

MAINE STATE LEGISLATURE

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REVISED STATUTES
OF THE
STATE OF MAINE
1954

1963 CUMULATIVE SUPPLEMENT

ANNOTATED

IN FIVE VOLUMES

VOLUME 4

Discard Previous Supplement

THE MICHIE COMPANY
CHARLOTTESVILLE, VIRGINIA
1963

Secs. 5-13. Repealed by Public Laws 1963, c. 362, § 37.

Effective date.—Section 43, c. 362, P. L. 1963, makes the act effective December 31, 1964.

Sec. 14. Repealed by Public Laws 1963, c. 362, § 37.

Effective date.—Section 43, c. 362, P. L. 1963, makes the act effective December 31, 1964.

Prima facie imports that the evidence produces for the time being a certain re-

sult, but that result may be repelled. *Giles v. Putnam*, 150 Me. 104, 104 A. (2d) 534.

Reasonable time under this section is a mixed question of law and fact. *Giles v. Putnam*, 150 Me. 104, 104 A. (2d) 534.

Secs. 15-24. Repealed by Public Laws 1963, c. 362, § 37.

Effective date.—Section 43, c. 362, P. L. 1963, makes the act effective December 31, 1964.

Sec. 25. Repealed by Public Laws 1963, c. 362, § 37.

Effective date.—Section 43, c. 362, P. L. 1963, makes the act effective December 31, 1964.

An antecedent debt is "value" although

the note is received on implied terms of conditional satisfaction. *Payson v. Cohen*, 158 Me. 297, 183 A. (2d) 510.

Secs. 26-195. Repealed by Public Laws 1963, c. 362, § 37.

Effective date.—Section 43, c. 362, P. L. 1963, makes the act effective December 31, 1964.

Chapter 189.

Uniform Trust Receipts Act.

Cross references.—See c. 132, §§ 9-A, 9-B, re larceny by trustee or its agent, etc., in trust receipt transaction. See c. 190, §§ 7-101 to 7-603 for provisions of the Uniform Commercial Code re documents of title.

Sec. 1. Definitions.—In this chapter, unless the context or subject matter otherwise requires:

“Buyer in the ordinary course of trade” means a person to whom goods are sold and delivered for new value and who acts in good faith and without actual knowledge of any limitation on the trustee’s liberty of sale, including one who takes by conditional sale or under a pre-existing mercantile contract with the trustee to buy the goods delivered, or like goods, for cash or on credit. “Buyer in the ordinary course of trade” does not include a pledgee, or mortgagee, a lienor or a transferee in bulk.

“Document” means any document of title to goods.

“Entruster” means the person who has or directly or by agent takes a security interest in goods, documents or instruments under a trust receipt transaction, and any successor in interest of such person. A person in the business of selling goods or instruments for profit, who at the outset of the transaction has, as against the buyer, general property in such goods or instruments, and who sells the same to the buyer on credit, retaining title or other security interest under a purchase money mortgage or conditional sales contract or otherwise, is excluded.

“Goods” means any chattels personal other than: money, things in action, or things so affixed to land as to become a part thereof.

“Instrument” means

I. Any negotiable instrument as defined in the uniform negotiable instruments law, or

II. Any certificate of stock, or bond or debenture for the payment of money issued by a public or private corporation as part of a series, or

III. Any interim, deposit or participation certificate or receipt, or other credit or investment instrument of a sort marketed in the ordinary course of business or finance, of which the trustee, after the trust receipt transaction, appears by virtue of possession and the face of the instrument to be the owner. "Instrument" does not include any document of title to goods.

"Lien creditor" means any creditor who has acquired a specific lien on the goods, documents or instruments by attachment, levy or by any other similar operation of law or judicial process, including a distraining landlord.

"New value" includes new advances or loans made, or new obligation incurred, or the release or surrender of a valid and existing security interest, or the release of a claim to proceeds under section 10; but "new value" shall not be construed to include extensions or renewals of existing obligations of the trustee, nor obligations substituted for such existing obligations.

"Person" means, as the case may be, an individual, trustee, receiver or other fiduciary, partnership, corporation, business trust or other association, and 2 or more persons having a joint or common interest.

