

286.3-864 "Preference" defined.

- (1) A preference is a transfer of any of the property of the bank:
 - (a) To or for the benefit of a creditor;
 - (b) For or on account of an antecedent debt owed by the bank before such transfer was made;
 - (c) Made while the bank was insolvent;
 - (d) Made:
 1. On or within ninety (90) days before the date of the closing of a bank under KRS 286.3-854 if such creditor had reasonable cause to believe the bank was insolvent at the time of such transfer; or
 2. On or within one (1) year before the date of the closing of a bank under KRS 286.3-854 if such creditor was a director, officer or person in control of the state bank and had reasonable cause to believe the bank was insolvent at the time of such transfer; and
 - (e) That enables such creditor to obtain a greater percentage of his debt than some other creditor of the same class.
- (2) A preference does not include a transfer:
 - (a) To the extent that such transfer was a substantially contemporaneous exchange for new value given to the bank; or
 - (b) To the extent that such transfer was made in payment of a debt incurred in the ordinary course of the bank's business made not later than forty-five (45) days after such debt was incurred.

Effective: July 13, 1984

History: Created 1984 Ky. Acts ch. 324, sec. 48, effective July 13, 1984.

Formerly codified as KRS 287.864.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286, and KRS references within this statute have been adjusted to conform with the 2006 renumbering of that code.