

## CHAPTER 577

### ASSIGNMENTS FOR BENEFIT OF CREDITORS

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**577.01** [Repealed, 2012 c 143 art 2 s 9]

**577.02** [Repealed, 2012 c 143 art 2 s 9]

**577.03** [Repealed, 2012 c 143 art 2 s 9]

**577.04** [Repealed, 2012 c 143 art 2 s 9]

**577.05** [Repealed, 2012 c 143 art 2 s 9]

**577.06** [Repealed, 2012 c 143 art 2 s 9]

**577.07 FRAUDULENT CONVEYANCES.**

In all cases of general assignments for the benefit of creditors, the assignee shall represent the creditors of the assignor as against all transfers and conveyances of the assignor's property which were fraudulent as to them, and shall have all the rights of such creditors in their avoidance.

**History:** (9788) *RL s 4617; 1986 c 444*

**577.08** [Repealed, 2012 c 143 art 2 s 9]

**577.09** [Repealed, 2012 c 143 art 2 s 9]

**577.10** [Repealed, 2012 c 143 art 2 s 9]

**577.11 DEFINITIONS.**

(a) The definitions in this section and in section 576.21 apply throughout this chapter unless the context requires otherwise.

(b) "Assignee" means the person to whom the assignment property is assigned.

(c) "Assignment property" means the property assigned pursuant to the provisions of this chapter.

(d) "Assignor" means the person who assigns the assignment property.

(e) "Time of assignment" means the date and time endorsed by the court administrator pursuant to section 577.14.

**History:** 2012 c 143 art 2 s 1

**577.12 REQUISITES.**

A person may execute a written assignment of property to one or more assignees for the benefit of creditors in conformity with the provisions of this chapter. Every assignment for the

benefit of creditors subject to this chapter made by an assignor of the whole or any part of the assignor's property, real or personal, for the benefit of creditors, shall be: (1) to a resident of the state eligible to be a receiver under section 576.26, in writing, subscribed and acknowledged by the assignor, and (2) filed by the assignor or the assignee with the court administrator of the district court of the county in which the assignor, or one of the assignors if there is more than one, resides, or in which the principal place of business of an assignor engaged in business is located. The district court shall have supervision over the assignment property and of all proceedings under this chapter.

**History:** 2012 c 143 art 2 s 2

### **577.13 FORM OF ASSIGNMENT.**

An assignment for the benefit of creditors under this chapter shall be signed by the assignor and duly acknowledged in the same manner as conveyances of real property before a notary public of the state, shall include an acceptance of the assignment by the assignee, and shall be in substantially the following form:

#### ASSIGNMENT

THIS ASSIGNMENT is made this .... day of ....., ....., by and between....., with a principal place of business at ..... (hereinafter "assignor"), and ....., whose address is ..... (hereinafter "assignee").

WHEREAS, the assignor has been engaged in the business of.....

WHEREAS, the assignor is indebted to creditors and is unable to pay debts as they become due, and is desirous of providing for the payment of debts, so far as it is possible by an assignment of property for that purpose.

NOW, THEREFORE, the assignor, in consideration of the assignee's acceptance of this assignment, and for other good and valuable consideration, hereby assigns to the assignee, and the assignee's successors and assigns, the assignor's property, except the property as is exempt by law from levy and sale under an execution (and then only to the extent of the exemption), including but not limited to all real property, fixtures, goods, stock, inventory, equipment, furniture, furnishings, accounts receivable, general intangibles, bank deposits, cash, promissory notes, cash value and proceeds of insurance policies, claims, and demands belonging to the assignor, wherever the property may be located (hereinafter collectively the "assignment property"), which property is set forth on Schedule A attached hereto.

A list of the creditors of the assignor is set forth in Schedule B annexed hereto.

By making this assignment, the assignor consents to the appointment of the assignee as a general receiver with respect to the assignment property in accordance with Minnesota Statutes, chapters 576 and 577.

The assignee shall take possession of and administer the assignment property and shall liquidate the assignment property with reasonable dispatch, collect all claims and demands hereby assigned as and to the extent they may be collectible, and pay and discharge all reasonable expenses, costs, and disbursements in connection with the execution and administration of this assignment from the proceeds of the liquidations and collections in accordance with Minnesota Statutes, chapters 576 and 577.