"Possession," is used in this chapter with reference to possession taken or retained by the entruster, means actual possession of goods, documents or instruments, or, in the case of goods, such constructive possession as, by means of tags or signs or other outward marks placed and remaining in conspicuous places, may reasonably be expected in fact to indicate to the third party in question that the entruster has control over or interest in the goods.

"Purchase" means taking by sale, conditional sale, lease, mortgage or pledge, legal or equitable.

"Purchaser" means any person taking by purchase. A pledgee, mortgagee or other claimant of a security interest created by contract is, insofar as concerns his specific security, a purchaser and not a creditor.

"Security interest" means a property interest in goods, documents or instruments, limited in extent to securing performance of some obligation of the trustee or of some third person to the entruster, and includes the interest of a pledgee, and title, whether or not expressed to be absolute, whenever such title is in substance taken or retained for security only.

"Transferee in bulk" means a mortgagee or a pledgee or a buyer of the trustee's business substantially as a whole.

"Trustee" means the person having or taking possession of goods, documents or instruments under a trust receipt transaction, and any successor in interest of such person. The use of the word "trustee" herein shall not be interpreted or construed to imply the existence of a trust or any right or duty of a trustee in the sense of equity jurisprudence other than as provided by this chapter.

"Value" means any consideration sufficient to support a simple contract. An antecedent or preexisting claim, whether for money or not, and whether against the transferor or against another person, constitutes value where goods, documents or instruments are taken either in satisfaction thereof or as security therefor. (1955, c. 461.)

Repeal of chapter.—Section 38, c. 362, P. L. 1963, repealed this chapter effective December 31, 1964.

Theory of act.—In general the theory of this act is to give to the bank, finance company, or other lender every conceivable protection in handling trust receipt and pledge transactions, so that the use of these security devices may be increased and the financing of sales and other transactions facilitated. *Depositors Trust Co. v. Maryland Casualty Co.*, 157 Me. 493, 174 A. (2d) 288.

And purpose.—This act was devised to promote greater ease in the financing of purchases by buyers who had no available funds for immediate payment and must borrow the price until they could sell the goods. *Depositors Trust Co. v. Maryland Casualty Co.*, 157 Me. 493, 174 A. (2d) 288.

"Trustee."—The word trustee is used in the act in an artificial sense, and does not connote a true equity trustee. *Depositors Trust Co. v. Maryland Casualty Co.*, 157 Me. 493, 174 A. (2d) 288.

Sec. 2. What constitutes trust receipt transaction and trust receipt.—

I. A trust receipt transaction within the meaning of this chapter is any transaction to which an entruster and a trustee are parties, for one of the purposes set forth in subsection III, whereby

A. The entruster or any third person delivers to the trustee goods, documents or instruments in which the entruster

1. prior to the transaction has, or for new value

2. by the transaction acquires or

3. as the result thereof is to acquire promptly, a security interest; or

B. The entruster gives new value in reliance upon the transfer by the trustee to such entruster of a security interest in instruments or documents which are actually exhibited to such entruster, or to his agent in that behalf, at a place of business of either entruster or agent, but possession of which is retained by the trustee; or

C. The entruster gives new value in reliance upon the transfer by the trustee to such entruster of a security interest in goods or documents in possession of a trustee, and the possession of which is retained by the trustee; provided that the delivery under paragraph A or the giving of new value under paragraph B or paragraph C either

1. be against the signing and delivery by the trustee of a writing designating the goods, documents or instruments concerned, and reciting that a security interest therein remains in or will remain in, or has passed to or will pass to, the entruster, or

2. be pursuant to a prior or concurrent written and signed agreement of the trustee to give such a writing.

The security interest of the entruster may be derived from the trustee or from any other person, and by pledge or by transfer of title or otherwise.

If the trustee's rights in the goods, documents or instruments are subject to a prior trust receipt transaction, or to a prior equitable pledge, section 9 and section 3, respectively, of this chapter, determine the priorities.

II. A writing such as is described in subparagraph 1 of paragraph B of subsection I, signed by the trustee, and given in or pursuant to such a transaction, is designated in this chapter as a "trust receipt". No further formality of execution or authentication shall be necessary to the validity of a trust receipt.

