

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

440.7403 Delivery; exceptions; satisfaction of bailee's lien; cancellation or indication of partial delivery.

Sec. 7403.

(1) A bailee shall deliver the goods to a person entitled under a document of title if the person complies with subsections (2) and (3), unless and to the extent that the bailee establishes any of the following:

- (a) Delivery of the goods to a person whose receipt was rightful as against the claimant.
- (b) Damages to or delay, loss, or destruction of the goods for which the bailee is not liable.
- (c) Previous sale or other disposition of the goods in lawful enforcement of a lien or on a warehouse's lawful termination of storage.

(d) The exercise by a seller of its right to stop delivery pursuant to section 2705 or by a lessor of its right to stop delivery pursuant to section 2A526.

(e) A diversion, reconsignment, or other disposition pursuant to section 7303.

(f) Release, satisfaction, or any other personal defense against the claimant.

(g) Any other lawful excuse.

(2) A person claiming goods covered by a document of title shall satisfy the bailee's lien if the bailee so requests or if the bailee is prohibited by law from delivering the goods until the charges are paid.

(3) Unless a person claiming the goods is a person against which the document of title does not confer a right under section 7503(1), both of the following apply:

(a) The person claiming under a document shall surrender possession or control of any outstanding negotiable document covering the goods for cancellation or indication of partial deliveries.

(b) The bailee shall cancel the document or conspicuously indicate in the document the partial delivery or the bailee is liable to any person to which the document is duly negotiated.

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