

HOUSE BILL NO. HB0064

UCC-title I and VII revisions.

Sponsored by: Joint Corporations, Elections & Political
Subdivisions Interim Committee

A BILL

for

1 AN ACT relating to the Uniform Commercial Code; adopting
2 uniform revisions to the article relating to general
3 provisions and the article relating to warehouse receipts,
4 bills of lading and other documents; conforming related
5 provisions; repealing nonconforming statutes; and providing
6 for an effective date.

7
8 *Be It Enacted by the Legislature of the State of Wyoming:*

9
10 **Section 1.** W.S. 34.1-1-101 through 34.1-1-109 and
11 34.1-1-201 through 34.1-1-209 are repealed and recreated as
12 34.1-1-101 through 34.1-1-108, 34.1-1-201 through
13 34.1-1-206 and 34.1-1-301 through 34.1-1-310 to read:

14
15 REVISÉD ARTÍCLE 1
16 GENERAL PROVISIONS

17
18 PART 1. SHORT TITLE, CONSTRUCTION, APPLICATION
19 AND SUBJECT MATTER OF THE ACT

20
21 **34.1-1-101. Short titles.**

22
23 (a) This act may be cited as the Uniform Commercial
24 Code.

25
26 (b) This article may be cited as Uniform Commercial
27 Code - General Provisions.

28
29 **34.1-1-102. Scope of article.**

30

1 This article applies to a transaction to the extent that it
2 is governed by another article of this act.

3
4 **34.1-1-103. Construction of this act to promote its**
5 **purposes and policies; applicability to supplemental**
6 **principles of law.**

7
8 (a) This act shall be liberally construed and applied
9 to promote its underlying purposes and policies, which are:

10
11 (i) To simplify, clarify, and modernize the law
12 governing commercial transactions;

13
14 (ii) To permit the continued expansion of
15 commercial practices through custom, usage, and agreement
16 of the parties; and

17
18 (iii) To make uniform the law among the various
19 jurisdictions.

20
21 (b) Unless displaced by the particular provisions of
22 this act, the principles of law and equity, including the
23 law merchant and the law relative to capacity to contract,
24 principal and agent, estoppel, fraud, misrepresentation,
25 duress, coercion, mistake, bankruptcy, and other validating
26 or invalidating cause supplement its provisions.

27
28 **34.1-1-104. Construction against implied repeal.**

29
30 This act being a general act intended as a unified coverage
31 of its subject matter, no part of it shall be deemed to be
32 impliedly repealed by subsequent legislation if such
33 construction can reasonably be avoided.

34
35 **34.1-1-105. Severability.**

36
37 If any provision or clause of this act or its application
38 to any person or circumstance is held invalid, the
39 invalidity does not affect other provisions or applications
40 of this act which can be given effect without the invalid
41 provision or application, and to this end the provisions of
42 this act are severable.

43
44 **34.1-1-106. Use of singular and plural; gender.**

45

1 (a) In this act, unless the statutory context
2 otherwise requires:

3
4 (i) Words in the singular number include the
5 plural, and those in the plural include the singular; and

6
7 (ii) Words of any gender also refer to any other
8 gender.

9
10 **34.1-1-107. Section captions.**

11
12 Section captions are part of this act.

13
14 **34.1-1-108. Relation to electronic signatures in
15 global and national commerce act.**

16
17 This article modifies, limits, and supersedes the federal
18 Electronic Signatures in Global and National Commerce Act,
19 15 U.S.C. Section 7001 et seq., except that nothing in this
20 article modifies, limits, or supersedes Section 7001(c) of
21 that act or authorizes electronic delivery of any of the
22 notices described in Section 7003(b) of that act.

23
24 PART 2. GENERAL DEFINITIONS AND PRINCIPLES OF
25 INTERPRETATION

26
27 **34.1-1-201. General definitions.**

28
29 (a) Unless the context otherwise requires, words or
30 phrases defined in this section, or in the additional
31 definitions contained in other articles of this act that
32 apply to particular articles or parts thereof, have the
33 meanings stated.

34
35 (b) Subject to definitions contained in other
36 articles of this act that apply to particular articles or
37 parts thereof:

38
39 (i) "Action," in the sense of a judicial
40 proceeding, includes recoupment, counterclaim, set-off,
41 suit in equity, and any other proceeding in which rights
42 are determined;

43
44 (ii) "Aggrieved party" means a party entitled to
45 pursue a remedy;

1
2 (iii) "Agreement," as distinguished from
3 "contract," means the bargain of the parties in fact, as
4 found in their language or inferred from other
5 circumstances, including course of performance, course of
6 dealing, or usage of trade as provided in W.S. 34.1-1-303;
7

8 (iv) "Bank" means a person engaged in the
9 business of banking and includes a savings bank, savings
10 and loan association, credit union, and trust company;
11

12 (v) "Bearer" means a person in control of a
13 negotiable electronic document of title or a person in
14 possession of a negotiable instrument, negotiable tangible
15 document of title, or certificated security that is payable
16 to bearer or endorsed in blank;
17

18 (vi) "Bill of lading" means a document of title
19 evidencing the receipt of goods for shipment issued by a
20 person engaged in the business of directly or indirectly
21 transporting or forwarding goods. The term does not
22 include a warehouse receipt;
23

24 (vii) "Branch" includes a separately
25 incorporated foreign branch of a bank;
26

27 (viii) "Burden of establishing" a fact means the
28 burden of persuading the trier of fact that the existence
29 of the fact is more probable than its nonexistence;
30

31 (ix) "Buyer in ordinary course of business"
32 means a person that buys goods in good faith, without
33 knowledge that the sale violates the rights of another
34 person in the goods, and in the ordinary course from a
35 person, other than a pawnbroker, in the business of selling
36 goods of that kind. A person buys goods in the ordinary
37 course if the sale to the person comports with the usual or
38 customary practices in the kind of business in which the
39 seller is engaged or with the seller's own usual or
40 customary practices. A person that sells oil, gas, or
41 other minerals at the wellhead or minehead is a person in
42 the business of selling goods of that kind. A buyer in
43 ordinary course of business may buy for cash, by exchange
44 of other property, or on secured or unsecured credit, and
45 may acquire goods or documents of title under a preexisting

1 contract for sale. Only a buyer that takes possession of
2 the goods or has a right to recover the goods from the
3 seller under article 2 may be a buyer in ordinary course of
4 business. "Buyer in ordinary course of business" does not
5 include a person that acquires goods in a transfer in bulk
6 or as security for or in total or partial satisfaction of a
7 money debt;

8
9 (x) "Conspicuous," with reference to a term,
10 means so written, displayed, or presented that a reasonable
11 person against which it is to operate ought to have noticed
12 it. Whether a term is "conspicuous" or not is a decision
13 for the court. Conspicuous terms include the following:

14
15 (A) A heading in capitals equal to or
16 greater in size than the surrounding text, or in
17 contrasting type, font, or color to the surrounding text of
18 the same or lesser size; and

19
20 (B) Language in the body of a record or
21 display in larger type than the surrounding text, or in
22 contrasting type, font, or color to the surrounding text of
23 the same size, or set off from surrounding text of the same
24 size by symbols or other marks that call attention to the
25 language.

26
27 (xi) "Consumer" means an individual who enters
28 into a transaction primarily for personal, family, or
29 household purposes;

30
31 (xii) "Contract," as distinguished from
32 "agreement," means the total legal obligation that results
33 from the parties' agreement as determined by this act as
34 supplemented by any other applicable laws;

35
36 (xiii) "Creditor" includes a general creditor, a
37 secured creditor, a lien creditor, and any representative
38 of creditors, including an assignee for the benefit of
39 creditors, a trustee in bankruptcy, a receiver in equity,
40 and an executor or administrator of an insolvent debtor's
41 or assignor's estate;

42
43 (xiv) "Defendant" includes a person in the
44 position of defendant in a counterclaim, cross-claim, or
45 third-party claim;

1
2 (xv) "Delivery," with respect to an electronic
3 document of title means voluntary transfer of control and
4 with respect to an instrument, a tangible document of
5 title, or chattel paper, means voluntary transfer of
6 possession;

7
8 (xvi) "Document of title" means a record:

9
10 (A) That in the regular course of business
11 or financing is treated as adequately evidencing that the
12 person in possession or control of the record is entitled
13 to receive, control, hold and dispose of the record and the
14 goods the record covers; and

15
16 (B) That purports to be issued by or
17 addressed to a bailee and to cover goods in the bailee's
18 possession which are either identified or are fungible
19 portions of an identified mass. The term includes a bill
20 of lading, transport document, dock warrant, dock receipt,
21 warehouse receipt and order for delivery of goods. An
22 electronic document of title means a document of title
23 evidenced by a record consisting of information stored in
24 an electronic medium. A tangible document of title means a
25 document of title evidenced by a record consisting of
26 information that is inscribed on a tangible medium.

27
28 (xvii) "Fault" means a default, breach, or
29 wrongful act or omission;

30
31 (xviii) "Fungible goods" means:

32
33 (A) Goods of which any unit, by nature or
34 usage of trade, is the equivalent of any other like unit;
35 or

36
37 (B) Goods that by agreement are treated as
38 equivalent.

39
40 (xix) "Genuine" means free of forgery or
41 counterfeiting;

42
43 (xx) "Good faith," except as otherwise provided
44 in article 5, means honesty in fact and the observance of
45 reasonable commercial standards of fair dealing;

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(xxi) "Holder" means:

(A) The person in possession of a negotiable instrument that is payable either to bearer or to an identified person that is the person in possession;

(B) The person in possession of a negotiable tangible document of title if the goods are deliverable either to bearer or to the order of the person in possession; or

(C) The person in control of a negotiable electronic document of title.

