

MAINE STATE LEGISLATURE

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SEVENTY-EIGHTH LEGISLATURE

SENATE

NO. 105

In Senate, Feb. 6, 1917.

Presented by Mr. Gillin of Penobscot and on motion by same senator laid on table for printing pending reference to a committee. Five hundred copies ordered printed.

L. ERNEST THORNTON, Secretary pro tem.

Presented by Mr. Gillin of Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND NINE
HUNDRED AND SEVENTEEN

AN ACT to make uniform the law of warehouse receipts.

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

PART I.

THE ISSUE OF WAREHOUSE RECEIPTS.

Section 1.—[PERSONS WHO MAY ISSUE RECEIPTS.] Warehouse receipts may be issued by any warehouseman.

Sect. 2.—[FORM OF RECEIPTS. ESSENTIAL TERMS.] Warehouse receipts need not be in any particu-

3 lar form, but every such receipt must embody within its
4 written or printed terms—

(a) The location of the warehouse where the goods are
2 stored,

(b) The date of issue of the receipt,

(c) The consecutive number of the receipt,

(d) A statement whether the goods received will be
2 delivered to the bearer, to a specified person, or to a specified
3 person or his order.

(e) The rate of storage charges,

(f) A description of the goods or of the packages con-
2 taining them,

(g) The signature of the warehouseman, which may be
2 made by his authorized agent,

(h) If the receipt is issued for goods of which the ware-
2 houseman is owner, either solely or jointly or in common
3 with others, the fact of such ownership, and

(i) A statement of the amount of advances made and
2 of liabilities incurred for which the warehouseman claims
3 a lien. If the precise amount of such advances made or of
4 such liabilities incurred is, at the time of the issue of the
5 receipt, unknown to the warehouseman or to his agent who
6 issues it, a statement of the fact that advances have been
7 made or liabilities incurred and the purpose thereof is
8 sufficient.

A warehouseman shall be liable to any person injured

2 thereby, for all damage caused by the omission from a
3 negotiable receipt of any of the terms herein required.

Sect. 3.—[FORM OF RECEIPTS. WHAT TERMS
2 MAY BE INSERTED.] A warehouseman may insert in a
3 receipt, issued by him, any other terms and conditions,
4 provided that such terms and conditions shall not—

(a) Be contrary to the provisions of this act.

(b) In any wise impair his obligation to exercise that
2 degree of care in the safe-keeping of the goods entrusted
3 to him which a reasonably careful man would exercise in
4 regard to similar goods of his own.

Sect. 4.—[DEFINITION OF NON-NEGOTIABLE
2 RECEIPT.] A receipt in which it is stated that the goods
3 received will be delivered to the depositor, or to any other
4 specified person, is a non-negotiable receipt.

Sect. 5.—[DEFINITION OF NEGOTIABLE RE-
2 CEIPT.] A receipt in which it is stated that the goods
3 received will be delivered to the bearer, or to the order of
4 any person named in such receipt is a negotiable receipt.

No provision shall be inserted in a negotiable receipt that
2 it is non-negotiable. Such provision, if inserted, shall be
3 void.

Sect. 6.—[DUPLICATE RECEIPTS MUST BE SO
2 MARKED.] When more than one negotiable receipt is
3 issued for the same goods, the word “duplicate” shall be
4 plainly placed upon the face of every such receipt, except
5 the one first issued. A warehouseman shall be liable for all

6 damage caused by his failure so to do to any one who pur-
7 chased the subsequent receipt for value supposing it to be an
8 original, even though the purchase be after the delivery of
9 the goods by the warehouseman to the holder of the original
10 receipt.

Sect. 7.—[FAILURE TO MARK “NOT NEGOTIA-
2 BLE.”] A non-negotiable receipt shall have plainly placed
3 upon its face by the warehouseman issuing it “non-nego-
4 tiable,” or “not negotiable.” In case of the warehouse-
5 man’s failure so to do, a holder of the receipt who pur-
6 chased it for value supposing it to be negotiable, may, at
7 his option, treat such receipt as imposing upon the ware-
8 houseman the same liabilities he would have incurred had
9 the receipt been negotiable.

This section shall not apply, however, to letters, memo-
2 randa, or written acknowledgments of an informal
3 character.

PART II.

OBLIGATIONS AND RIGHTS OF WAREHOUSEMEN UPON THEIR RECEIPTS.

