

# MAINE STATE LEGISLATURE

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N I N E T Y - S E C O N D      L E G I S L A T U R E

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**Legislative Document**

**No. 134**

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S. P. 91

In Senate, January 25, 1945.

Referred to the Committee on Judiciary, sent down for concurrence and ordered printed.

ROYDEN V. BROWN, Secretary.

Presented by Senator Cross of Kennebec.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
FORTY-FIVE

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**AN ACT Relative to Assignment of Accounts Receivable and other Choses  
in Action.**

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Be it enacted by the People of the State of Maine, as follows:

**R. S., c. 100-A, additional.** The revised statutes are hereby amended by adding thereto a new chapter to be numbered 100-A and to read as follows:

**CHAPTER 100-A.**

**Assignment of Accounts Receivable.**

**Sec. 1. Definitions.** For the purposes of this chapter:

I. "Account" means an account receivable. It includes sums owing, although not yet payable, under an existing contract, but not sums to become due for goods not yet completed or services not yet rendered. It excludes a judgment, note, draft, acceptance, conditional sale contract and other instruments for the payment of money, the assignment of which is usually made by endorsement on or delivery of the instrument and sums due for personal services of an employee.

II. "Assignment" includes any transfer, sale, pledge, or mortgage of an account, or of a part thereof.

III. "Assignor" includes transferor, seller, pledgor and mortgagor.

IV. "Assignee" includes transferee, purchaser, pledgee, mortgagee and persons with rights acquired from or through such assignee.

V. "Account debtor" means a person obligated to pay an account.

VI. "Subsequent assignee" means a later assignee of an account, mediately or immediately claiming under an assignor who has previously assigned such account.

VII. "Value" means any consideration sufficient to support a simple contract, including an antecedent debt or liability, whether an account is taken in satisfaction thereof or as security therefor.

Sec. 2. Assignment valid when made. An assignment of an account transfers from the date of its making all rights which the assignor has power to transfer and shall be and be deemed to be valid and fully perfected as of the date it is made, if:

I. It is in writing;

II. The assignee has given value therefor;

III. The assignee takes the assignment in good faith; and

IV. Whether or not notice of the assignment is given to the account debtor or the account debtor assents to said assignment.

After the making of such an assignment no existing or future creditor of the assignor and no subsequent assignee shall or can acquire any rights, title, lien or interest in or to such account, or any proceeds thereof, or any judgment, instrument, token or writing given as evidence thereof or in substitution therefor, equal or superior to or in diminution of the rights of the assignee under such assignment.

Sec. 3. Rights of account debtor. Whenever, prior to notice to him of an assignment of an account, the account debtor shall have, while acting in good faith:

I. Made payment of the account, in whole or in part; or

II. Given a negotiable instrument in payment or as evidence, in whole or in part thereof; or

III. Affected a novation in respect thereto; or

IV. Become liable upon a final judgment thereon; such payment or the assumption or suffering of such substitute liability shall, to the extent thereof, be a good and valid discharge of the account debtor's liability

upon such account. Further, nothing in this chapter shall deprive the account debtor of any valid defence to which he would otherwise be entitled or any valid right existing under the contract from which the assigned account arose or of any right of set-off or counterclaim against the assignor existing at the time the account debtor receives notice of the assignment.

Sec. 4. Accountability of certain persons to assignee. If an account is assigned as provided in section 2, the assignor and any subsequent assignee of the account and any creditor of such assignor, other than a creditor realizing on a lien acquired prior to such assignment, shall be liable and accountable to the assignee under such assignment for all sums thereafter received by such assignor, subsequent assignee or creditor in payment, in whole or in part, of such account; and any such assignor, subsequent assignee or creditor who after the date of such assignment obtains an instrument, token or writing in payment or as evidence, in whole or in part, of such account, or effects a novation with respect thereto, or obtains an order, judgment or decree for the payment of such account, shall be deemed to have received, effected or obtained the same for the use and benefit of the assignee under such assignment and shall be liable and accountable to him therefor and for the proceeds thereof; provided, however, that any action to enforce any rights under the provisions of this section against any part other than the assignor shall be commenced only within 1 year from the date such funds are received, such novation is effected, or such instrument, token, writing, order, judgment or decree is obtained, as the case may be.

Sec. 5. Returned property; adjustments. If, in the case of any assigned account, merchandise sold, or any part thereof, is returned to or recovered by the assignor from the account debtor and is thereafter dealt with by the assignor as his own property, said assignor shall hold such returned goods, or any such goods as may be recovered by him, and every part thereof, in trust for the benefit of said assignee, or if the assignor grants credits, allowances or adjustments to the account debtor, the right to or lien of the assignee upon any balance remaining owing on such account and his right to or lien upon any other account assigned to him by the assignor shall not be invalidated, irrespective of whether the assignee shall have consented to, or acquiesced in, such acts of the assignor.

Sec. 6. Assignment of claims against the United States. The provisions of this chapter shall not apply to the rights of the United States in any case of an assignment of a claim against the United States but shall apply to the rights of all other persons interested in such an assignment.'