The assignee shall then pay and discharge in full, to the extent that funds are available from the assignment property after payment of expenses, costs, and disbursements, all of the debts

and liabilities now due from the assignor, including interest on the debts and liabilities in full, in accordance with Minnesota Statutes, chapters 576 and 577.

In the event that all debts and liabilities are paid in full, the remainder of the assignment property shall be returned to the assignor.

To accomplish the purposes of this assignment, the assignor hereby irrevocably appoints the assignee as the assignor's true and lawful attorney-in-fact, with full power and authority to do all acts and things which may be necessary to execute and fulfill the assignment hereby created, to the same extent as the acts and things might be done by the assignor in the absence of this assignment, including, but not limited to, the power to demand and recover from all persons all assignment property; to sue for the recovery of assignment property; to execute, acknowledge, and deliver all necessary deeds, instruments, and conveyances, and to grant and convey any or all of the real or personal property of the assignment property pursuant thereto; and to appoint one or more attorneys to assist the assignee in carrying out the assignee's duties hereunder.

The assignor hereby authorizes the assignee to sign the name of the assignor to any check, draft, promissory note, or other instrument in writing which is payable to the order of the assignor, or to sign the name of the assignor to any instrument in writing, whenever it shall be necessary to do so, to carry out the purposes of this assignment.

The assignor declares, under penalty of perjury under the laws of the state of Minnesota, that the attached schedules of the property or the assignor and creditors are true and complete to the best of the assignor's knowledge.

The assignee hereby accepts the assignment property and agrees faithfully and without delay to carry out the assignee's duties under the foregoing assignment.

.....	.....
Assignor	Assignee
Dated: .....	Dated: .....

**History:** 2012 c 143 art 2 s 3

**577.14 DUTY OF COURT ADMINISTRATOR.**

The court administrator shall endorse the day, hour, and minute of the filing of the assignment. The assignment shall be entered in the court administrator's register, and all papers filed and orders made in the matter of the assignment shall be noted therein as in the case of a civil action.

**History:** 2012 c 143 art 2 s 4

**577.15 ASSIGNEE AS LIEN CREDITOR; REAL ESTATE RECORDING.**

Subdivision 1. **Assignee as lien creditor.** As of the filing of the assignment, the assignee shall have the powers and priority of a creditor that obtained a judicial lien at the time of assignment pursuant to sections 548.09 and 550.10 on all of the assignment property subject to satisfying the recording requirements as to real property described in subdivision 2.

Subd. 2. **Real estate recording.** If any interest in real estate is included in the assignment property, the assignment shall be effective as a deed, and a notice of a lis pendens shall be recorded as soon as practicable with the county recorder or registrar of titles, as appropriate, of the county in which the real property is located. The priority of the assignee as lien creditor against real

property shall be from the time of recording of the notice of lis pendens, except as to persons with actual or implied knowledge of the assignment under section 507.34. The assignment executed by the assignor and certified by the court administrator and a deed executed by the assignee shall be recorded with the county recorder or registrar of titles, as appropriate, of the county in which the real property is located, and upon execution of the deed by the assignee shall be prima facie evidence of the authority of the assignee to convey the real property described in the assignment.

**History:** 2012 c 143 art 2 s 5

#### **577.16 NOTICE.**

The assignee shall give notice of the assignment to all creditors and other parties in interest actually known to the assignee by mail or other means of transmission within 21 days after the time of assignment. The notice of the assignment shall include the time of assignment and the names and addresses of the assignor, the assignee, and the assignee's attorney, if any.

**History:** 2012 c 143 art 2 s 6

#### **577.17 REMOVAL OF ASSIGNEE.**

The court may remove the assignee and appoint another assignee by application of the standards and procedures under section 576.37. The order of removal and appointment shall transfer all of the assignment property to the new assignee, and with respect to real property may be recorded in the same manner as the initial assignment.

**History:** 2012 c 143 art 2 s 7

#### **577.18 APPLICATION OF CHAPTER GOVERNING RECEIVERSHIPS.**

Except as otherwise provided in this chapter, an assignee shall be treated as a general receiver, the assignment property shall be treated as receivership property, and all proceedings following the filing of the assignment shall be governed by sections 576.21 to 576.53.

**History:** 2012 c 143 art 2 s 8