Sect. 8.—[OBLIGATION OF WAREHOUSEMAN TO
2 DELIVER.] A warehouseman, in the absence of some law-
3 ful excuse provided by this act, is bound to deliver the
4 goods upon a demand made either by the holder of a
5 receipt for the goods or by the depositor, if such demand is
6 accompanied with—

(a) An offer to satisfy the warehouseman's lien,
 (b) An offer to surrender the receipt if negotiable,
 2 with such indorsements as would be necessary for the
 3 negotiation of the receipt, and

(c) A readiness and willingness to sign, when the goods
 2 are delivered, an acknowledgment that they have been
 3 delivered, if such signature is requested by the warehouse-
 4 man.

In case the warehouseman refuses or fails to deliver the
 2 goods in compliance with a demand by the holder or de-
 3 positor so accompanied, the burden shall be upon the ware-
 4 houseman to establish the existence of a lawful excuse for
 5 such refusal.

Sect. 9.—[JUSTIFICATION OF WAREHOUSEMAN
 2 IN DELIVERING.] A warehouseman is justified in deliv-
 3 ering the goods, subject to the provisions of the three fol-
 4 lowing sections, to one who is—

(a) The person lawfully entitled to the possession of the
 2 goods, or his agent,

(b) A person who is either himself entitled to delivery
 2 by the terms of a non-negotiable receipt issued for the
 3 goods, or who has written authority from the person so
 4 entitled either indorsed upon the receipt or written upon
 5 another paper, or

(c) A person in possession of a negotiable receipt by the
 2 terms of which the goods are deliverable to him or order or
 3 to bearer, or which has been endorsed to him or in blank by

4 the person to whom delivery was promised by the terms of
5 the receipt or by his mediate or immediate indorsee.

Sect. 10.—[WAREHOUSEMAN'S LIABILITY FOR
2 MISDELIVERY.] Where a warehouseman delivers the
3 goods to one who is not in fact lawfully entitled to the pos-
4 session of them, the warehouseman shall be liable as for
5 conversion to all having a right of property or possession
6 in the goods if he delivered the goods otherwise than as
7 authorized by subdivision (b) and (c) of the preceding sec-
8 tion and though he delivered the goods as authorized by
9 said subdivision he shall be so liable, if prior to such
10 delivery he had either

(a) Been requested, by or on behalf of the person law-
2 fully entitled to a right of property or possession in the
3 goods, not to make such delivery, or

(b) Had information that the delivery about to be made
2 was to one not lawfully entitled to the possession of the
3 goods.

Sect. 11.—[NEGOTIABLE RECEIPTS MUST BE
2 CANCELLED WHEN GOODS DELIVERED.] Except
3 as provided in Section 36, where a warehouseman delivers
4 goods for which he had issued a negotiable receipt, the
5 negotiation of which would transfer the right to the posses-
6 sion of the goods, and fails to take up and cancel the receipt,
7 he shall be liable to any one who purchases for value in
8 good faith such receipt, for failure to deliver the goods to

9 him, whether such purchaser acquired title to the receipt
10 before or after the delivery of the goods by the warehouse-
11 man.

Sect. 12.—[NEGOTIABLE RECEIPTS MUST BE
2 CANCELED OR MARKED WHEN PART OF GOODS
3 DELIVERED.] Except as provided in Section 36, where a
4 warehouseman delivers part of the goods for which he had
5 issued a negotiable receipt and fails either to take up and
6 cancel such receipt, or to place plainly upon it a statement
7 of what goods or packages have been delivered he shall be
8 liable, to any one who purchases for value in good faith
9 such receipt, for failure to deliver all the goods specified
10 in the receipt, whether such purchaser acquired title to the
11 receipt before or after the delivery of any portion of the
12 goods by the warehouseman.

Sect. 13.—[ALTERED RECEIPTS.] The alteration of
2 a receipt shall not excuse the warehouseman who issued it
3 from any liability if such alteration was

- (a) Immaterial,
- (b) Authorized, or
- (c) Made without fraudulent intent.

If the alteration was authorized, the warehouseman shall
2 be liable according to the terms of the receipt as altered. If
3 the alteration was unauthorized, but made without fraudu-
4 lent intent, the warehouseman shall be liable according to the
5 terms of the receipt, as they were before alteration.

Material and fraudulent alteration of a receipt shall not

2 excuse the warehouseman who issued it from liability to
3 deliver, according to the terms of the receipt as originally
4 issued, the goods for which it was issued, but shall excuse
5 him from any other liability to the person who made the
6 alteration and to any person who took with notice of the
7 alteration. Any purchaser of the receipt for value without
8 notice of the alteration shall acquire the same rights against
9 the warehouseman which such purchaser would have ac-
10 quired if the receipt had not been altered at the time of the
11 purchase.