(xxii) "Insolvency proceeding" includes an assignment for the benefit of creditors or other proceeding intended to liquidate or rehabilitate the estate of the person involved;

(xxiii) "Insolvent" means:

(A) Having generally ceased to pay debts in the ordinary course of business other than as a result of a bona fide dispute;

(B) Being unable to pay debts as they become due; or

(C) Being insolvent within the meaning of federal bankruptcy law.

(xxiv) "Money" means a medium of exchange currently authorized or adopted by a domestic or foreign government. The term includes a monetary unit of account established by an intergovernmental organization or by agreement between two (2) or more countries;

(xxv) "Organization" means a person other than an individual;

(xxvi) "Party," as distinguished from "third party," means a person that has engaged in a transaction or made an agreement subject to this act;

1 (xxvii) "Person" means an individual,
2 corporation, business trust, estate, trust, partnership,
3 limited liability company, association, joint venture,
4 government, governmental subdivision, agency,
5 instrumentality, public corporation, or any other legal or
6 commercial entity;
7

8 (xxviii) "Present value" means the amount as of
9 a date certain of one (1) or more sums payable in the
10 future, discounted to the date certain by use of either an
11 interest rate specified by the parties if that rate is not
12 manifestly unreasonable at the time the transaction is
13 entered into or, if an interest rate is not so specified, a
14 commercially reasonable rate that takes into account the
15 facts and circumstances at the time the transaction is
16 entered into;
17

18 (xxix) "Purchase" means taking by sale, lease,
19 discount, negotiation, mortgage, pledge, lien, security
20 interest, issue or reissue, gift, or any other voluntary
21 transaction creating an interest in property;
22

23 (xxx) "Purchaser" means a person that takes by
24 purchase;
25

26 (xxxi) "Record" means information that is
27 inscribed on a tangible medium or that is stored in an
28 electronic or other medium and is retrievable in
29 perceivable form;
30

31 (xxxii) "Remedy" means any remedial right to
32 which an aggrieved party is entitled with or without resort
33 to a tribunal;
34

35 (xxxiii) "Representative" means a person
36 empowered to act for another, including an agent, an
37 officer of a corporation or association, and a trustee,
38 executor, or administrator of an estate;
39

40 (xxxiv) "Right" includes remedy;
41

42 (xxxv) "Security interest" means an interest in
43 personal property or fixtures which secures payment or
44 performance of an obligation. Security interest includes
45 any interest of a consignor and a buyer of accounts,

1 chattel paper, a payment intangible or a promissory note in
2 a transaction that is subject to article 9. Security
3 interest does not include the special property interest of
4 a buyer of goods on identification of those goods to a
5 contract for sale under W.S. 34.1-2-401, but a buyer may
6 also acquire a security interest by complying with article
7 9. Except as otherwise provided in W.S. 34.1-2-505, the
8 right of a seller or lessor of goods under article 2 or 2A
9 to retain or acquire possession of the goods is not a
10 security interest, but a seller or lessor may also acquire
11 a security interest by complying with article 9. The
12 retention or reservation of title by a seller of goods
13 notwithstanding shipment or delivery to the buyer under
14 W.S. 34.1-2-401 is limited in effect to a reservation of a
15 security interest. Whether a transaction in the form of a
16 lease creates a security interest is determined pursuant to
17 W.S. 34.1-1-203;

18

19 (xxxvi) "Send" in connection with a writing,
20 record, or notice means:

21

22 (A) To deposit in the mail or deliver for
23 transmission by any other usual means of communication with
24 postage or cost of transmission provided for and properly
25 addressed and, in the case of an instrument, to an address
26 specified thereon or otherwise agreed or, if there be none,
27 to any address reasonable under the circumstances; or

28

29 (B) In any other way to cause to be
30 received any record or notice within the time it would have
31 arrived if properly sent.

32

33 (xxxvii) "Signed" includes using any symbol
34 executed or adopted with present intention to adopt or
35 accept a writing;

36

37 (xxxviii) "State" means a state of the United
38 States, the District of Columbia, Puerto Rico, the United
39 States Virgin Islands, or any territory or insular
40 possession subject to the jurisdiction of the United
41 States;

42

43 (xxxix) "Surety" includes a guarantor or other
44 secondary obligor;

45

1 (xl) "Term" means a portion of an agreement that
2 relates to a particular matter;

3
4 (xli) "Unauthorized signature" means a signature
5 made without actual, implied, or apparent authority. The
6 term includes a forgery;

7
8 (xlii) "Warehouse receipt" means a document of
9 title issued by a person engaged in the business of storing
10 goods for hire;

11
12 (xlili) "Writing" includes printing,
13 typewriting, or any other intentional reduction to tangible
14 form. "Written" has a corresponding meaning.

15
16 **34.1-1-202. Notice; knowledge.**

17
18 (a) Subject to subsection (f) of this section, a
19 person has "notice" of a fact if the person:

20
21 (i) Has actual knowledge of it;

22
23 (ii) Has received a notice or notification of
24 it; or

25
26 (iii) From all the facts and circumstances known
27 to the person at the time in question, has reason to know
28 that it exists.

29
30 (b) "Knowledge" means actual knowledge. "Knows" has
31 a corresponding meaning.

32
33 (c) "Discover," "learn," or words of similar import
34 refer to knowledge rather than to reason to know.

35
36 (d) A person "notifies" or "gives" a notice or
37 notification to another person by taking such steps as may
38 be reasonably required to inform the other person in
39 ordinary course, whether or not the other person actually
40 comes to know of it.

41
42 (e) Subject to subsection (f) of this section, a
43 person "receives" a notice or notification when:

44
45 (i) It comes to that person's attention; or

1
2 (ii) It is duly delivered in a form reasonable
3 under the circumstances at the place of business through
4 which the contract was made or at another location held out
5 by that person as the place for receipt of such
6 communications.

7
8 (f) Notice, knowledge, or a notice or notification
9 received by an organization is effective for a particular
10 transaction from the time it is brought to the attention of
11 the individual conducting that transaction and, in any
12 event, from the time it would have been brought to the
13 individual's attention if the organization had exercised
14 due diligence. An organization exercises due diligence if
15 it maintains reasonable routines for communicating
16 significant information to the person conducting the
17 transaction and there is reasonable compliance with the
18 routines. Due diligence does not require an individual
19 acting for the organization to communicate information
20 unless the communication is part of the individual's
21 regular duties or the individual has reason to know of the
22 transaction and that the transaction would be materially
23 affected by the information.

24
25 **34.1-1-203. Lease distinguished from security**
26 **interest.**

27
28 (a) Whether a transaction in the form of a lease
29 creates a lease or security interest is determined by the
30 facts of each case.

31
32 (b) A transaction in the form of a lease creates a
33 security interest if the consideration that the lessee is
34 to pay the lessor for the right to possession and use of
35 the goods is an obligation for the term of the lease and is
36 not subject to termination by the lessee and:

37
38 (i) The original term of the lease is equal to
39 or greater than the remaining economic life of the goods;

40
41 (ii) The lessee is bound to renew the lease for
42 the remaining economic life of the goods or is bound to
43 become the owner of the goods;

44

1 (iii) The lessee has an option to renew the
2 lease for the remaining economic life of the goods for no
3 additional consideration or for nominal additional
4 consideration upon compliance with the lease agreement; or
5

6 (iv) The lessee has an option to become the
7 owner of the goods for no additional consideration or for
8 nominal additional consideration upon compliance with the
9 lease agreement.

10
11 (c) A transaction in the form of a lease does not
12 create a security interest merely because:

13
14 (i) The present value of the consideration the
15 lessee is obligated to pay the lessor for the right to
16 possession and use of the goods is substantially equal to
17 or is greater than the fair market value of the goods at
18 the time the lease is entered into;

19
20 (ii) The lessee assumes risk of loss of the
21 goods;

22
23 (iii) The lessee agrees to pay, with respect to
24 the goods, taxes, insurance, filing, recording, or
25 registration fees, or service or maintenance costs;

26
27 (iv) The lessee has an option to renew the lease
28 or to become the owner of the goods;

29
30 (v) The lessee has an option to renew the lease
31 for a fixed rent that is equal to or greater than the
32 reasonably predictable fair market rent for the use of the
33 goods for the term of the renewal at the time the option is
34 to be performed; or

35
36 (vi) The lessee has an option to become the
37 owner of the goods for a fixed price that is equal to or
38 greater than the reasonably predictable fair market value
39 of the goods at the time the option is to be performed.

40
41 (d) Additional consideration is nominal if it is less
42 than the lessee's reasonably predictable cost of performing
43 under the lease agreement if the option is not exercised.
44 Additional consideration is not nominal if:
45

1 (i) When the option to renew the lease is
2 granted to the lessee, the rent is stated to be the fair
3 market rent for the use of the goods for the term of the
4 renewal determined at the time the option is to be
5 performed; or

6
7 (ii) When the option to become the owner of the
8 goods is granted to the lessee, the price is stated to be
9 the fair market value of the goods determined at the time
10 the option is to be performed.

11
12 (e) The "remaining economic life of the goods" and
13 "reasonably predictable" fair market rent, fair market
14 value, or cost of performing under the lease agreement
15 shall be determined with reference to the facts and
16 circumstances at the time the transaction is entered into.