III. A transaction shall not be deemed a trust receipt transaction unless the possession of the trustee thereunder is for a purpose substantially equivalent to any one of the following:

A. In the case of goods, documents or instruments, for the purpose of selling or exchanging them, or of procuring their sale or exchange; or

B. In the case of goods or documents, for the purpose of manufacturing or processing the goods delivered or covered by the documents, with the purpose of ultimate sale, or for the purpose of loading, unloading, storing, shipping, transshipping or otherwise dealing with them in a manner preliminary to or necessary to their sale; or

C. In the case of instruments, for the purpose of delivering them to a principal, under whom the trustee is holding them, or for consummation of some transaction involving delivery to a depository or registrar, or for their presentation, collection or renewal. (1955, c. 461.)

Repeal of chapter.—See note to § 1 of this chapter.

The trust receipt does not involve a strict trust or other fiduciary relation. Depositors Trust Co. v. Maryland Casualty Co., 157 Me. 493, 174 A. (2d) 288.

Trust receipts are a method of securing a debt and not of creating a debt. Depositors Trust Co. v. Maryland Casualty Co.,

157 Me. 493, 174 A. (2d) 288.

Trust receipts are a method of financing and supply a procedure whereby the lender acquires security from the borrower in order to safeguard his loan. In other words, the loan is the prime consideration between the parties and the trust receipt

is incidental thereto. *Depositors Trust Co. v. Maryland Casualty Co.*, 157 Me. 493, 174 A. (2d) 288.

Basis of relationship is the loan.—In a trust receipt transaction the basis of the relationship between the entruster and the trustee is the loan. *Depositors Trust Co. v. Maryland Casualty Co.*, 157 Me. 493, 174 A. (2d) 288.

Thus, where the trustee failed to remit to the entruster the proceeds from the sale of the goods, the entruster could not recover his loss from an insurer where the policy excluded coverage of losses resulting from default on loans. *Depositors Trust Co. v. Maryland Casualty Co.*, 157 Me. 493, 174 A. (2d) 288.

And parties must occupy relation of lender and borrower.—The two necessary parties to the trust receipt transaction (called in the act entruster and trustee) must occupy the relationship of lender and borrower toward each other. *Depositors Trust Co. v. Maryland Casualty Co.*, 157 Me. 493, 174 A. (2d) 288.

Possession of borrower must be for one or more of enumerated purposes.—Not

only must the lender and borrower be of a particular type, and not only must the lender permit the borrower to retain or get possession, but that possession must be kept or obtained for one or more of a limited number of purposes if the transaction is to be a trust receipt transaction under this act. *Depositors Trust Co. v. Maryland Casualty Co.*, 157 Me. 493, 174 A. (2d) 288.

The purpose for which possession must be kept or obtained must be one of the following: (1) In order to enable the borrower to sell or exchange goods, documents or instruments entrusted. (2) In order to enable the borrower to process or handle the goods entrusted, or the goods represented by the document entrusted, preparatory to sale by the borrower. (3) In order that instruments delivered to, or retained by, the borrower may be (a) delivered to a principal of the borrower; or (b) delivered to a depositary or registrar; or (c) used for presentation, collection or renewal. *Depositors Trust Co. v. Maryland Casualty Co.*, 157 Me. 493, 174 A. (2d) 288.

Sec. 3. Attempted creation or continuance of pledge without delivery or retention of possession.—

I. An attempted pledge or agreement to pledge not accompanied by delivery of possession, which does not fulfill the requirements of a trust receipt transaction, shall be valid as against creditors of the pledgor only as follows:

A. To the extent that new value is given by the pledgee in reliance thereon, such pledge or agreement to pledge shall be valid as against all creditors with or without notice, for 10 days from the time the new value is given;

B. To the extent that the value given by the pledgee is not new value, and in the case of new value after the lapse of 10 days from the giving thereof, the pledge shall have validity as against lien creditors without notice, who become such as prescribed in section 8, only as of the time the pledgee takes possession, and without relation back.

II. Purchasers, including entrusters, for value and without notice of the pledgee's interest shall take free of any such pledge or agreement to pledge unless, prior to the purchase, it has been perfected by possession taken.

III. Where, under circumstances not constituting a trust receipt transaction, a person, for a temporary and limited purpose, delivers goods, documents or instruments, in which he holds a pledgee's or other security interest, to the person holding the beneficial interest therein, the transaction has like effect with a purported pledge for new value under this section. (1955, c. 461.)