12 Sect. 14.—[LOST OR DESTROYED RECEIPTS.]

2 Where a negotiable receipt has been lost or destroyed, a
3 court of competent jurisdiction may order the delivery of
4 the goods upon satisfactory proof of such loss or destruc-
5 tion and upon the giving of a bond with sufficient sureties
6 to be approved by the court to protect the warehouseman
7 from any liability or expense, which he or any person in-
8 jured by such delivery may incur by reason of the original
9 receipt remaining outstanding. The court may also in its
10 discretion order the payment of the warehouseman's reason-
11 able costs and counsel fees.

12 The delivery of the goods under an order of the court as
2 provided in this section, shall not relieve the warehous-
3 man from liability to a person to whom the negotiable
4 receipt has been or shall be negotiated for value without
5 notice of the proceedings or of the delivery of the goods.

6 Sect. 15.—[EFFECT OF DUPLICATE RECEIPTS.]

2 A receipt upon the face of which the word "duplicate" is
3 plainly placed is a representation and warranty by the
4 warehouseman that such receipt is an accurate copy of an
5 original receipt properly issued and uncanceled at the date
6 of the issue of the duplicate, but shall impose upon him no
7 other liability.

Sect. 16.—[WAREHOUSEMAN CAN NOT SET UP
2 TITLE IN HIMSELF.] No title or right to the possession
3 of the goods, on the part of the warehouseman, unless such
4 title or right is derived directly or indirectly from a
5 transfer made by the depositor at the time of or subse-
6 quent to the deposit for storage, or from the warehouse-
7 man's lien, shall excuse the warehouseman from liability for
8 refusing to deliver the goods according to the terms of the
9 receipt.

Sect. 17.—[INTERPLEADER OF ADVERSE CLAIM-
2 ANTS.] If more than one person claims the title or pos-
3 session of the goods, the warehouseman may, either as a
4 defense to an action brought against him for non-delivery
5 of the goods, or as an original suit, whichever is appro-
6 priate, require all known claimants to interplead.

Sect. 18.—[WAREHOUSEMAN HAS REASONABLE
2 TIME TO DETERMINE VALIDITY OF CLAIMS.] If
3 some one other than the depositor or person claiming under
4 him has a claim to the title or possession of the goods, and
5 the warehouseman has information of such claim, the
6 warehouseman shall be excused from liability for refusing

7 to deliver the goods, either to the depositor or person claim-
8 ing under him or to the adverse claimant, until the ware-
9 houseman has had a reasonable time to ascertain the val-
10 idity of the adverse claim or to bring legal proceedings to
11 compel all claimants to interplead.

Sect. 19.—[ADVERSE TITLE IS NO DEFENSE EX-
2 CEPT AS ABOVE PROVIDED.] Except as provided in
3 the two preceding sections and in Sections 9 and 36, no right
4 or title of a third person shall be a defense to an action
5 brought by the depositor or person claiming under him
6 against the warehouseman for failure to deliver the goods
7 according to the terms of the receipt.

Sect. 20.—[LIABILITY FOR NON-EXISTENCE OR
2 MISDESCRIPTION OF GOODS.] A warehouseman shall
3 be liable to the holder of a receipt for damages caused by
4 the non-existence of the goods or by the failure of the
5 goods to correspond with the description thereof in the
6 receipt at the time of its issue. If, however, the goods
7 are described in a receipt merely by a statement of marks
8 or labels upon them, or upon packages containing them
9 or by a statement that the goods are said to be goods of
10 a certain kind, or that the packages containing the goods
11 are said to contain goods of a certain kind, or by words of
12 like purport, such statements, if true, shall not make liable
13 the warehouseman issuing the receipt, although the goods
14 are not of the kind which the marks or labels upon them

15 indicate, or of the kind they were said to be by the de-
16 positor.

Sect. 21.—[LIABILITY FOR CARE OF GOODS.]

2 A warehouseman shall be liable for any loss or injury to
3 the goods caused by his failure to exercise such care in
4 regard to them as a reasonably careful owner of similar
5 goods would exercise, but he shall not be liable, in the
6 absence of an agreement to the contrary, for any loss or
7 injury to the goods which could not have been avoided by
8 the exercise of such care.

Sect. 22.—[GOODS MUST BE KEPT SEPARATE.]

2 Except as provided in the following section, a warehouse-
3 man shall keep the goods so far separate from goods of
4 other depositors, and from other goods of the same deposi-
5 tor for which a separate receipt has been issued, as to per-
6 mit at all times the identification and re-delivery of the
7 goods deposited.