17
18 **34.1-1-204. Value.**

19
20 (a) Except as otherwise provided in articles 3, 4 and
21 5 of this title, a person gives value for rights if the
22 person acquires them:

23
24 (i) In return for a binding commitment to extend
25 credit or for the extension of immediately available
26 credit, whether or not drawn upon and whether or not a
27 charge-back is provided for in the event of difficulties in
28 collection;

29
30 (ii) As security for, or in total or partial
31 satisfaction of, a preexisting claim;

32
33 (iii) By accepting delivery under a preexisting
34 contract for purchase; or

35
36 (iv) In return for any consideration sufficient
37 to support a simple contract.

38
39 **34.1-1-205. Reasonable time; seasonableness.**

40
41 (a) Whether a time for taking an action required by
42 this act is reasonable depends on the nature, purpose, and
43 circumstances of the action.

44

1 (b) An action is taken seasonably if it is taken at
2 or within the time agreed or, if no time is agreed, at or
3 within a reasonable time.

4
5 **34.1-1-206. Presumptions.**

6
7 Whenever this act creates a "presumption" with respect to a
8 fact, or provides that a fact is "presumed," the trier of
9 fact must find the existence of the fact unless and until
10 evidence is introduced that supports a finding of its
11 nonexistence.

12
13 PART 3. TERRITORIAL APPLICABILITY AND GENERAL RULES

14
15 **34.1-1-301. Territorial applicability; parties' power**
16 **to choose applicable law.**

17
18 (a) Except as otherwise provided in this section,
19 when a transaction bears a reasonable relation to this
20 state and also to another state or nation the parties may
21 agree that the law either of this state or of such other
22 state or nation shall govern their rights and duties.

23
24 (b) In the absence of an agreement effective under
25 subsection (a) of this section, and except as provided in
26 subsection (c) of this section, this act applies to
27 transactions bearing an appropriate relation to this state.

28
29 (c) If one (1) of the following provisions of this
30 act specifies the applicable law, that provision governs
31 and a contrary agreement is effective only to the extent
32 permitted by the law so specified:

33
34 (i) W.S. 34.1-2-402;

35
36 (ii) W.S. 34.1-2.A-105 and 34.1-2.A-106;

37
38 (iii) W.S. 34.1-4-102;

39
40 (iv) W.S. 34.1-4.A-507;

41
42 (v) W.S. 34.1-5-116;

43
44 (vi) Reserved;

45

1 (vii) W.S. 34.1-8-110;

2

3 (viii) W.S. 34.1-9-301 through 34.1-9-307.

4

5 **34.1-1-302. Variation by agreement.**

6

7 (a) Except as otherwise provided in subsection (b) of
8 this section or elsewhere in this act, the effect of
9 provisions of this act may be varied by agreement.

10

11 (b) The obligations of good faith, diligence,
12 reasonableness, and care prescribed by this act may not be
13 disclaimed by agreement. The parties, by agreement, may
14 determine the standards by which the performance of those
15 obligations is to be measured if those standards are not
16 manifestly unreasonable. Whenever this act requires an
17 action to be taken within a reasonable time, a time that is
18 not manifestly unreasonable may be fixed by agreement.

19

20 (c) The presence in certain provisions of this act of
21 the phrase "unless otherwise agreed," or words of similar
22 import, does not imply that the effect of other provisions
23 may not be varied by agreement under this section.

24

25 **34.1-1-303. Course of performance; course of dealing;
26 usage of trade.**

27

28 (a) A "course of performance" is a sequence of
29 conduct between the parties to a particular transaction
30 that exists if:

31

32 (i) The agreement of the parties with respect to
33 the transaction involves repeated occasions for performance
34 by a party; and

35

36 (ii) The other party, with knowledge of the
37 nature of the performance and opportunity for objection to
38 it, accepts the performance or acquiesces in it without
39 objection.

40

41 (b) A "course of dealing" is a sequence of conduct
42 concerning previous transactions between the parties to a
43 particular transaction that is fairly to be regarded as
44 establishing a common basis of understanding for
45 interpreting their expressions and other conduct.

1
2 (c) A "usage of trade" is any practice or method of
3 dealing having such regularity of observance in a place,
4 vocation, or trade as to justify an expectation that it
5 will be observed with respect to the transaction in
6 question. The existence and scope of such a usage shall be
7 proved as facts. If it is established that such a usage is
8 embodied in a trade code or similar record, the
9 interpretation of the record is a question of law.

10
11 (d) A course of performance or course of dealing
12 between the parties or usage of trade in the vocation or
13 trade in which they are engaged or of which they are or
14 should be aware is relevant in ascertaining the meaning of
15 the parties' agreement, may give particular meaning to
16 specific terms of the agreement, and may supplement or
17 qualify the terms of the agreement. A usage of trade
18 applicable in the place in which part of the performance
19 under the agreement is to occur may be so utilized as to
20 that part of the performance.

21
22 (e) Except as otherwise provided in subsection (f) of
23 this section, the express terms of an agreement and any
24 applicable course of performance, course of dealing, or
25 usage of trade shall be construed whenever reasonable as
26 consistent with each other. If such a construction is
27 unreasonable:

28
29 (i) Express terms prevail over course of
30 performance, course of dealing, and usage of trade;

31
32 (ii) Course of performance prevails over course
33 of dealing and usage of trade; and

34
35 (iii) Course of dealing prevails over usage of
36 trade.

37
38 (f) Subject to W.S. 34.1-2-209, a course of
39 performance is relevant to show a waiver or modification of
40 any term inconsistent with the course of performance.

41
42 (g) Evidence of a relevant usage of trade offered by
43 one (1) party is not admissible unless that party has given
44 the other party notice that the court finds sufficient to
45 prevent unfair surprise to the other party.

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34.1-1-304. Obligation of good faith.

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Every contract or duty within this act imposes an obligation of good faith in its performance and enforcement.

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34.1-1-305. Remedies to be liberally administered.

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(a) The remedies provided by this act shall be liberally administered to the end that the aggrieved party may be put in as good a position as if the other party had fully performed but neither consequential or special damages nor penal damages may be had except as specifically provided in this act or by other rule of law.

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(b) Any right or obligation declared by this act is enforceable by action unless the provision declaring it specifies a different and limited effect.

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34.1-1-306. Waiver or renunciation of claim or right after breach.

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A claim or right arising out of an alleged breach may be discharged in whole or in part without consideration by agreement of the aggrieved party in an authenticated record.

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34.1-1-307. Prima facie evidence by third-party documents.

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37

38

A document in due form purporting to be a bill of lading, policy or certificate of insurance, official weigher's or inspector's certificate, consular invoice, or any other document authorized or required by the contract to be issued by a third party is prima facie evidence of its own authenticity and genuineness and of the facts stated in the document by the third party.

39

40

41

42

34.1-1-308. Performance or acceptance under reservation of rights.

43

44

45

(a) A party that with explicit reservation of rights performs or promises performance or assents to performance in a manner demanded or offered by the other party does not

1 thereby prejudice the rights reserved. Such words as
 2 "without prejudice," "under protest," or the like are
 3 sufficient.
 4

5 (b) Subsection (a) of this section does not apply to
 6 an accord and satisfaction.
 7

8 **34.1-1-309. Option to accelerate at will.**
 9

10 A term providing that one (1) party or that party's
 11 successor in interest may accelerate payment or performance
 12 or require collateral or additional collateral "at will" or
 13 when the party "deems itself insecure," or words of similar
 14 import, means that the party has power to do so only if
 15 that party in good faith believes that the prospect of
 16 payment or performance is impaired. The burden of
 17 establishing lack of good faith is on the party against
 18 which the power has been exercised.
 19

20 **34.1-1-310. Subordinated obligations.**
 21

22 An obligation may be issued as subordinated to performance
 23 of another obligation of the person obligated, or a
 24 creditor may subordinate its right to performance of an
 25 obligation by agreement with either the person obligated or
 26 another creditor of the person obligated. Subordination
 27 does not create a security interest as against either the
 28 common debtor or a subordinated creditor.
 29

30 **Section 2.** W.S. 34.1-2-103(a)(ii), 34.1-2-202(a)(i),
 31 34.1-2.A-103(c), 34.1-2.A-501(d), 34.1-2.A-518(b),
 32 34.1-2.A-519(a), 34.1-2.A-527(b), 34.1-2.A-528(a),
 33 34.1-3-103(a)(iv) and (x), 34.1-4-104(c),
 34 34.1-4.A-105(a)(vi) and (vii), 34.1-4.A-106(a),
 35 34.1-4.A-204(b), 34.1-5-103(c), 34.1-8-102(a)(x) and
 36 34.1-9-102(a)(xliii) are amended to read:
 37

38 **34.1-2-103. Definitions and index of definitions.**
 39

40 (a) In this article unless the context otherwise
 41 requires:
 42

43 (ii) ~~"Good faith" in the case of a merchant~~
 44 ~~means honesty in fact and the observance of reasonable~~
 45 ~~commercial standards of fair dealing in the trade~~ Reserved;

1
2 **34.1-2-202. Final written expression; parol or**
3 **extrinsic evidence.**

4
5 (a) Terms with respect to which the confirmatory
6 memoranda of the parties agree or which are otherwise set
7 forth in a writing intended by the parties as a final
8 expression of their agreement with respect to such terms as
9 are included therein may not be contradicted by evidence of
10 any prior agreement or of a contemporaneous oral agreement
11 but may be explained or supplemented:

12
13 (i) By course of performance, course of dealing
14 or usage of trade ~~(section 34.1-1-205) or by course of~~
15 ~~performance (section 34.1-2-208)~~ (section 34.1-1-303); and
16

17 **34.1-2.A-103. Definitions and index of definitions.**

18
19 (c) The following definitions in other articles apply
20 to this article:

21 "Account".	Section 34.1-9-102(a)(ii).
22 "Between merchants".	Section 34.1-2-104(c).
23 "Buyer".	Section 34.1-2-103(a)(i).
24 "Chattel paper".	Section 34.1-9-102(a)(xi).
25 "Consumer goods".	Section 34.1-9-102(a)(xxiii).
26 "Document".	Section 34.1-9-102(a)(xxx).
27 "Entrusting".	Section 34.1-2-403(c).
28 "General intangible".	Section 34.1-9-102(a)(xlii).
29 "Good faith".	Section 34.1-2-103(a)(ii).
30 "Instrument".	Section 34.1-9-102(a)(xlvii).
31 "Merchant".	Section 34.1-2-104(a).
32 "Mortgage".	Section 34.1-9-105(a)(x)
33 <u>34.1-9-102(a)(lv)</u> .	
34 "Pursuant to commitment".	Section 34.1-9-105(a)(xi)
35 <u>34.1-9-102(a)(lxxi)</u> .	
36 "Receipt".	Section 34.1-2-103(a)(iii).
37 "Sale".	Section 34.1-2-106(a).
38 "Sale on approval".	Section 34.1-2-326.
39 "Sale or return".	Section 34.1-2-326.
40 "Seller".	Section 34.1-2-103(a)(iv).

