

378.060 Preferential conveyance, encumbrance or other act in contemplation of insolvency -- Effect -- Exception.

Any sale, mortgage or assignment made by a debtor and any judgment suffered by a defendant, or any act or device done or resorted to by a debtor, in contemplation of insolvency and with the design to prefer one or more creditors to the exclusion, in whole or in part, of others, shall operate as an assignment and transfer of all the property of the debtor, and shall inure to the benefit of all his creditors, except as provided in subsection (2) of KRS 378.090, in proportion to the amount of their respective demands including those which are future and contingent. Nothing in KRS 378.060 to 378.090 shall vitiate or affect any mortgage made in good faith to secure any debt or liability created simultaneously with the mortgage, if the mortgage is lodged for record within thirty (30) days after its execution.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 1910.