Sect. 23.—[FUNGIBLE GOODS MAY BE COM-
2 MINGLED, IF WAREHOUSEMAN AUTHORIZED.]

3 If authorized by agreement or by custom, a warehouseman
4 may mingle fungible goods with other goods of the same
5 kind and grade. In such case the various depositors of the
6 mingled goods shall own the entire mass in common and
7 each depositor shall be entitled to such portion thereof as
8 the amount deposited by him bears to the whole.

Sect. 24.—[LIABILITY OF WAREHOUSEMAN TO
2 DEPOSITORS OF COMMINGLED GOODS.] The

3 warehouseman shall be severally liable to each depositor for
4 the care and re-delivery of his share of such mass to the
5 same extent and under the same circumstances as if the
6 goods had been kept separate.

Sect. 25.—[ATTACHMENT OR LEVY UPON GOODS
2 FOR WHICH A NEGOTIABLE RECEIPT HAS BEEN
3 ISSUED.] If goods are delivered to a warehouseman by
4 the owner or by a person whose act in conveying the title to
5 them to a purchaser in good faith for value would bind the
6 owner, and a negotiable receipt is issued for them, they
7 can not thereafter, while in the possession of the ware-
8 houseman, be attached by garnishment or otherwise, or be
9 levied upon under an execution, unless the receipt be first
10 surrendered to the warehouseman, or its negotiation en-
11 joined. The warehouseman shall in no case be compelled to
12 deliver up the actual possession of the goods until the re-
13 ceipt is surrendered to him or impounded by the court.

Sect. 26.—[CREDITORS' REMEDIES TO REACH
2 NEGOTIABLE RECEIPTS.] A creditor whose debtor is
3 the owner of a negotiable receipt shall be entitled to such aid
4 from courts of appropriate jurisdiction, by injunction and
5 otherwise, in attaching such receipt or in satisfying the
6 claim by means thereof as is allowed at law or in equity,
7 in regard to property which can not readily be attached or
8 levied upon by ordinary legal process.

Sect. 27.—[WHAT CLAIMS ARE INCLUDED IN
2 THE WAREHOUSEMAN'S LIEN.] Subject to the pro-

visions of Section 30, a warehouseman shall have a lien on goods deposited or on the proceeds thereof in his hands, for all lawful charges for storage and preservation of the goods; also for all lawful claims for money advanced, interest, insurance, transportation, labor, weighing, coo- pering and other charges and expenses in relation to such goods; also for all reasonable charges and expenses for notice, and advertisements of sale, and for sale of the goods where default has been made in satisfying the warehouse- man's lien.

Sect. 28.—[AGAINST WHAT PROPERTY THE LIEN MAY BE ENFORCED.] Subject to the provisions of Section 30 a warehouseman's lien may be enforced—

(a) Against all goods, whenever deposited, belonging to the person who is liable as debtor for the claims in regard to which the lien is asserted, and

(b) Against all goods belonging to others which have been deposited at any time by the person who is liable as debtor for the claims in regard to which the lien is asserted if such person had been so entrusted with the possession of the goods that a pledge of the same by him at the time of the deposit to one who took the goods in good faith for value would have been valid.

Sect. 29.—[HOW THE LIEN MAY BE LOST.] A warehouseman loses his lien upon goods—

(a) By surrendering possession thereof, or

(b) By refusing to deliver the goods when a demand is

2 made with which he is bound to comply under the pro-
3 visions of this act.

Sect. 30.—[NEGOTIABLE RECEIPT MUST STATE
2 CHARGES FOR WHICH LIEN IS CLAIMED.] If a
3 negotiable receipt is issued for goods, the warehouseman
4 shall have no lien thereon, except for charges for storage of
5 those goods subsequent to the date of the receipt, unless
6 the receipt expressly enumerates other charges for which
7 a lien is claimed. In such case there shall be a lien for
8 the charges enumerated so far as they are within the terms
9 of Section 27, although the amount of the charges so
10 enumerated is not stated in the receipt.

Sect. 31.—[WAREHOUSEMAN NEED NOT DELIV-
2 ER UNTIL LIEN IS SATISFIED.] A warehouseman
3 having a lien valid against the person demanding the goods
4 may refuse to deliver the goods to him until the lien is sat-
5 isfied.

Sect. 32.—[WAREHOUSEMAN'S LIEN DOES NOT
2 PRECLUDE OTHER REMEDIES.] Whether a ware-
3 houseman has or has not a lien upon the goods, he is entitled
4 to all remedies allowed by law to a creditor against his
5 debtor, for the collection from the depositor of all charges
6 and advances which the depositor has expressly or implicitly
7 contracted with the warehouseman to pay.