41
42 **34.1-2.A-501. Default: procedure.**

43
44 (d) Except as otherwise provided in section
45 ~~34.1-1-106(a)~~ 34.1-1-305(a) or this article or the lease

1 agreement, the rights and remedies referred to in
2 subsections (b) and (c) are cumulative.

3
4 **34.1-2.A-518. Cover; substitute goods.**

5
6 (b) Except as otherwise provided with respect to
7 damages liquidated in the lease agreement (section
8 34.1-2.A-504) or otherwise determined pursuant to agreement
9 of the parties (sections ~~34.1-1-102(e)~~34.1-1-302 and
10 34.1-2.A-503), if a lessee's cover is by a lease agreement
11 substantially similar to the original lease agreement and
12 the new lease agreement is made in good faith and in a
13 commercially reasonable manner, the lessee may recover from
14 the lessor as damages (1) the present value, as of the date
15 of the commencement of the term of the new lease agreement,
16 of the rent under the new lease agreement applicable to
17 that period of the new lease term which is comparable to
18 the then remaining term of the original lease agreement
19 minus the present value as of the same date of the total
20 rent for the then remaining lease term of the original
21 lease agreement, and (2) any incidental or consequential
22 damages, less expenses saved in consequence of the lessor's
23 default.

24
25 **34.1-2.A-519. Lessee's damages for non-delivery,**
26 **repudiation, default, and breach of warranty in regard to**
27 **accepted goods.**

28
29 (a) Except as otherwise provided with respect to
30 damages liquidated in the lease agreement (section
31 34.1-2.A-504) or otherwise determined pursuant to agreement
32 of the parties (sections ~~34.1-1-102(e)~~34.1-1-302 and
33 34.1-2.A-503), if a lessee elects not to cover or a lessee
34 elects to cover and the cover is by lease agreement that
35 for any reason does not qualify for treatment under section
36 34.1-2.A-518(b), or is by purchase or otherwise, the
37 measure of damages for non-delivery or repudiation by the
38 lessor or for rejection or revocation of acceptance by the
39 lessee is the present value, as of the date of the default,
40 of the then market rent minus the present value as of the
41 same date of the original rent, computed for the remaining
42 lease term of the original lease agreement, together with
43 incidental and consequential damages, less expenses saved
44 in consequence of the lessor's default.

45

1 **34.1-2.A-527. Lessor's rights to dispose of goods.**

2
3 (b) Except as otherwise provided with respect to
4 damages liquidated in the lease agreement (section
5 34.1-2.A-504) or otherwise determined pursuant to agreement
6 of the parties (sections ~~34.1-1-102(e)~~34.1-1-302 and
7 34.1-2.A-503), if the disposition is by lease agreement
8 substantially similar to the original lease agreement and
9 the new lease agreement is made in good faith and in a
10 commercially reasonable manner, the lessor may recover from
11 the lessee as damages (1) accrued and unpaid rent as of the
12 date of the commencement of the term of the new lease
13 agreement, (2) the present value, as of the same date, of
14 the total rent for the then remaining lease term of the
15 original lease agreement minus the present value, as of the
16 same date, of the rent under the new lease agreement
17 applicable to that period of the new lease term which is
18 comparable to the then remaining term of the original lease
19 agreement, and (3) any incidental damages allowed under
20 section 34.1-2.A-530, less expenses saved in consequence of
21 the lessee's default.

22
23 **34.1-2.A-528. Lessor's damages for non-acceptance,**
24 **failure to pay, repudiation, or other default.**

25
26 (a) Except as otherwise provided with respect to
27 damages liquidated in the lease agreement (section
28 34.1-2.A-504) or otherwise determined pursuant to agreement
29 of the parties (sections ~~34.1-1-102(e)~~34.1-1-302 and
30 34.1-2.A-503), if a lessor elects to retain the goods or a
31 lessor elects to dispose of the goods and the disposition
32 is by lease agreement that for any reason does not qualify
33 for treatment under section 34.1-2.A-527(b), or is by sale
34 or otherwise, the lessor may recover from the lessee as
35 damages for a default of the type described in section
36 34.1-2.A-523(a) or 34.1-2.A-523(c)(i), or, if agreed, for
37 other default of the lessee, (1) accrued and unpaid rent as
38 of the date of default if the lessee has never taken
39 possession of the goods, or, if the lessee has taken
40 possession of the goods, as of the date the lessor
41 repossesses the goods or an earlier date on which the
42 lessee makes a tender of the goods to the lessor, (2) the
43 present value as of the date determined under clause (1) of
44 the total rent for the then remaining lease term of the
45 original lease agreement minus the present value as of the

1 same date of the market rent at the place where the goods
 2 are located computed for the same lease term, and (3) any
 3 incidental damages allowed under section 34.1-2.A-530, less
 4 expenses saved in consequence of the lessee's default.

5
 6 **34.1-3-103. Definitions.**

7
 8 (a) In this article:

9
 10 (iv) ~~"Good faith" means honesty in fact and the~~
 11 ~~observance of reasonable commercial standards of fair~~
 12 ~~dealing~~ Reserved;

13
 14 (x) "Prove" with respect to a fact means to meet
 15 the burden of establishing the fact (section
 16 ~~34.1-1-201(a)(viii)~~ 34.1-1-201(b)(viii));

17
 18 **34.1-4-104. Definitions and index of definitions.**

19
 20 (c) The following definitions in other articles apply
 21 to this article:

22	"Acceptance".	W.S. 34.1-3-409.
23	"Alteration".	W.S. 34.1-3-407.
24	"Cashier's check".	W.S. 34.1-3-104.
25	"Certificate of deposit".	W.S. 34.1-3-104.
26	"Certified check".	W.S. 34.1-3-409.
27	"Check".	W.S. 34.1-3-104.
28	"Good faith".	W.S. 34.1-3-103.
29	"Holder in due course".	W.S. 34.1-3-302.
30	"Instrument".	W.S. 34.1-3-104.
31	"Notice of dishonor".	W.S. 34.1-3-503.
32	"Order".	W.S. 34.1-3-103.
33	"Ordinary care".	W.S. 34.1-3-103.
34	"Person entitled to enforce".	W.S. 34.1-3-301.
35	"Presentment".	W.S. 34.1-3-501.
36	"Promise".	W.S. 34.1-3-103.
37	"Registered clearing corporation".	W.S. 34.1-8-102.
38	"Prove".	W.S. 34.1-3-103.
39	"Teller's check".	W.S. 34.1-3-104.
40	"Unauthorized signature".	W.S. 34.1-3-403.

41
 42 **34.1-4.A-105. Other definitions.**

43
 44 (a) In this article:

45

1 (vi) ~~"Good faith" means honesty in fact and the~~
 2 ~~observance of reasonable commercial standards of fair~~
 3 ~~dealing~~ Reserved;

4
 5 (vii) "Prove" with respect to a fact means to
 6 meet the burden of establishing the fact (section
 7 ~~34.1-1-201(a)(viii)~~ 34.1-1-201(b)(viii)).

8
 9 **34.1-4.A-106. Time payment order is received.**

10
 11 (a) The time of receipt of a payment order or
 12 communication cancelling or amending a payment order is
 13 determined by the rules applicable to receipt of a notice
 14 stated in section ~~34.1-1-201(a)(xxvii)~~ 34.1-1-202. A
 15 receiving bank may fix a cutoff time or times on a funds-
 16 transfer business day for the receipt and processing of
 17 payment orders and communications cancelling or amending
 18 payment orders. Different cutoff times may apply to
 19 payment orders, cancellations, or amendments, or to
 20 different categories of payment orders, cancellations, or
 21 amendments. A cutoff time may apply to senders generally
 22 or different cutoff times may apply to different senders or
 23 categories of payment orders. If a payment order or
 24 communication cancelling or amending a payment order is
 25 received after the close of a funds-transfer business day
 26 or after the appropriate cutoff time on a funds-transfer
 27 business day, the receiving bank may treat the payment
 28 order or communication as received at the opening of the
 29 next funds-transfer business day.

30
 31 **34.1-4.A-204. Refund of payment and duty of customer**
 32 **to report with respect to unauthorized payment order.**

33
 34 (b) Reasonable time under subsection (a) may be fixed
 35 by agreement as stated in section ~~34.1-1-204(a)~~
 36 34.1-1-302(b), but the obligation of a receiving bank to
 37 refund payment as stated in subsection (a) of this section
 38 may not otherwise be varied by agreement.

