

Conditional Sales Contracts: Filing: Notice to Attaching Creditors of Vendee

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CONDITIONAL SALES CONTRACTS—FILING—NOTICE TO ATTACHING CREDITORS OF VENDEE.—The plaintiff, a Delaware corporation, licensed to do business in Illinois and Wisconsin held a conditional sales agreement covering a truck sold in Illinois. The vendee, contrary to a provision of the agreement, removed its truck permanently into Wisconsin. A Wisconsin creditor of the vendee caused the truck to be seized on attachment in Wisconsin. The conditional sales agreement was not recorded in any Wisconsin filing district. The plaintiff did not know where the truck was until the day before the creditor seized it. Two days after seizure the plaintiff notified the creditor of its claim; but the plaintiff did not file its conditional sales agreement. The creditor would not release the truck. The plaintiff brought an action to recover possession. *Held*, by failing to file a copy of the conditional sales agreement as prescribed by statute, the plaintiff had lost protection against the attaching creditor. *Universal Credit Co. v. Finn*, (Wis., 1933) 250 N.W. 391.

Section 14 of the Uniform Conditional Sales Act, sec. 122.14, Wis. Stats., gives protection to the foreign vendor against subsequent local purchasers or attaching local creditors of the vendee, providing the vendor files a copy of his agreement within ten days after discovering the whereabouts of the chattel. The particular situation presented in the instant case has seldom arisen since the passage of the Uniform Act. The Wisconsin court purported to follow *Thayer Mercantile Co. v. First National Bank*, 98 N.J.L. 29, 119 Atl. 94 (1922). In that case, too, the vendor had failed to file a copy of his sales agreement, although he had given the attaching creditor notice of his claim within the ten day period. Perhaps a literal interpretation of the statute requires the construction which the court has given it. However, the Wisconsin court has seen fit to protect the foreign vendor who has not filed a copy of his contract, but who has given notice to the local attaching creditor, where the vendee has brought the car into the state on a pleasure trip, without intending permanently to change the situs of the chattel. *Forgan v. Smedal*, 203 Wis. 564, 234 N.W. 896 (1931). And the West Virginia court has upheld the foreign vendor against a purchaser from the vendee who had already purchased before the vendor notified him, where the vendor gave actual notice but never "recorded" a copy of the contract within ten days after discovering the whereabouts of the chattel. *Banks-Miller Supply Co. v. Bank of Marlinton*, 106 W.Va. 583, 146 S.E. 521 (1929).

Perhaps the court might suggest something to distinguish the case concerning the subsequent purchaser from that of the attaching creditor. The purchaser has acted; recording or filing after a demand upon him would be useless. The attaching creditor is claiming a potential lien which he can make effective unless the vendor complies literally with the statute.

ROSALIE A. BYER.

CONSTITUTIONAL LAW—IMPAIRMENT OF CONTRACT OBLIGATIONS—POLICE POWER—MORTGAGE MORATORIUM.—Defendants appeal from a judgment affirmed by the Minnesota Supreme Court, 249 N.W. 893 (1933), which granted the petitioners an extension of the period of redemption. This case was decided on the authority of *Blaisdell et al. v. Home Building and Loan Ass'n.*, (Minn., 1933) 249 N.W. 334; see, *Recent Decisions*, 18 Marq. Law Rev. 55 (1933). The latter case sustained the validity of an act of the Legislature which authorized an extension of the redemption period during the present emergency, but in no event beyond May 1, 1935, after a foreclosure sale. Under this act the court was to