Repeal of chapter.—See note to § 1 of this chapter.

Sec. 4. Contract to give trust receipt.—

I. A contract to give a trust receipt, if in writing and signed by the trustee, shall, with reference to goods, documents or instruments thereafter delivered by the entruster to the trustee in reliance on such contract, be equivalent in all respects to a trust receipt.

II. Such a contract shall as to such goods, documents or instruments be specifically enforceable against the trustee; but this subsection shall not enlarge

the scope of the entruster's rights against creditors of the trustee as limited by this chapter. (1955, c. 461.)

Repeal of chapter.—See note to § 1 of this chapter.

Sec. 5. Validity between the parties.—Between the entruster and the trustee the terms of the trust receipt shall, save as otherwise provided by this chapter, be valid and enforceable. But no provision for forfeiture of the trustee's interest shall be valid except as provided in subsection V of section 6. (1955, c. 461.)

Repeal of chapter.—See note to § 1 of this chapter.

Sec. 6. Repossession and entruster's rights on default.—

I. The entruster shall be entitled as against the trustee to possession of the goods, documents or instruments on default, and as may be otherwise specified in the trust receipt.

II. An entruster entitled to possession under the terms of the trust receipt or of subsection I may take such possession without legal process, whenever that is possible without breach of the peace.

III.

A. After possession taken, the entruster shall, subject to paragraph B and subsection V, hold such goods, documents or instruments with the rights and duties of a pledgee.

B. An entruster in possession may, on or after default, give notice to the trustee of intention to sell, and may, not less than 5 days after the serving or sending of such notice, sell the goods, documents or instruments for the trustee's account, at public or private sale, and may at a public sale himself become a purchaser. The proceeds of any such sale, whether public or private, shall be applied

1. to the payment of the expenses thereof,

2. to the payment of the expenses of retaking, keeping and storing the goods, documents or instruments,

3. to the satisfaction of the trustee's indebtedness.

The trustee shall receive any surplus and shall be liable to the entruster for any deficiency. Notice of sale shall be deemed sufficiently given if in writing, and either

1. personally served on the trustee, or

2. sent by postpaid ordinary mail to the trustee's last known business address.

C. A purchaser in good faith and for value from an entruster in possession takes free of the trustee's interest, even in a case in which the entruster is liable to the trustee for conversion.

IV. Surrender of the trustee's interest to the entruster shall be valid, on any terms upon which the trustee and the entruster may, after default, agree.

V. As to articles manufactured by style or model, the terms of the trust receipt may provide for forfeiture of the trustee's interest, at the election of the entruster, in the event of the trustee's default, against cancellation of the trustee's then remaining indebtedness; provided that in the case of the original maturity of such an indebtedness there must be cancelled not less than 80% of the purchase price to the trustee, or of the original indebtedness, whichever is greater; or, in the case of a first renewal, not less than 70%, or, in the case of a second or further renewal, not less than 60%. (1955, c. 461.)

Repeal of chapter.—See note to § 1 of this chapter.

Sec. 7. General effect of entruster's filing or taking possession.—**I.**

A. If the entruster within the period of 30 days specified in subsection I of section 8 files as in this chapter provided, such filing shall be effective to preserve his security interest in documents or goods against all persons, save as otherwise provided by sections 8, 9, 10, 11, 14 and 15.

B. Filing after the lapse of the said period shall be valid; but in such event, save as provided in paragraph B of subsection II of section 9, the entruster's security interest shall be deemed to be created by the trustee as of the time of such filing without relation back, as against all persons not having notice of such interest.

II. The taking of possession by the entruster shall, so long as such possession is retained, have the effect of filing, in the case of goods or documents; and of notice of the entruster's security interest to all persons, in the case of instruments. (1955, c 461.)

Repeal of chapter.—See note to § 1 of this chapter.

Sec. 8. Validity against creditors.—

I. The entruster's security interest in goods, documents or instruments under the written terms of a trust receipt transaction, shall without any filing be valid as against all creditors of the trustee, with or without notice, for 30 days after delivery of the goods, documents or instruments to the trustee, and thereafter except as in this chapter otherwise provided.

