

**70A-2-402 Rights of seller's creditors against sold goods.**

- (1) Except as provided in Subsections (2) and (3), rights of unsecured creditors of the seller with respect to goods which have been identified to a contract for sale are subject to the buyer's rights to recover the goods under this chapter (Sections 70A-2-502 and 70A-2-716).
- (2) A creditor of the seller may treat a sale or an identification of goods to a contract for sale as void if as against him a retention of possession by the seller is fraudulent under any rule of law of the state where the goods are situated, except that retention of possession in good faith and current course of trade by a merchant-seller for a commercially reasonable time after a sale or identification is not fraudulent.
- (3) Nothing in this chapter shall be deemed to impair the rights of creditors of the seller
  - (a) under the provisions of the chapter on Secured Transactions (Chapter 9a, Uniform Commercial Code - Secured Transactions); or
  - (b) where identification to the contract or delivery is made not in current course of trade but in satisfaction of or as security for a preexisting claim for money, security or the like and is made under circumstances which under any rule of law of the state where the goods are situated would apart from this chapter constitute the transaction a fraudulent transfer or voidable preference.

Enacted by Chapter 154, 1965 General Session