

4-1-1961

## Article 6: Bulk Transfers

Walter F. Weldon Jr

Albert E. Nevins Jr

Richard P. Delaney

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### Recommended Citation

Walter F. Weldon Jr, Albert E. Nevins Jr, and Richard P. Delaney, *Article 6: Bulk Transfers*, 2 B.C.L. Rev. 348 (1961), <http://lawdigitalcommons.bc.edu/bclr/vol2/iss2/10>

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who received the check by negotiation and for value, in good faith and without notice that it was overdue or had been dishonored or that there was any defense against it, was a subsequent holder in due course against whom rescission of a negotiable instrument by an infant is not permitted by Section 3-207.

**SECTION 3-302. Holder In Due Course**

- (1) A holder in due course is a holder who takes the instrument . . .
- (a) for value; and
  - (b) in good faith
  - (c) without notice that it is overdue or has been dishonored or of any defense against or claim to it on the part of any person.

*Snyder v. Town Hills Motors, Inc.*, 193 Pa. Super. 598, 165 A.2d 293 (1960)

Where the seller of an automobile exercises dominion over a check received in payment, by directing the buyer to hand it over to a dealer from whom the seller was purchasing another automobile, and the buyer did so and accepted a receipt from the seller, there was a constructive delivery from the buyer to the seller and subsequently from the seller to the dealer so that the dealer was a holder in due course. Although the UCC repealed the NIL it did not prescribe any new definition of the word "delivery"; therefore, the established definition of "delivery", which provides that transfer may be either actual or constructive, should prevail.

**ARTICLE 6: BULK TRANSFERS**

**SECTION 6-102. "Bulk Transfer"; Transfers of Equipment; Enterprises Subject to This Article; Bulk Transfer Subject to This Article**

(1) A "bulk transfer" is any transfer in bulk and not in the ordinary course of the transferor's business of a major part of the materials, supplies, merchandise or other inventory (Section 9-109) of an enterprise subject to this Article.

(2) A transfer of a substantial part of the equipment is a bulk transfer if it is made in connection with a bulk transfer of inventory, but not otherwise.

*Uhr v. 3361, Inc.*, 21 Pa. D. & C. 2d 348 (1960)

The sale of a restaurant-taproom business is a bulk transfer.

**SECTION 6-103. Transfers Excepted From This Article**

The following transfers are not subject to this Article: . . .

*Uhr v. 3361, Inc.*, 21 Pa. D. & C. 2d 348 (1960)

A claim that a transaction is exempt is an affirmative defense and must be pleaded by the one claiming that the transaction is excluded.

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(Where a cited case interprets only a portion of a Code section only that portion is set out)