39
 40 **34.1-5-103. Scope.**

41
 42 (c) With the exception of this subsection,
 43 subsections (a) and (d) of this section, W.S.
 44 34.1-5-102(a)(ix) and (x), 34.1-5-106(d) and 34.1-5-114(d),
 45 and except to the extent prohibited in W.S. ~~34.1-1-102(e)~~

1 34.1-1-302 and 34.1-5-117(d), the effect of this article
 2 may be varied by agreement or by a provision stated or
 3 incorporated by reference in an undertaking. A term in an
 4 agreement or undertaking generally excusing liability or
 5 generally limiting remedies for failure to perform
 6 obligations is not sufficient to vary obligations
 7 prescribed by this article.

8
 9 **34.1-8-102. Definitions.**

10
 11 (a) In this article:

12
 13 (x) ~~"Good faith," for purposes of the obligation~~
 14 ~~of good faith in the performance or enforcement of~~
 15 ~~contracts or duties within this article, means honesty in~~
 16 ~~fact and the observance of reasonable commercial standards~~
 17 ~~of fair dealing~~ Reserved;

18
 19 **34.1-9-102. Definitions and index of definitions.**

20
 21 (a) In this article:

22
 23 (xliii) ~~"Good faith" means honesty in fact and~~
 24 ~~the observance of reasonable commercial standards of fair~~
 25 ~~dealing~~ Reserved;

26
 27 **Section 3.** W.S. 34.1-2-208 and 34.1-2.A-207 are
 28 repealed.

29
 30 **Section 4.** W.S. 34.1-7-101 through 34.1-7-105,
 31 34.1-7-201 through 34.1-7-210, 34.1-7-301 through
 32 34.1-7-309, 34.1-7-401 through 34.1-7-404, 34.1-7-501
 33 through 34.1-7-509 and 34.1-7-601 through 34.1-7-603 are
 34 repealed and recreated as W.S. 34.1-7-101 through
 35 34.1-7-106, 34.1-7-201 through 34.1-7-210, 34.1-7-301
 36 through 34.1-7-309, 34.1-7-401 through 34.1-7-404,
 37 34.1-7-501 through 34.1-7-509, 34.1-7-601 through
 38 34.1-7-603 and 34.1-7-101 through 34.1-7-704 to read:

39
 40 REVISED ARTICLE 7
 41 DOCUMENTS OF TITLE

42
 43 PART 1. GENERAL

44
 45 **34.1-7-101. Short title.**

1
2 This article may be cited as Uniform Commercial Code-
3 Documents of Title.

4
5 **34.1-7-102. Definitions and index of definitions.**

6
7 (a) In this article, unless the context otherwise
8 requires:

9
10 (i) "Bailee" means a person that by a warehouse
11 receipt, bill of lading, or other document of title
12 acknowledges possession of goods and contracts to deliver
13 them;

14
15 (ii) "Carrier" means a person that issues a bill
16 of lading;

17
18 (iii) "Consignee" means a person named in a bill
19 of lading to which or to whose order the bill promises
20 delivery;

21
22 (iv) "Consignor" means a person named in a bill
23 of lading as the person from which the goods have been
24 received for shipment;

25
26 (v) "Delivery order" means a record that
27 contains an order to deliver goods directed to a warehouse,
28 carrier, or other person that in the ordinary course of
29 business issues warehouse receipts or bills of lading;

30
31 (vi) Reserved;

32
33 (vii) "Goods" means all things that are treated
34 as movable for the purposes of a contract for storage or
35 transportation;

36
37 (viii) "Issuer" means a bailee that issues a
38 document of title or, in the case of an unaccepted delivery
39 order, the person that orders the possessor of goods to
40 deliver. The term includes a person for which an agent or
41 employee purports to act in issuing a document if the agent
42 or employee has real or apparent authority to issue
43 documents, even if the issuer did not receive any goods,
44 the goods were misdescribed, or in any other respect the
45 agent or employee violated the issuer's instructions;

1
2 (ix) "Person entitled under the document" means
3 the holder, in the case of a negotiable document of title,
4 or the person to which delivery of the goods is to be made
5 by the terms of, or pursuant to instructions in a record
6 under, a nonnegotiable document of title;

7
8 (x) Reserved;

9
10 (xi) "Sign" means, with present intent to
11 authenticate or adopt a record:

12
13 (A) To execute or adopt a tangible symbol;
14 or

15
16 (B) To attach to or logically associate
17 with the record an electronic sound, symbol, or process.

18
19 (xii) "Shipper" means a person that enters into
20 a contract of transportation with a carrier;

21
22 (xiii) "Warehouse" means a person engaged in the
23 business of storing goods for hire.

24
25 (b) Definitions in other articles applying to this
26 article and the sections in which they appear are:

27
28 (i) "Contract for sale," W.S. 34.1-2-106;

29
30 (ii) "Lessee in the ordinary course of
31 business," W.S. 34.1-2.A-103;

32
33 (iii) "Receipt" of goods, W.S. 34.1-2-103.

34
35 (c) In addition, article 1 of this title contains
36 general definitions and principles of construction and
37 interpretation applicable throughout this article.

38
39 **34.1-7-103. Relation of article to treaty or statute.**

40
41 (a) This article is subject to any treaty or statute
42 of the United States or regulatory statute of this state to
43 the extent the treaty, statute, or regulatory statute is
44 applicable.

45

1 (b) This article does not modify or repeal any law
2 prescribing the form or content of a document of title or
3 the services or facilities to be afforded by a bailee, or
4 otherwise regulating a bailee's business in respects not
5 specifically treated in this article. However, violation
6 of such a law does not affect the status of a document of
7 title that otherwise is within the definition of a document
8 of title.

9
10 (c) This act modifies, limits, and supersedes the
11 federal Electronic Signatures in Global and National
12 Commerce Act (15 U.S.C. section 7001, et seq.) but does not
13 modify, limit, or supersede section 101(c) of that act (15
14 U.S.C. section 7001(c)) or authorize electronic delivery of
15 any of the notices described in section 103(b) of that act
16 (15 U.S.C. section 7003(b)).

17
18 (d) To the extent there is a conflict between the
19 Uniform Electronic Transactions Act, W.S. 40-21-101 through
20 40-21-119, and this article, this article governs.

21
22 **34.1-7-104. Negotiable and nonnegotiable documents of**
23 **title.**

24
25 (a) Except as otherwise provided in subsection (c) of
26 this section, a document of title is negotiable if by its
27 terms the goods are to be delivered to bearer or to the
28 order of a named person.

29
30 (b) A document of title other than one described in
31 subsection (a) of this section is nonnegotiable. A bill of
32 lading that states that the goods are consigned to a named
33 person is not made negotiable by a provision that the goods
34 are to be delivered only against an order in a record
35 signed by the same or another named person.

36
37 (c) A document of title is nonnegotiable if, at the
38 time it is issued, the document has a conspicuous legend,
39 however expressed, that it is nonnegotiable.

40
41 **34.1-7-105. Reissuance in alternative medium.**
42

43 (a) Upon request of a person entitled under an
44 electronic document of title, the issuer of the electronic

1 document may issue a tangible document of title as a
2 substitute for the electronic document if:

3
4 (i) The person entitled under the electronic
5 document surrenders control of the document to the issuer;
6 and

7
8 (ii) The tangible document when issued contains
9 a statement that it is issued in substitution for the
10 electronic document.

11
12 (b) Upon issuance of a tangible document of title in
13 substitution for an electronic document of title in
14 accordance with subsection (a) of this section:

15
16 (i) The electronic document ceases to have any
17 effect or validity; and

18
19 (ii) The person that procured issuance of the
20 tangible document warrants to all subsequent persons
21 entitled under the tangible document that the warrantor was
22 a person entitled under the electronic document when the
23 warrantor surrendered control of the electronic document to
24 the issuer.

25
26 (c) Upon request of a person entitled under a
27 tangible document of title, the issuer of the tangible
28 document may issue an electronic document of title as a
29 substitute for the tangible document if:

30
31 (i) The person entitled under the tangible
32 document surrenders possession of the document to the
33 issuer; and

34
35 (ii) The electronic document when issued
36 contains a statement that it is issued in substitution for
37 the tangible document.

38
39 (d) Upon issuance of an electronic document of title
40 in substitution for a tangible document of title in
41 accordance with subsection (c) of this section:

42
43 (i) The tangible document ceases to have any
44 effect or validity; and

45

1 (ii) The person that procured issuance of the
2 electronic document warrants to all subsequent persons
3 entitled under the electronic document that the warrantor
4 was a person entitled under the tangible document when the
5 warrantor surrendered possession of the tangible document
6 to the issuer.

7
8 **34.1-7-106. Control of electronic document of title.**
9

10 (a) A person has control of an electronic document of
11 title if a system employed for evidencing the transfer of
12 interests in the electronic document reliably establishes
13 that person as the person to which the electronic document
14 was issued or transferred.

15
16 (b) A system satisfies subsection (a) of this
17 section, and a person is deemed to have control of an
18 electronic document of title, if the document is created,
19 stored, and assigned in such a manner that:

20
21 (i) A single authoritative copy of the document
22 exists which is unique, identifiable, and, except as
23 otherwise provided in paragraphs (iv), (v), and (vi) of
24 this section, unalterable;

25
26 (ii) The authoritative copy identifies the
27 person asserting control as:

28
29 (A) The person to which the document was
30 issued; or

31
32 (B) If the authoritative copy indicates
33 that the document has been transferred, the person to which
34 the document was most recently transferred.