Sect. 33.—[SATISFACTION OF LIEN BY SALE.] A
2 warehouseman's lien for a claim which has become due
3 may be satisfied as follows:

The warehouseman shall give a written notice to the person on whose account the goods are held, and to any other person known by the warehouseman to claim an interest in the goods. Such notice shall be given by delivery in person or by registered letter addressed to the last known place of business or abode of the person to be notified. The notice shall contain—

(a) An itemized statement of the warehouseman's claim, showing the sum due at the time of the notice and the date or dates when it became due,

(b) A brief description of the goods against which the lien exists,

(c) A demand that the amount of the claim as stated in the notice, and of such further claim as shall accrue, shall be paid on or before a day mentioned, not less than ten days from the delivery of the notice if it is personally delivered, or from the time when the notice should reach its destination, according to the due course of post, if the notice is sent by mail, and

(d) A statement that unless the claim is paid within the time specified the goods will be advertised for sale and sold by auction at a specified time and place.

In accordance with the terms of a notice so given, a sale of the goods by auction may be had to satisfy any valid claim of the warehouseman for which he has a lien on the goods. The sale shall be had in the place where the lien was acquired, or, if such place is manifestly unsuitable for

6 the purpose, at the nearest suitable place. After the time for
7 the payment of the claim specified in the notice to the de-
8 positor has elapsed, an advertisement of the sale, describing
9 the goods to be sold, and stating the name of the owner or
10 person on whose account the goods are held, and the time
11 and place of the sale, shall be published once a week for two
12 consecutive weeks in a newspaper published in the place
13 where such sale is to be held. The sale shall not be held
14 less than fifteen days from the time of the first publication.
15 If there is no newspaper published in such place, the adver-
16 tisement shall be posted at least ten days before such sale in
17 not less than six conspicuous places therein.

From the proceeds of such sale the warehouseman shall
2 satisfy his lien, including the reasonable charges of notice,
3 advertisement, and sale. The balance, if any, of such pro-
4 ceeds shall be held by the warehouseman, and delivered on
5 demand to the person to whom he would have been bound
6 to deliver or justified in delivering the goods.

At any time before the goods are so sold any person claim-
2 ing a right of property or possession therein may pay the
3 warehouseman the amount necessary to satisfy his lien and
4 to pay the reasonable expenses and liabilities incurred in
5 serving notices and advertising and preparing for the sale
6 up to the time of such payment. The warehouseman shall
7 deliver the goods to the person making such payment if he is
8 a person entitled, under the provisions of this Act, to the
9 possession of the goods on payment of charges thereon.

10 Otherwise the warehouseman shall retain possession of the
11 goods according to the terms of the original contract of
12 deposit.

Sect. 34.—[PERISHABLE AND HAZARDOUS
2 GOODS.] If goods are of a perishable nature, or by keep-
3 ing will deteriorate greatly in value, or by their odor,
4 leakage, inflammability, or explosive nature, will be liable
5 to injure other property, the warehouseman may give such
6 notice to the owner, or to the person in whose name the
7 goods are stored, as is reasonable and possible under the
8 circumstances, to satisfy the lien upon such goods, and to
9 remove them from the warehouse, and in the event of the
10 failure of such person to satisfy the lien and to remove the
11 goods within the time so specified, the warehouseman may
12 sell the goods at public or private sale without advertising.
13 If the warehouseman after a reasonable effort is unable to
14 sell such goods, he may dispose of them in any lawful
15 manner, and shall incur no liability by reason thereof.

The proceeds of any sale made under the terms of this
2 section shall be disposed of in the same way as the proceeds
3 of sales made under the terms of the proceeding section.

Sect. 35.—[OTHER METHODS OF ENFORCING
2 LIENS.] The remedy for enforcing a lien herein provided
3 does not preclude any other remedies allowed by law for
4 the enforcement of a lien against personal property nor bar
5 the right to recover so much of the warehouseman's claim as
6 shall not be paid by the proceeds of the sale of the property.

Sect. 36.—[EFFECT OF SALE.] After goods have
2 been lawfully sold to satisfy a warehouseman's lien or have
3 been lawfully sold or disposed of because of their perishable
4 or hazardous nature, the warehouseman shall not thereafter
5 be liable for failure to deliver the goods to the depositor, or
6 owner of the goods, or to a holder of the receipt given for
7 the goods when they were deposited, even if such receipt be
8 negotiable.

PART III.

NEGOTIATION AND TRANSFER OF RECEIPTS.

