, goods or services which in the regular course will result in an account receivable; it excludes conditional sales contracts. Account.

(2) "Assignment" shall include any transfer, pledge, mortgage or sale of an account. Assignment.

(3) "Creditor" means a person having any claim, whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent. Creditor.

(4) "Debt" means the indebtedness owing on an account. Debt.

(5) "Debtor" means any person by whom an account is owing to the assignor. Debtor.

(6) "Filing Officer" means the Auditor of the Territory of Alaska. Filing officer.

Validity of
assignment.

Section 2. VALIDITY AS TO CREDITORS AND SUBSEQUENT ASSIGNEES — EFFECT OF NOTICE — RIGHTS OF UNNOTIFIED DEBTOR. Subject to the provisions of Section 3 of this act, a written assignment, signed by the assignor, of an account for value, shall be valid as against, and shall have priority as to such account, over present and future creditors (excepting creditors having existing specific liens on the account when assigned) of the assignor and subsequent assignees of such account; Provided, however that nothing herein shall affect the priority of liens for labor and material as stated in Sec. 26-1-3 ACLA 1949. Every effective and uncanceled notice filed pursuant to the provisions of this act shall be held and considered to be full and sufficient notice to all the world of all assignments taken thereunder. The validity of any such assignment of an account shall not be affected by failure to notify the debtor.

Notification
to debtor.

A debtor, irrespective of the provisions of Section 3, until notified by the assignor or the assignee not to do so, may pay or otherwise deal in good faith with the assignor, his agent for collection or any successor to the assignor's interest, and shall have as against the assignee any right of setoff, counter-claim or defense against such assignor or person existing in his favor at the time he is so notified.

Form of
notice.

Section 3. NOTICE, FILING AND FORM. No assignment of an account shall be valid as against present or future creditors of the assignor, or as against a subsequent assignee of such account, without knowledge of such assignment, unless such assignment shall be in writing and be signed by the assignor, and unless there shall be on file in the office of the filing officer, at the time of the making of such assignment or within ten days thereafter, an effective and uncanceled notice signed by the assignor and the assignee, in substantially the following form:

NOTICE OF ASSIGNMENT OF ACCOUNTS
RECEIVABLE

Date

..... has assigned or intends to
assign one or more accounts receivable to

.....

Signature of Assignee	Signature of Assignor
.....
Address of Assignee	Address of Assignor
.....

Section 4. DUTIES OF FILING OFFICER—FEE. It shall be the duty of the filing officer to mark each notice filed with a consecutive file number and with the date and hour of filing, and to note and index the filing in a suitable alphabetical index according to the name of the assignor and containing a notation of assignor's address as given in the notice. The fee for such filing shall be One Dollar (\$1.00). It shall be the duty of the filing officer to deliver to or mail to the person filing such notice a receipt giving the filing number and date and hour of filing.

Section 5. WHAT CONSTITUTES FILING. Presenta-^{Filing.}tion for filing of any such notice and payment of the filing fee shall constitute filing under this act.

Section 6. EFFECTIVE DURATION OF NOTICE—^{Duration of Notice.}FURTHER NOTICE. Any such notice filed pursuant to this act shall be ineffective after three years from the date of filing, except as to accounts theretofore assigned while such notice was in effect. At any time before expiration of the effectiveness of the original or any subsequent filing, a like notice, signed by the assignor and the assignee or an affidavit by the assignee alone, setting out the information required by Section 3 of this act, may be filed in like manner as the original filing. Any

filing of such further notice or affidavit shall be effective in like manner and for a like period as an original filing. It shall be the duty of the filing officer to mark, file and index the further notice or affidavit in like manner as the original.

Cancellation
of notice.

Section 7. CANCELLATION OF NOTICE. Any such notice filed hereunder may be cancelled by filing with the filing officer a certificate executed by the assignee reciting—(1) the date of the notice, (2) the date of the filing thereof, (3) the file number thereof, (4) the names of the parties thereto, and (5) a statement that the notice is cancelled. The filing officer shall file such certificate without charge and shall write the word "cancelled" with the date in the index in which the notice is entered.

In the event of an assignment as security, then upon payment or satisfaction of the obligation for which the accounts were assigned as security, and upon written demand by the assignor, the assignee shall deliver to the assignor such a certificate.

Lien
rights.

Section 8. ASSIGNOR AS TRUSTEE—ASSIGNEE'S RIGHT OR LIEN NOT INVALIDATED BY ASSIGNOR'S ACTS OR OMISSIONS. The assignor of an account shall be a trustee for the assignee of the proceeds of the account and of any of the property sold, which is returned to or recovered by the assignor. Irrespective of acquiescence, consent or permission by the assignee, no act or omission, (including the exercise of dominion and control) by the assignor with respect to an assigned account, the proceeds thereof, or goods sold and returned, shall invalidate the right or lien of the assignee upon any balance remaining owing on any such account or on any other assigned account.

The rights of an assignee upon property so held in trust shall be superior to the rights of all present and future creditors of the assignor and subsequent purchasers of the property, when such property is set aside or designated in a manner indicating that the assignee has an interest therein.

Section 9. PRIORITY AMONG ASSIGNEES. Priority among assignees of the same account having effective and uncanceled notices on file shall be governed by the respective dates of the assignments made under said notices. Priority among assignees.

Section 10. DUTY OF ASSIGNEE TO INFORM ASSIGNOR. It shall be the duty of any assignee who has on file an effective and uncanceled notice of assignment to furnish such information relative to assignments of accounts as the assignor may in writing direct. Notice to assignor.

Section 11. OPERATION OF ACT. The provisions of this act

(a) Shall not affect the validity of an assignment as between the parties thereto;

(b) Shall not be applicable to any assignment made for the benefit of all of the assignor's creditors generally.

Section 12. ASSIGNMENTS BEFORE EFFECTIVE DATE NOT AFFECTED. The provisions of this act shall control except as to assignments made before this act takes effect. Effective date.

Approved March 23, 1951.