35
36 (iii) The authoritative copy is communicated to
37 and maintained by the person asserting control or its
38 designated custodian;

39
40 (iv) Copies or amendments that add or change an
41 identified assignee of the authoritative copy can be made
42 only with the consent of the person asserting control;

43

1 (v) Each copy of the authoritative copy and any
2 copy of a copy is readily identifiable as a copy that is
3 not the authoritative copy; and
4

5 (vi) Any amendment of the authoritative copy is
6 readily identifiable as authorized or unauthorized.
7

8 PART 2. WAREHOUSE RECEIPTS: SPECIAL PROVISIONS
9

10 **34.1-7-201. Person that may issue a warehouse**
11 **receipt; storage under bond.**
12

13 (a) A warehouse receipt may be issued by any
14 warehouse.
15

16 (b) If goods, including distilled spirits and
17 agricultural commodities, are stored under a statute
18 requiring a bond against withdrawal or a license for the
19 issuance of receipts in the nature of warehouse receipts, a
20 receipt issued for the goods is deemed to be a warehouse
21 receipt even if issued by a person that is the owner of the
22 goods and is not a warehouse.
23

24 **34.1-7-202. Form of warehouse receipt; effect of**
25 **omission.**
26

27 (a) A warehouse receipt need not be in any particular
28 form.
29

30 (b) Unless a warehouse receipt provides for each of
31 the following, the warehouse is liable for damages caused
32 to a person injured by its omission:
33

34 (i) A statement of the location of the warehouse
35 facility where the goods are stored;
36

37 (ii) The date of issue of the receipt;
38

39 (iii) The unique identification code of the
40 receipt;
41

42 (iv) A statement whether the goods received will
43 be delivered to the bearer, to a named person, or to a
44 named person or its order;
45

1 (v) The rate of storage and handling charges,
2 unless goods are stored under a field warehousing
3 arrangement, in which case a statement of that fact is
4 sufficient on a nonnegotiable receipt;

5
6 (vi) A description of the goods or the packages
7 containing them;

8
9 (vii) The signature of the warehouse or its
10 agent;

11
12 (viii) If the receipt is issued for goods that
13 the warehouse owns, either solely, jointly, or in common
14 with others, a statement of the fact of that ownership;
15 and

16
17 (ix) A statement of the amount of advances made
18 and of liabilities incurred for which the warehouse claims
19 a lien or security interest, unless the precise amount of
20 advances made or liabilities incurred at the time of the
21 issue of the receipt is unknown to the warehouse or to its
22 agent that issued the receipt, in which case a statement of
23 the fact that advances have been made or liabilities
24 incurred and the purpose of the advances or liabilities is
25 sufficient.

26
27 (c) A warehouse may insert in its receipt any terms
28 that are not contrary to this act and do not impair its
29 obligation of delivery under W.S. 34.1-7-403 or its duty of
30 care under W.S. 34.1-7-204. Any contrary provision is
31 ineffective.

32
33 **34.1-7-203. Liability for nonreceipt or**
34 **misdescription.**

35
36 (a) A party to or purchaser for value in good faith
37 of a document of title, other than a bill of lading, that
38 relies upon the description of the goods in the document
39 may recover from the issuer damages caused by the
40 nonreceipt or misdescription of the goods, except to the
41 extent that:

42
43 (i) The document conspicuously indicates that
44 the issuer does not know whether all or part of the goods
45 in fact were received or conform to the description, such

1 as a case in which the description is in terms of marks or
2 labels or kind, quantity, or condition, or the receipt or
3 description is qualified by "contents, condition, and
4 quality unknown," "said to contain," or words of similar
5 import, if the indication is true; or
6

7 (ii) The party or purchaser otherwise has notice
8 of the nonreceipt or misdescription.
9

10 **34.1-7-204. Duty of care; contractual limitation of**
11 **warehouse's liability.**
12

13 (a) A warehouse is liable for damages for loss of or
14 injury to the goods caused by its failure to exercise care
15 with regard to the goods that a reasonably careful person
16 would exercise under similar circumstances. Unless
17 otherwise agreed, the warehouse is not liable for damages
18 that could not have been avoided by the exercise of that
19 care.
20

21 (b) Damages may be limited by a term in the warehouse
22 receipt or storage agreement limiting the amount of
23 liability in case of loss or damage beyond which the
24 warehouse is not liable. Such a limitation is not
25 effective with respect to the warehouse's liability for
26 conversion to its own use. On request of the bailor in a
27 record at the time of signing the storage agreement or
28 within a reasonable time after receipt of the warehouse
29 receipt, the warehouse's liability may be increased on part
30 or all of the goods covered by the storage agreement or the
31 warehouse receipt. In this event, increased rates may be
32 charged based on an increased valuation of the goods.
33

34 (c) Reasonable provisions as to the time and manner
35 of presenting claims and commencing actions based on the
36 bailment may be included in the warehouse receipt or
37 storage agreement.
38

39 (d) This section does not modify or repeal any law of
40 this state that imposes a higher responsibility upon the
41 warehouse or that invalidates a contractual limitation that
42 would be permissible under this article.
43

44 **34.1-7-205. Title under warehouse receipt defeated in**
45 **certain cases.**

1
2 A buyer in ordinary course of business of fungible goods
3 sold and delivered by a warehouse that is also in the
4 business of buying and selling such goods takes the goods
5 free of any claim under a warehouse receipt even if the
6 receipt is negotiable and has been duly negotiated.

7
8 **34.1-7-206. Termination of storage at warehouse's**
9 **option.**

10
11 (a) A warehouse, by giving notice to the person on
12 whose account the goods are held and any other person known
13 to claim an interest in the goods, may require payment of
14 any charges and removal of the goods from the warehouse at
15 the termination of the period of storage fixed by the
16 document of title or, if a period is not fixed, within a
17 stated period not less than thirty (30) days after the
18 warehouse gives notice. If the goods are not removed
19 before the date specified in the notice, the warehouse may
20 sell them pursuant to W.S. 34.1-7-210.

21
22 (b) If a warehouse in good faith believes that goods
23 are about to deteriorate or decline in value to less than
24 the amount of its lien within the time provided in
25 subsection (a) of this section and W.S. 34.1-7-210, the
26 warehouse may specify in the notice given under subsection
27 (a) of this section any reasonable shorter time for removal
28 of the goods and, if the goods are not removed, may sell
29 them at public sale held not less than one (1) week after a
30 single advertisement or posting.

31
32 (c) If, as a result of a quality or condition of the
33 goods of which the warehouse did not have notice at the
34 time of deposit, the goods are a hazard to other property,
35 the warehouse facilities, or other persons, the warehouse
36 may sell the goods at public or private sale without
37 advertisement or posting on reasonable notification to all
38 persons known to claim an interest in the goods. If the
39 warehouse, after a reasonable effort, is unable to sell the
40 goods, it may dispose of them in any lawful manner and does
41 not incur liability by reason of that disposition.

42
43 (d) A warehouse shall deliver the goods to any person
44 entitled to them under this article upon due demand made at

1 any time before sale or other disposition under this
2 section.

3
4 (e) A warehouse may satisfy its lien from the
5 proceeds of any sale or disposition under this section but
6 shall hold the balance for delivery on the demand of any
7 person to which the warehouse would have been bound to
8 deliver the goods.

9
10 **34.1-7-207. Goods must be kept separate; fungible**
11 **goods.**

12
13 (a) Unless the warehouse receipt provides otherwise,
14 a warehouse shall keep separate the goods covered by each
15 receipt so as to permit at all times identification and
16 delivery of those goods. However, different lots of
17 fungible goods may be commingled.

18
19 (b) If different lots of fungible goods are
20 commingled, the goods are owned in common by the persons
21 entitled thereto and the warehouse is severally liable to
22 each owner for that owner's share. If, because of
23 overissue, a mass of fungible goods is insufficient to meet
24 all the receipts the warehouse has issued against it, the
25 persons entitled include all holders to which overissued
26 receipts have been duly negotiated.

27
28 **34.1-7-208. Altered warehouse receipts.**

29
30 If a blank in a negotiable tangible warehouse receipt has
31 been filled in without authority, a good-faith purchaser
32 for value and without notice of the lack of authority may
33 treat the insertion as authorized. Any other unauthorized
34 alteration leaves any tangible or electronic warehouse
35 receipt enforceable against the issuer according to its
36 original tenor.

37
38 **34.1-7-209. Lien of warehouse.**

39
40 (a) A warehouse has a lien against the bailor on the
41 goods covered by a warehouse receipt or storage agreement
42 or on the proceeds thereof in its possession for charges
43 for storage or transportation, including demurrage and
44 terminal charges, insurance, labor, or other charges,
45 present or future, in relation to the goods, and for

1 expenses necessary for preservation of the goods or
2 reasonably incurred in their sale pursuant to law. If the
3 person on whose account the goods are held is liable for
4 similar charges or expenses in relation to other goods
5 whenever deposited and it is stated in the warehouse
6 receipt or storage agreement that a lien is claimed for
7 charges and expenses in relation to other goods, the
8 warehouse also has a lien against the goods covered by the
9 warehouse receipt or storage agreement or on the proceeds
10 thereof in its possession for those charges and expenses,
11 whether or not the other goods have been delivered by the
12 warehouse. However, as against a person to which a
13 negotiable warehouse receipt is duly negotiated, a
14 warehouse's lien is limited to charges in an amount or at a
15 rate specified in the warehouse receipt or, if no charges
16 are so specified, to a reasonable charge for storage of the
17 specific goods covered by the receipt subsequent to the
18 date of the receipt.

19

20 (b) A warehouse may also reserve a security interest
21 against the bailor for the maximum amount specified on the
22 receipt for charges other than those specified in
23 subsection (a) of this section, such as for money advanced
24 and interest. The security interest is governed by article
25 9.