Sect. 37.—[NEGOTIATION OF NEGOTIABLE RE-
2 CEIPTS BY DELIVERY.] A negotiable receipt may be
3 negotiated by delivery—

(a) Where, by the terms of the receipt, the warehouse-
2 man undertakes to deliver the goods to the bearer, or

(b) Where, by the terms of the receipt, the warehouse-
2 man undertakes to deliver the goods to the order of a speci-
3 fied person, and such person or a subsequent indorsee of the
4 receipt has indorsed it in blank or to bearer.

Where, by the terms of a negotiable receipt, the goods are
2 deliverable to bearer or where a negotiable receipt has been
3 indorsed in blank or to bearer, any holder may indorse the
4 same to himself or to any other specified person, and in such
5 case the receipt shall thereafter be negotiated only by the in-
6 dorsement of such indorsee.

Sect. 38.—[NEGOTIATION OF NEGOTIABLE RE-

2 RECEIPTS BY INDORSEMENT.] A negotiable receipt may
3 be negotiated by the indorsement of the person to whose
4 order the goods are, by the terms of the receipt, deliverable.
5 Such indorsement may be in blank, to bearer or to a specified
6 person. If indorsed to a specified person, it may be again
7 negotiated by the indorsement of such person in blank, to
8 bearer or to another specified person. Subsequent negotia-
9 tion may be made in like manner.

Sect. 39.—[TRANSFER OF RECEIPTS.] A receipt
2 which is not in such form that it can be negotiated by
3 delivery may be transferred by the holder by delivery to a
4 purchaser or donee.

A non-negotiable receipt cannot be negotiated, and the in-
2 dorsement of such a receipt gives the transferee no
3 additional right.

Sect. 40.—[WHO MAY NEGOTIATE A RECEIPT.]
2 A negotiable receipt may be negotiated—

(a) By the owner thereof, or

(b) By any person to whom the possession or custody of
2 the receipt has been entrusted by the owner, if, by the terms
3 of the receipt, the warehouseman undertakes to deliver the
4 goods to the order of the person to whom the possession or
5 custody of the receipt has been entrusted, or if at the time
6 of such entrusting the receipt is in such form that it may be
7 negotiated by delivery.

Sect. 41.—[RIGHTS OF PERSON TO WHOM A RE-

2 RECEIPT HAS BEEN NEGOTIATED.] A person to whom
3 a negotiable receipt has been duly negotiated acquires there-
4 by—

(a) Such title to the goods as the person negotiating the
2 receipt to him had or had ability to convey to a purchaser in
3 good faith for value, and also such title to the goods as the
4 depositor or person to whose order the goods were to be
5 delivered by the terms of the receipt had or had ability to
6 convey to a purchaser in good faith for value, and

(b) The direct obligation of the warehouseman to hold
2 possession of the goods for him according to the terms of the
3 receipt as fully as if the warehouseman had contracted
4 directly with him.

Sect. 42.—[RIGHTS OF PERSON TO WHOM A RE-
2 CEIPT HAS BEEN TRANSFERRED.] A person to
3 whom a receipt has been transferred but not negotiated,
4 acquires thereby, as against the transferor, the title of the
5 goods, subject to the terms of any agreement with the trans-
6 feror.

If the receipt is non-negotiable such person also acquires
2 the right to notify the warehouseman of the transfer to him
3 of such receipt, and thereby to acquire the direct obligation
4 of the warehouseman to hold possession of the goods for him
5 according to the terms of the receipt.

Prior to the notification of the warehouseman by the
2 transferor or transferee of a non-negotiable receipt, the title
3 of the transferee to the goods and the right to acquire the

4 obligation of the warehouseman may be defeated by the levy
5 of an attachment or execution upon the goods by a creditor
6 of the transferor, or by a notification to the warehouseman
7 by the transferor or a subsequent purchaser from the trans-
8 feror of a subsequent sale of the goods by the transferor.

Sect. 43.—[TRANSFER OF NEGOTIABLE RECEIPT
2 WITHOUT INDORSEMENT.] Where a negotiable re-
3 ceipt is transferred for value by delivery, and the indorse-
4 ment of the transferor is essential for negotiation, the trans-
5 feree acquires a right against the transferor to compel him
6 to indorse the receipt, unless a contrary intention appears.
7 The negotiation shall take effect as of the time when the
8 indorsement is actually made.

Sect. 44.—[WARRANTIES ON SALE OF RECEIPT.]
2 A person who for value negotiates or transfers a receipt by
3 indorsement or delivery, including one who assigns for value
4 a claim secured by a receipt, unless a contrary intention
5 appears, warrants—

- (a) That the receipt is genuine,
- (b) That he has a legal right to negotiate or transfer it,
- (c) That he has knowledge of no fact which would impair
2 the validity or worth of the receipt, and
- (d) That he has a right to transfer the title to the goods
2 and that the goods are merchantable or fit for a particular
3 purpose whenever such warranties would have been implied,
4 if the contract of the parties had been to transfer without a
5 receipt the goods represented thereby.

