

original creditor. It allowed for a great deal of conflict, misunderstanding, and for confusion in what were the legitimate rights of property between the original debtor, the original creditor, and the transferee of that bulk sales. So what most current scholars have recommended is to simply repeal the Bulk Sales Act. And, in fact, most practicing law firms... John Lindsay brought it out in our Exec Session, most law firms are now simply circumventing the Bulk Sales Act. They do it by simply placing the price of the bulk sales of goods in escrow for six months, waiting for that security interest to be defeated or end, and then transferring the money at that point for the exchange of assets. And, in so doing, they don't send out the notices which are required under the Bulk Sales Act. So the very reasons why the original Bulk Sales Act was passed no longer exists. We have other forms of defense and discipline for our creditors. Our scholars tell us that it really is a commercial monkey wrench thrown into a great many transfers that's unneeded, and it's being circumvented by smart lawyers who simply now structure their sales in a way to get around the Bulk Sales Act. What we need to do is simply repeal the act, it doesn't do us much good anymore. Every now and then it might catch a fraudulent transfer. But we have other opportunities, other mechanisms to get to those, we don't need this article. And the Uniform State Law Commissioners suggest that this article be repealed because of the contemporary times. I would recommend the advancement of 162.

SPEAKER BAACK: Is there any discussion of LB 162? Seeing none, Senator Landis, do you wish to close?

SENATOR LANDIS: I move the advancement of LB 162 to repeal the Bulk Sales Transfers Act from our Uniform Commercial Code.

SPEAKER BAACK: All those of the advancement of LB 162 vote aye, opposed vote no. Record, Mr. Clerk.

CLERK: 25 ayes, 0 nays, Mr. President, on the advancement of LB 162.

SPEAKER BAACK: LB 162 advances. We'll now go to LB 429.

CLERK: LB 429, Mr. President, introduced by Senator Rod Johnson. (Read title.) The bill was introduced on January 18, referred to Natural Resources, advanced to General File. I have no amendments to the bill.