But where the trustee at the time of the trust receipt transaction has and re- retains instruments or documents, the 30 days shall be reckoned from the time such instruments or documents are actually shown to the entruster, or from the time that the entruster gives new value under the transaction, whichever is prior.

II. Save as provided in subsection I, the entruster's security interest shall be void as against lien creditors who become such after such 30 day period and without notice of such interest and before filing.

A. Where a creditor secures the issuance of process which within a reasonable time after such issuance results in attachment of or levy on the goods, he is deemed to have become a lien creditor as of the date of the issuance of the process.

B. Unless prior to the acquisition of notice by all creditors filing has occurred or possession has been taken by the entruster:

1. an assignee for the benefit of creditors, from the time of assignment, or

2. a receiver in equity from the time of his appointment, or

3. a trustee in bankruptcy or judicial insolvency proceedings from the time of filing of the petition in bankruptcy or judicial insolvency by or against the trustee, shall, on behalf of all creditors stand in the position of a lien creditor without notice, without reference to whether he personally has or has not, in fact, notice of the entruster's interest. (1955, c. 461.)

Repeal of chapter.—See note to § 1 of this chapter.

Sec. 9. Limitations on entruster's protection against purchasers.—

I. Purchasers of negotiable documents or instruments.

A. Nothing in this chapter shall limit the rights of purchasers in good faith and for value from the trustee of negotiable instruments or negotiable documents, and purchasers taking from the trustee for value, in good faith, and by transfer in the customary manner instruments in such form as are by common practice purchased and sold as if negotiable, shall hold such instruments free of the entruster's interest; and filing under this chapter shall not

be deemed to constitute notice of the entruster's interest to purchasers in good faith and for value of such documents or instruments, other than transferees in bulk.

B. The entrusting, directly, by agent, or through the intervention of a third person, of goods, documents or instruments by an entruster to a trustee, under a trust receipt transaction or a transaction falling within section 3, shall be equivalent to the like entrusting of any documents or instruments which the trustee may procure in substitution, or which represent the same goods or instruments or the proceeds thereof, and which the trustee negotiates to a purchaser in good faith and for value.

II. Where a purchaser from the trustee is not protected under subsection I hereof, the following rules shall govern:

A. Sales by trustee in the ordinary course of trade.

1. Where the trustee, under the trust receipt transaction, has liberty of sale and sells to a buyer in the ordinary course of trade, whether before or after the expiration of the 30 day period specified in subsection I of section 8, and whether or not filing has taken place, such buyer takes free of the entruster's security interest in the goods so sold and no filing shall constitute notice of the entruster's security interest to such a buyer.

2. No limitation placed by the entruster on the liberty of sale granted to the trustee shall affect a buyer in the ordinary course of trade, unless the limitation is actually known to the latter.

B. Purchasers other than buyers in the ordinary course of trade.

In the absence of filing, the entruster's security interest in goods shall be valid, as against purchasers, save as provided in this section; but any purchaser, not a buyer in the ordinary course of trade who, in good faith and without notice of the entruster's security interest and before filing, either

1. gives new value before the expiration of the 30 day period specified in subsection I of section 8, or

2. gives value after said period, and who in either event before filing also obtains delivery of goods from a trustee shall hold the subject matter of his purchase free of the entruster's security interest; but a transferee in bulk can take only under subparagraph 2 of this paragraph.

C. Liberty of sale. If the entruster consents to the placing of goods subject to a trust receipt transaction in the trustee's stock in trade or in his sales or exhibition rooms, or allows such goods to be so placed or kept, such consent or allowance shall have like effect as granting the trustee liberty of sale.

III. As to all cases covered by this section the purchase of goods, documents or instruments on credit shall constitute a purchase for new value, but the entruster shall be entitled to any debt owing to the trustee and any security therefor, by reason of such purchase; except that the entruster's right shall be subject to any set-off or defense valid against the trustee and accruing before the purchaser has actual notice of the entruster's interest. (1955, c. 461.)

Repeal of chapter.—See note to § 1 of this chapter.