Sect. 45.—[INDORSER NOT A GUARANTOR.] The
2 indorsement of a receipt shall not make the indorser liable
3 for any failure on the part of the warehouseman or previous
4 indorsers of the receipt to fulfill their respective obligations.

Sect. 46.—[NO WARRANTY IMPLIED FROM AC-
2 CEPTING PAYMENT OF A DEBT.] A mortgagee,
3 pledgee or holder for security of a receipt who in good faith
4 demands or receives payment of the debt for which such
5 receipt is security, whether from a party to a draft drawn
6 for such debt or from any other person, shall not by so doing
7 be deemed to represent or to warrant the genuineness of
8 such receipt or the quantity or quality of the goods therein
9 described.

Sect. 47.—[WHEN NEGOTIATION NOT IMPAIRED
2 BY FRAUD, MISTAKE, OR DURESS.] The validity of
3 the negotiation of a receipt is not impaired by the fact that
4 such negotiation was a breach of duty on the part of the
5 person making the negotiation, or by the fact that the owner
6 of the receipt was induced by fraud, mistake, or duress to
7 entrust the possession or custody of the receipt to such per-
8 son, if the person to whom the receipt was negotiated, or a
9 person to whom the receipt was subsequently negotiated, paid
10 value therefor, without notice of the breach of duty, or
11 fraud, mistake or duress.

Sect. 48.—[SUBSEQUENT NEGOTIATION.] Where
2 a person having sold, mortgaged, or pledged goods which
3 are in a warehouse and for which a negotiable receipt has

4 been issued, or having sold, mortgaged, or pledged the
5 negotiable receipt representing such goods, continues in
6 possession of the negotiable receipt, the subsequent negotia-
7 tion thereof by that person under any sale, or other dis-
8 position thereof to any person receiving the same in good
9 faith, for value and without notice of the previous sale,
10 mortgage or pledge, shall have the same effect as if the first
11 purchaser of the goods or receipt had expressly authorized
12 the subsequent negotiation.

Sect. 49.—[NEGOTIATION DEFEATS VENDOR'S
2 LIEN.] Where a negotiable receipt has been issued for
3 goods, no seller's lien or right of stoppage in transitu shall
4 defeat the rights of any purchaser for value in good faith to
5 whom such receipt has been negotiated, whether such nego-
6 tiation be prior or subsequent to the notification to the ware-
7 houseman who issued such receipt of the seller's claim to a
8 lien or right of stoppage in transitu. Nor shall the ware-
9 houseman be obliged to deliver or justified in delivering the
10 goods to an unpaid seller unless the receipt is first surren-
11 dered for cancellation.

PART IV.

CRIMINAL OFFENSES.

Sect. 50.—[ISSUE OF RECEIPT FOR GOODS NOT
2 RECEIVED.] A warehouseman, or any officer, agent, or
3 servant of a warehouseman, who issues or aids in issuing a
4 receipt knowing that the goods for which such receipt is

5 issued have not been actually received by such warehouse-
6 man, or are not under his actual control at the time of issu-
7 ing such receipt, shall be guilty of a crime, and upon convic-
8 tion shall be punished for each offense by imprisonment not
9 exceeding five years, or by a fine not exceeding five thousand
10 dollars, or by both.

Sect. 51.—[ISSUE OF RECEIPT CONTAINING
2 FALSE STATEMENT.] A warehouseman, or any officer,
3 agent or servant of a warehouseman, who fraudulently
4 issues or aids in fraudulently issuing a receipt for goods
5 knowing that it contains any false statement, shall be guilty
6 of a crime, and upon conviction shall be punished for each
7 offence by imprisonment not exceeding one year, or by a
8 fine not exceeding one thousand dollars, or by both.

Sect. 52.—[ISSUE OF DUPLICATE RECEIPTS NOT
2 SO MARKED.] A warehouseman, or any officer, agent, or
3 servant of a warehouseman, who issues or aids in issuing a
4 duplicate or additional negotiable receipt for goods know-
5 ing that a former negotiable receipt for the same goods or
6 any part of them is outstanding and uncanceled, without
7 plainly placing upon the face thereof the word "Duplicate"
8 except in the case of a lost or destroyed receipt after pro-
9 ceedings as provided for in Section 14, shall be guilty of a
10 crime, and upon conviction shall be punished for each
11 offense by imprisonment not exceeding five years, or by a
12 fine not exceeding five thousand dollars, or by both.