26

27 (c) A warehouse's lien for charges and expenses under
28 subsection (a) of this section or a security interest under
29 subsection (b) of this section is also effective against
30 any person that so entrusted the bailor with possession of
31 the goods that a pledge of them by the bailor to a good-
32 faith purchaser for value would have been valid. However,
33 the lien or security interest is not effective against a
34 person that before issuance of a document of title had a
35 legal interest or a perfected security interest in the
36 goods and that did not:

37

38 (i) Deliver or entrust the goods or any document
39 of title covering the goods to the bailor or the bailor's
40 nominee with:

41

42 (A) Actual or apparent authority to ship,
43 store, or sell;

44

1 (B) Power to obtain delivery under W.S.
2 34.1-7-403; or

3
4 (C) Power of disposition under W.S.
5 34.1-2-403, 34.1-2.A-304(b), 34.1-2.A-305(b), 34.1-9-320,
6 34.1-9-321(c) or other statute or rule of law; or

7
8 (ii) Acquiesce in the procurement by the bailor
9 or its nominee of any document.

10
11 (d) A warehouse's lien on household goods for charges
12 and expenses in relation to the goods under subsection (a)
13 of this section is also effective against all persons if
14 the depositor was the legal possessor of the goods at the
15 time of deposit. As used in this subsection, "household
16 goods" means furniture, furnishings, or personal effects
17 used by the depositor in a dwelling.

18
19 (e) A warehouse loses its lien on any goods that it
20 voluntarily delivers or unjustifiably refuses to deliver.

21
22 **34.1-7-210. Enforcement of warehouse's lien.**

23
24 (a) Except as otherwise provided in subsection (b) of
25 this section, a warehouse's lien may be enforced by public
26 or private sale of the goods, in bulk or in packages, at
27 any time or place and on any terms that are commercially
28 reasonable, after notifying all persons known to claim an
29 interest in the goods. The notification shall include a
30 statement of the amount due, the nature of the proposed
31 sale, and the time and place of any public sale. The fact
32 that a better price could have been obtained by a sale at a
33 different time or in a method different from that selected
34 by the warehouse is not of itself sufficient to establish
35 that the sale was not made in a commercially reasonable
36 manner. The warehouse sells in a commercially reasonable
37 manner if the warehouse sells the goods in the usual manner
38 in any recognized market therefore, sells at the price
39 current in that market at the time of the sale, or
40 otherwise sells in conformity with commercially reasonable
41 practices among dealers in the type of goods sold. A sale
42 of more goods than apparently necessary to be offered to
43 ensure satisfaction of the obligation is not commercially
44 reasonable, except in cases covered by the preceding
45 sentence.

1
2 (b) A warehouse may enforce its lien on goods, other
3 than goods stored by a merchant in the course of its
4 business, only if the following requirements are satisfied:

5
6 (i) All persons known to claim an interest in
7 the goods shall be notified;

8
9 (ii) The notification shall include an itemized
10 statement of the claim, a description of the goods subject
11 to the lien, a demand for payment within a specified time
12 not less than ten (10) days after receipt of the
13 notification, and a conspicuous statement that unless the
14 claim is paid within that time the goods will be advertised
15 for sale and sold by auction at a specified time and place;

16
17 (iii) The sale shall conform to the terms of the
18 notification;

19
20 (iv) The sale shall be held at the nearest
21 suitable place to where the goods are held or stored;

22
23 (v) After the expiration of the time given in
24 the notification, an advertisement of the sale shall be
25 published one (1) time per week for two (2) weeks
26 consecutively in a newspaper of general circulation where
27 the sale is to be held. The advertisement shall include a
28 description of the goods, the name of the person on whose
29 account the goods are being held, and the time and place of
30 the sale. The sale shall take place at least fifteen (15)
31 days after the first publication. If there is no newspaper
32 of general circulation where the sale is to be held, the
33 advertisement shall be posted at least ten (10) days before
34 the sale in not fewer than six (6) conspicuous places in
35 the neighborhood of the proposed sale.

36
37 (c) Before any sale pursuant to this section, any
38 person claiming a right in the goods may pay the amount
39 necessary to satisfy the lien and the reasonable expenses
40 incurred in complying with this section. In that event,
41 the goods may not be sold but shall be retained by the
42 warehouse subject to the terms of the receipt and this
43 article.

44

1 (d) A warehouse may buy at any public sale held
2 pursuant to this section.

3
4 (e) A purchaser in good faith of goods sold to
5 enforce a warehouse's lien takes the goods free of any
6 rights of persons against which the lien was valid, despite
7 the warehouse's noncompliance with this section.

8
9 (f) A warehouse may satisfy its lien from the
10 proceeds of any sale pursuant to this section but shall
11 hold the balance, if any, for delivery on demand to any
12 person to which the warehouse would have been bound to
13 deliver the goods.

14
15 (g) The rights provided by this section are in
16 addition to all other rights allowed by law to a creditor
17 against a debtor.

18
19 (h) If a lien is on goods stored by a merchant in the
20 course of its business, the lien may be enforced in
21 accordance with subsection (a) or (b) of this section.

22
23 (j) A warehouse is liable for damages caused by
24 failure to comply with the requirements for sale under this
25 section and, in case of willful violation, is liable for
26 conversion.

27
28 PART 3. BILLS OF LADING: SPECIAL PROVISIONS

29
30 **34.1-7-301. Liability for nonreceipt or**
31 **misdescription; "said to contain"; "shipper's weight, load,**
32 **and count"; improper handling.**

33
34 (a) A consignee of a nonnegotiable bill of lading
35 which has given value in good faith, or a holder to which a
36 negotiable bill has been duly negotiated, relying upon the
37 description of the goods in the bill or upon the date shown
38 in the bill, may recover from the issuer damages caused by
39 the misdating of the bill or the nonreceipt or
40 misdescription of the goods, except to the extent that the
41 bill indicates that the issuer does not know whether any
42 part or all of the goods in fact were received or conform
43 to the description, such as in a case in which the
44 description is in terms of marks or labels or kind,
45 quantity, or condition or the receipt or description is

1 qualified by "contents or condition of contents of packages
2 unknown," "said to contain," "shipper's weight, load, and
3 count," or words of similar import, if that indication is
4 true.

5
6 (b) If goods are loaded by the issuer of a bill of
7 lading:

8
9 (i) The issuer shall count the packages of goods
10 if shipped in packages and ascertain the kind and quantity
11 if shipped in bulk; and

12
13 (ii) Words such as "shipper's weight, load, and
14 count," or words of similar import indicating that the
15 description was made by the shipper are ineffective except
16 as to goods concealed in packages.

17
18 (c) If bulk goods are loaded by a shipper that makes
19 available to the issuer of a bill of lading adequate
20 facilities for weighing those goods, the issuer shall
21 ascertain the kind and quantity within a reasonable time
22 after receiving the shipper's request in a record to do so.
23 In that case, "shipper's weight" or words of similar import
24 are ineffective.

25
26 (d) The issuer of a bill of lading, by including in
27 the bill the words "shipper's weight, load, and count," or
28 words of similar import, may indicate that the goods were
29 loaded by the shipper, and, if that statement is true, the
30 issuer is not liable for damages caused by the improper
31 loading. However, omission of such words does not imply
32 liability for damages caused by improper loading.

33
34 (e) A shipper guarantees to an issuer the accuracy at
35 the time of shipment of the description, marks, labels,
36 number, kind, quantity, condition, and weight, as furnished
37 by the shipper, and the shipper shall indemnify the issuer
38 against damage caused by inaccuracies in those particulars.
39 This right of indemnity does not limit the issuer's
40 responsibility or liability under the contract of carriage
41 to any person other than the shipper.

42
43 **34.1-7-302. Through bills of lading and similar**
44 **documents of title.**

45

1 (a) The issuer of a through bill of lading, or other
2 document of title embodying an undertaking to be performed
3 in part by a person acting as its agent or by a performing
4 carrier, is liable to any person entitled to recover on the
5 bill or other document for any breach by the other person
6 or the performing carrier of its obligation under the bill
7 or other document. However, to the extent that the bill or
8 other document covers an undertaking to be performed
9 overseas or in territory not contiguous to the continental
10 United States or an undertaking including matters other
11 than transportation, this liability for breach by the other
12 person or the performing carrier may be varied by agreement
13 of the parties.

14
15 (b) If goods covered by a through bill of lading or
16 other document of title embodying an undertaking to be
17 performed in part by a person other than the issuer are
18 received by that person, the person is subject, with
19 respect to its own performance while the goods are in its
20 possession, to the obligation of the issuer. The person's
21 obligation is discharged by delivery of the goods to
22 another person pursuant to the bill or other document and
23 does not include liability for breach by any other person
24 or by the issuer.

25
26 (c) The issuer of a through bill of lading or other
27 document of title described in subsection (a) of this
28 section is entitled to recover from the performing carrier,
29 or other person in possession of the goods when the breach
30 of the obligation under the bill or other document
31 occurred:

32
33 (i) The amount it may be required to pay to any
34 person entitled to recover on the bill or other document
35 for the breach, as may be evidenced by any receipt,
36 judgment, or transcript of judgment; and

37
38 (ii) The amount of any expense reasonably
39 incurred by the issuer in defending any action commenced by
40 any person entitled to recover on the bill or other
41 document for the breach.

