

UNIFORM COMMERCIAL CODE (EXCERPT)

Act 174 of 1962

Part 6

WAREHOUSE RECEIPTS AND BILLS OF LADING: MISCELLANEOUS PROVISIONS

440.7601 Lost, stolen, or destroyed documents of title; delivery of goods or issuance of substitute document; indemnity.

Sec. 7601.

(1) If a document of title is lost, stolen, or destroyed, a court may order delivery of the goods or issuance of a substitute document and the bailee may without liability to any person comply with the order. If the document was negotiable, a court may not order delivery of the goods or issuance of a substitute document without the claimant's posting security unless it finds that any person that may suffer loss as a result of nonsurrender of possession or control of the document is adequately protected against the loss. If the document was nonnegotiable, the court may require security. The court may also order payment of the bailee's reasonable costs and attorney fees in any action under this subsection.

(2) A bailee that, without a court order, delivers goods to a person claiming under a missing negotiable document of title is liable to any person injured by that delivery. If the delivery is not in good faith, the bailee is liable for conversion. Delivery in good faith is not conversion if the claimant posts security with the bailee in an amount at least double the value of the goods at the time of posting to indemnify any person injured by the delivery which files a notice of claim within 1 year after the delivery.

History: 1962, Act 174, Eff. Jan. 1, 1964 ;-- Am. 2012, Act 87, Eff. July 1, 2013

440.7602 Judicial process; surrender of document of title; purchaser for value.

Sec. 7602.

Unless a document of title was originally issued upon delivery of the goods by a person that did not have power to dispose of them, a lien does not attach by virtue of any judicial process to goods in the possession of a bailee for which a negotiable document of title is outstanding unless possession or control of the document is first surrendered to the bailee or the document's negotiation is enjoined. The bailee may not be compelled to deliver the goods pursuant to process until possession or control of the document is surrendered to the bailee or to the court. A purchaser of the document for value without notice of the process or injunction takes free of the lien imposed by judicial process.

History: 1962, Act 174, Eff. Jan. 1, 1964 ;-- Am. 2012, Act 87, Eff. July 1, 2013

440.7603 Conflicting claims; interpleader.

Sec. 7603.

If more than 1 person claims title to or possession of the goods, the bailee is excused from delivery until the bailee has had a reasonable time to ascertain the validity of the adverse claims or to commence an action for interpleader. The bailee may assert an interpleader either in defending an action for nondelivery of the goods or by original action.

History: 1962, Act 174, Eff. Jan. 1, 1964 ;-- Am. 2012, Act 87, Eff. July 1, 2013