Sect. 53.—[ISSUE FOR WAREHOUSEMAN'S GOODS

2 OF RECEIPTS WHICH DO NOT STATE THAT
3 FACT.] Where there are deposited with or held by a ware-
4 houseman goods of which he is owner, either solely or
5 jointly or in common with others, such warehouseman, or
6 any of his officers, agents, or servants who, knowing this
7 ownership, issues or aids in issuing a negotiable receipt for
8 such goods which does not state such ownership, shall be
9 guilty of a crime, and upon conviction shall be punished for
10 each offense by imprisonment not exceeding one year, or by
11 a fine not exceeding one thousand dollars, or by both.

Sect. 54.—[DELIVERY OF GOODS WITHOUT OB-
2 TAINING NEGOTIABLE RECEIPT.] A warehouse-
3 man, or any officer, agent, or servant of a warehouseman
4 who delivers goods out of the possession of such warehouse-
5 man, knowing that a negotiable receipt the negotiation of
6 which would transfer the right to the possession of such
7 goods is outstanding and uncanceled, without obtaining the
8 possession of such receipt at or before the time of such deliv-
9 ery, shall, except in the cases provided for in Sections 14
10 and 36, be found guilty of a crime, and upon conviction shall
11 be punished for each offence by imprisonment not exceeding
12 one year; or by a fine not exceeding one thousand dollars, or
13 by both.

Sect. 55.—[NEGOTIATION OF RECEIPT FOR
2 MORTGAGED GOODS.] Any person who deposits goods
3 to which he has not title, or upon which there is a lien or
4 mortgage, and who takes for such goods a negotiable

5 receipt which he afterwards negotiates for value with intent
6 to deceive and without disclosing his want of title or the
7 existence of the lien or mortgage shall be guilty of a crime,
8 and upon conviction shall be punished for each offense by
9 imprisonment not exceeding one year, or by a fine not ex-
10 ceeding one thousand dollars, or by both.

PART V.

INTERPRETATION.

Sect. 56.—[WHEN RULES OF COMMON LAW
2 STILL APPLICABLE.] In any case not provided for in
3 this Act, the rules of law and equity, including the law
4 merchant, and in particular the rules relating to the law of
5 principal and agent and to the effect of fraud, misrepresen-
6 tation, duress or coercion, mistake, bankruptcy, or other
7 invalidating cause, shall govern.

Sect. 57.—[INTERPRETATION SHALL GIVE EF-
2 FECT TO PURPOSE OF UNIFORMITY.] This Act
3 shall be so interpreted and construed as to effectuate its
4 general purpose to make uniform the law of those states
5 which enact it.

Sect. 58.—[DEFINITIONS.] (1) In this Act, unless
2 the context or subject matter otherwise requires—

“Action” includes counter claim, set-off, and suit in equity.

“Delivery” means voluntary transfer of possession from
2 one person to another.

“Fungible goods” means goods of which any unit is, from

2 its nature or by mercantile custom, treated as the equivalent
3 of any other unit.

“Goods” means chattels or merchandise in storage, or which
2 has been or is about to be stored.

“Holder” of a receipt means a person who has both actual
2 possession of such receipt and a right of property therein.

“Order” means an order by indorsement on the receipt.

“Owner” does not include mortgagee or pledgee.

“Person” includes a corporation or partnership or two or
2 more persons having a joint or common interest.

To “purchase” includes to take as mortgagee or as pledgee.

“Purchaser” includes mortgagee and pledgee.

“Receipt” means a warehouse receipt.

“Value” is any consideration sufficient to support a simple
2 contract. An antecedent or pre-existing obligation, whether
3 for money or not, constitutes value where a receipt is taken
4 either in satisfaction thereof or as security therefor.

“Warehouseman” means a person lawfully engaged in the
2 business of storing goods for profit.

(2) A thing is done “in good faith” within the meaning
2 of this Act, when it is in fact done honestly, whether it be
3 done negligently or not.

Sect. 59.—[ACT DOES NOT APPLY TO EXISTING
2 RECEIPTS.] The provisions of this Act do not apply to
3 receipts made and delivered prior to the taking effect of
4 this Act.

Sect. 60.—[INCONSISTENT LEGISLATION RE-
2 PELED.] All Acts or parts of Acts inconsistent with this
3 Act are hereby repealed.

Sect. 61.—[NAME OF ACT.] This Act may be cited as
2 the Uniform Warehouse Receipts Act.