Sec. 10. Entruster's right to proceeds.—Where, under the terms of the trust receipt transaction, the trustee has no liberty of sale or other disposition, or, having liberty of sale or other disposition, is to account to the entruster for the proceeds of any disposition of the goods, documents or instruments, the entruster shall be entitled, to the extent to which and as against all classes of persons as to whom his security interest was valid at the time of disposition by the trustee, as follows:

I. To the debts described in subsection III of section 9; and also

II. To any proceeds or the value of any proceeds, whether such proceeds are identifiable or not, of the goods, documents or instruments, if said proceeds were received by the trustee within 10 days prior to either application for ap-

pointment of a receiver of the trustee, or the filing of a petition in bankruptcy or judicial insolvency proceedings by or against the trustee, or demand made by the entruster for prompt accounting; and to a priority to the amount of such proceeds or value; and also

III. To any other proceeds of the goods, documents or instruments which are identifiable, unless the provision for accounting has been waived by the entruster by words or conduct, and knowledge by the entruster of the existence of proceeds, without demand for accounting made within 10 days from such knowledge, shall be deemed such a waiver. (1955, c. 461.)

Repeal of chapter.—See note to § 1 of this chapter.

Sec. 11. Liens in course of business good against entruster.—Specific liens arising out of contractual acts of the trustee with reference to the processing, warehousing, shipping or otherwise dealing with specific goods in the usual course of the trustee’s business preparatory to their sale shall attach against the interest of the entruster in said goods as well as against the interest of the trustee, whether or not filing has occurred under this chapter, but this section shall not obligate the entruster personally for any debt secured by such lien; nor shall it be construed to include the lien of a landlord. (1955, c. 461.)

Repeal of chapter.—See note to § 1 of this chapter.

Sec. 12. Entruster not responsible on sale by trustee.—An entruster holding a security interest shall not, merely by virtue of such interest or of his having given the trustee liberty of sale or other disposition, be responsible as principal or as vendor under any sale or contract to sell made by the trustee. (1955, c. 461.)

Repeal of chapter.—See note to § 1 of this chapter.

Sec. 13. Filing and refiling concerning trust receipt transactions covering documents or goods.—

I. Any entruster undertaking or contemplating trust receipt transactions with reference to documents or goods is entitled to file with the secretary of state a statement, signed by the entruster and the trustee, containing:

A. A designation of the entruster and the trustee, and of the chief place of business of each within this state, if any; and if the entruster has no place of business within the state, a designation of his chief place of business outside the state; and

B. A statement that the entruster is engaged, or expects to be engaged, in financing under trust receipt transactions the acquisition of goods by the trustee; and

C. A description of the kind or kinds of goods covered or to be covered by such financing.

II. The following form of statement, or any other form of statement containing substantially the same information, shall suffice for the purposes of this chapter:

“Statement of Trust Receipt Financing.

“The entruster, whose chief place of business within this State is at, (or who has no place of business within this State and whose chief place of business outside this State is at,) is or expects to be engaged in financing under trust receipt transactions the acquisition by the trustee, whose chief place of business within this State is at of goods of the following description:

(coffee, silk, automobiles or the like.)

(Signed) Entruster
(Signed) Trustee.”

III. It shall be the duty of the filing officer to mark each statement filed with a consecutive file number, and with the date and hour of filing, and to keep such statement in a separate file; and to note and index the filing in a suitable index, indexed according to the name of the trustee and containing a notation of the trustee's chief place of business as given in the statement. The fee for such filing shall be \$1.

IV. Presentation for filing of the statement described in subsection I, and payment of the filing fee, shall constitute filing under this chapter in favor of the entruster, as to any documents or goods falling within the description in the statement which are within 1 year from the date of such filing, or have been, within 30 days previous to such filing, the subject matter of a trust receipt transaction between the entruster and the trustee.

V. At any time before expiration of the validity of the filing, as specified in subsection IV a like statement, or an affidavit by the entruster alone, setting out the information required by subsection I, may be filed in like manner as the original filing. Any filing of such further statement or affidavit shall be valid in like manner and for like period as an original filing, and shall also continue the rank of the entruster's existing security interest as against all junior interests. It shall be the duty of the filing officer to mark, file and index the further statement or affidavit in like manner as the original. (1955, c. 461.)

Repeal of chapter.—See note to § 1 of this chapter.

Sec. 14. Limitations on extent of obligation secured.—As against purchasers and creditors, the entruster's security interest may extend to any obligation for which the goods, documents or instruments were security before the trust receipt transaction, and to any new value given or agreed to be given as a part of such transaction but not, otherwise, to secure past indebtedness of the trustee; nor shall the obligation secured under any trust receipt transaction extend to obligations of the trustee to be subsequently created. (1955, c. 461.)

Repeal of chapter.—See note to § 1 of this chapter.

Sec. 15. Chapter not applicable to certain transactions.—This chapter shall not apply to single transactions of legal or equitable pledge, not constituting a course of business, whether such transactions be unaccompanied by delivery of possession or involve constructive delivery, or delivery and redelivery, actual or constructive, so far as such transactions involve only an entruster who is an individual natural person, and a trustee entrusted as a fiduciary with handling investments or finances of the entruster; nor shall it apply to transactions of bailment or consignment in which the title of the bailor or consignor is not retained to secure an indebtedness to him of the bailee or consignee. (1955, c. 461.)

Repeal of chapter.—See note to § 1 of this chapter.

Sec. 16. Election among filing statutes.—As to any transaction falling within the provisions both of this chapter and of any other act requiring filing or recording, the entruster shall not be required to comply with both but by complying with the provisions of either at his election may have the protection given by the act complied with; except that buyers in the ordinary course of trade as described in subsection II of section 9, and lienors as described in section 11, shall be protected as therein provided, although the compliance of the entruster be with the filing or recording requirements of another act. (1955, c. 461.)

Repeal of chapter.—See note to § 1 of this chapter.

Sec. 17. Cases not provided for.—In any case not provided for in this chapter the rules of law and equity including the law merchant shall continue to

apply to trust receipt transactions and purported pledge transactions not accompanied by delivery of possession. (1955, c. 461.)

Repeal of chapter.—See note to § 1 of this chapter.

Sec. 18. Uniformity of interpretation.—This chapter shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of the states which enact it. (1955, c. 461.)

Repeal of chapter.—See note to § 1 of this chapter.

Sec. 19. Constitutionality.—If any provision of this chapter or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are declared to be severable. (1955, c. 461.)

Repeal of chapter.—See note to § 1 of this chapter.

Sec. 20. Short title.—This chapter may be cited as the Uniform Trust Receipts Act. (1955, c. 461.)

Repeal of chapter.—See note to § 1 of this chapter.

Chapter 190.

Uniform Commercial Code.

Editor's note.—P. L. 1963, c. 362, which added this chapter effective December 31, 1964, provided in §§ 39 to 42 as follows:

“Sec. 39. General repealer. Except as provided in the following section, all acts or parts of acts inconsistent with the provisions of this act are repealed.

“Sec. 40. Laws not repealed.

I. The Revised Statutes, chapter 190, article 7, as enacted by section 1 of this act, on documents of title, does not repeal or modify any laws prescribing the form or contents of documents of title or the services or facilities to be afforded by bailees, or otherwise regulating bailees' businesses in respects not specifically dealt with in this act; but the fact that such laws are violated does not affect the status of a document of title which otherwise complies with the definition of a document of title, as appearing in the Revised Statutes, chapter 190, section 1-201, as enacted by section 1 of this act.

II. This act does not repeal the Revised Statutes, chapter 53, sections 72-A to 72-K, as enacted by section 1 of chapter 244 of the public laws of 1959, cited as the Uniform Act for the Simplification of Fiduciary Security Transfers, and if in any

respect there is any inconsistency between that act, as amended by this act, and the article of this act on investment securities (article 8), the provisions of the former act shall control.

“Sec. 41. Provision for transition. Transactions validly entered into before the effective date of this act and the rights, duties and interests flowing from them remain valid thereafter and may be terminated, completed, consummated or enforced as required or permitted by any statute or other law amended or repealed by this act as though such amendment or repeal had not occurred.

“Sec. 42. Appropriation. There is appropriated from the unappropriated surplus of the general fund to the secretary of state the sum of \$10,500 for the fiscal year ending June 30, 1965 to carry out the purposes of this act. The breakdown shall be as follows:

	1963-64	1964-65
Secretary of State		
Personal Services	_____ (2)	\$4,000
All Other	_____	1,500
Capital Expenditures	_____	5,000

		\$10,500”