42
43 **34.1-7-303. Diversion; reconsignment; change of**
44 **instructions.**

45

1 (a) Unless the bill of lading otherwise provides, a
2 carrier may deliver the goods to a person or destination
3 other than that stated in the bill or may otherwise dispose
4 of the goods, without liability for misdelivery, on
5 instructions from:

6
7 (i) The holder of a negotiable bill;

8
9 (ii) The consignor on a nonnegotiable bill, even
10 if the consignee has given contrary instructions;

11
12 (iii) The consignee on a nonnegotiable bill in
13 the absence of contrary instructions from the consignor, if
14 the goods have arrived at the billed destination or if the
15 consignee is in possession of the tangible bill or in
16 control of the electronic bill; or

17
18 (iv) The consignee on a nonnegotiable bill, if
19 the consignee is entitled as against the consignor to
20 dispose of the goods.

21
22 (b) Unless instructions described in subsection (a)
23 of this section are included in a negotiable bill of
24 lading, a person to which the bill is duly negotiated may
25 hold the bailee according to the original terms.

26
27 **34.1-7-304. Tangible bills of lading in a set.**

28
29 (a) Except as customary in international
30 transportation, a tangible bill of lading may not be issued
31 in a set of parts. The issuer is liable for damages caused
32 by violation of this subsection.

33
34 (b) If a tangible bill of lading is lawfully issued
35 in a set of parts, each of which contains an identification
36 code and is expressed to be valid only if the goods have
37 not been delivered against any other part, the whole of the
38 parts constitutes one (1) bill.

39
40 (c) If a tangible negotiable bill of lading is
41 lawfully issued in a set of parts and different parts are
42 negotiated to different persons, the title of the holder to
43 which the first due negotiation is made prevails as to both
44 the document of title and the goods even if any later
45 holder may have received the goods from the carrier in good

1 faith and discharged the carrier's obligation by
2 surrendering its part.

3
4 (d) A person that negotiates or transfers a single
5 part of a tangible bill of lading issued in a set is liable
6 to holders of that part as if it were the whole set.

7
8 (e) The bailee shall deliver in accordance with part
9 4 of this title against the first presented part of a
10 tangible bill of lading lawfully issued in a set. Delivery
11 in this manner discharges the bailee's obligation on the
12 whole bill.

13
14 **34.1-7-305. Destination bills.**

15
16 (a) Instead of issuing a bill of lading to the
17 consignor at the place of shipment, a carrier, at the
18 request of the consignor, may procure the bill to be issued
19 at destination or at any other place designated in the
20 request.

21
22 (b) Upon request of any person entitled as against a
23 carrier to control the goods while in transit and on
24 surrender of possession or control of any outstanding bill
25 of lading or other receipt covering the goods, the issuer,
26 subject to W.S. 34.1-7-105, may procure a substitute bill
27 to be issued at any place designated in the request.

28
29 **34.1-7-306. Altered bills of lading.**

30
31 An unauthorized alteration or filling in of a blank in a
32 bill of lading leaves the bill enforceable according to its
33 original tenor.

34
35 **34.1-7-307. Lien of carrier.**

36
37 (a) A carrier has a lien on the goods covered by a
38 bill of lading or on the proceeds thereof in its possession
39 for charges after the date of the carrier's receipt of the
40 goods for storage or transportation, including demurrage
41 and terminal charges, and for expenses necessary for
42 preservation of the goods incident to their transportation
43 or reasonably incurred in their sale pursuant to law.
44 However, against a purchaser for value of a negotiable bill
45 of lading, a carrier's lien is limited to charges stated in

1 the bill or the applicable tariffs or, if no charges are
2 stated, a reasonable charge.

3
4 (b) A lien for charges and expenses under subsection
5 (a) of this section on goods that the carrier was required
6 by law to receive for transportation is effective against
7 the consignor or any person entitled to the goods unless
8 the carrier had notice that the consignor lacked authority
9 to subject the goods to those charges and expenses. Any
10 other lien under subsection (a) of this section is
11 effective against the consignor and any person that
12 permitted the bailor to have control or possession of the
13 goods unless the carrier had notice that the bailor lacked
14 authority.

15
16 (c) A carrier loses its lien on any goods that it
17 voluntarily delivers or unjustifiably refuses to deliver.

18
19 **34.1-7-308. Enforcement of carrier's lien.**

20
21 (a) A carrier's lien on goods may be enforced by
22 public or private sale of the goods, in bulk or in
23 packages, at any time or place and on any terms that are
24 commercially reasonable, after notifying all persons known
25 to claim an interest in the goods. The notification shall
26 include a statement of the amount due, the nature of the
27 proposed sale, and the time and place of any public sale.
28 The fact that a better price could have been obtained by a
29 sale at a different time or in a method different from that
30 selected by the carrier is not of itself sufficient to
31 establish that the sale was not made in a commercially
32 reasonable manner. The carrier sells goods in a
33 commercially reasonable manner if the carrier sells the
34 goods in the usual manner in any recognized market
35 therefor, sells at the price current in that market at the
36 time of the sale, or otherwise sells in conformity with
37 commercially reasonable practices among dealers in the type
38 of goods sold. A sale of more goods than apparently
39 necessary to be offered to ensure satisfaction of the
40 obligation is not commercially reasonable, except in cases
41 covered by the preceding sentence.

42
43 (b) Before any sale pursuant to this section, any
44 person claiming a right in the goods may pay the amount
45 necessary to satisfy the lien and the reasonable expenses

1 incurred in complying with this section. In that event,
2 the goods may not be sold but shall be retained by the
3 carrier, subject to the terms of the bill of lading and
4 this article.

5
6 (c) A carrier may buy at any public sale pursuant to
7 this section.

8
9 (d) A purchaser in good faith of goods sold to
10 enforce a carrier's lien takes the goods free of any rights
11 of persons against which the lien was valid, despite the
12 carrier's noncompliance with this section.

13
14 (e) A carrier may satisfy its lien from the proceeds
15 of any sale pursuant to this section but shall hold the
16 balance, if any, for delivery on demand to any person to
17 which the carrier would have been bound to deliver the
18 goods.

19
20 (f) The rights provided by this section are in
21 addition to all other rights allowed by law to a creditor
22 against a debtor.

23
24 (g) A carrier's lien may be enforced pursuant to
25 either subsection (a) of this section or the procedure set
26 forth in W.S. 34.1-7-210(b).

27
28 (h) A carrier is liable for damages caused by failure
29 to comply with the requirements for sale under this section
30 and, in case of willful violation, is liable for
31 conversion.

32
33 **34.1-7-309. Duty of care; contractual limitation of**
34 **carrier's liability.**

35
36 (a) A carrier that issues a bill of lading, whether
37 negotiable or nonnegotiable, shall exercise the degree of
38 care in relation to the goods which a reasonably careful
39 person would exercise under similar circumstances. This
40 subsection does not affect any statute, regulation, or rule
41 of law that imposes liability upon a common carrier for
42 damages not caused by its negligence.

43
44 (b) Damages may be limited by a term in the bill of
45 lading or in a transportation agreement that the carrier's

1 liability may not exceed a value stated in the bill or
2 transportation agreement if the carrier's rates are
3 dependent upon value and the consignor is afforded an
4 opportunity to declare a higher value and the consignor is
5 advised of the opportunity. However, such a limitation is
6 not effective with respect to the carrier's liability for
7 conversion to its own use.

8
9 (c) Reasonable provisions as to the time and manner
10 of presenting claims and commencing actions based on the
11 shipment may be included in a bill of lading or a
12 transportation agreement.

13
14 PART 4. WAREHOUSE RECEIPTS AND BILLS OF LADING:
15 GENERAL OBLIGATIONS
16

17 **34.1-7-401. Irregularities in issue of receipt or**
18 **bill or conduct of issuer.**

19
20 (a) The obligations imposed by this article on an
21 issuer apply to a document of title even if:

22
23 (i) The document does not comply with the
24 requirements of this article or of any other statute, rule,
25 or regulation regarding its issuance, form, or content;

26
27 (ii) The issuer violated laws regulating the
28 conduct of its business;

29
30 (iii) The goods covered by the document were
31 owned by the bailee when the document was issued; or

32
33 (iv) The person issuing the document is not a
34 warehouse but the document purports to be a warehouse
35 receipt.

36
37 **34.1-7-402. Duplicate document of title; overissue.**

38
39 A duplicate or any other document of title purporting to
40 cover goods already represented by an outstanding document
41 of the same issuer does not confer any right in the goods,
42 except as provided in the case of tangible bills of lading
43 in a set of parts, overissue of documents for fungible
44 goods, substitutes for lost, stolen, or destroyed
45 documents, or substitute documents issued pursuant to W.S.

1 34.1-7-105. The issuer is liable for damages caused by its
2 overissue or failure to identify a duplicate document by a
3 conspicuous notation.
4

5 **34.1-7-403. Obligation of bailee to deliver; excuse.**
6

7 (a) A bailee shall deliver the goods to a person
8 entitled under a document of title if the person complies
9 with subsections (b) and (c) of this section, unless and to
10 the extent that the bailee establishes any of the
11 following:
12

13 (i) Delivery of the goods to a person whose
14 receipt was rightful as against the claimant;
15

16 (ii) Damage to or delay, loss, or destruction of
17 the goods for which the bailee is not liable;
18

19 (iii) Previous sale or other disposition of the
20 goods in lawful enforcement of a lien or on a warehouse's
21 lawful termination of storage;
22

23 (iv) The exercise by a seller of its right to
24 stop delivery pursuant to W.S. 34.1-2-705 or by a lessor of
25 its right to stop delivery pursuant to W.S. 34.1-2.A-526;
26

27 (v) A diversion, reconsignment, or other
28 disposition pursuant to W.S. 34.1-7-303;
29

30 (vi) Release, satisfaction, or any other
31 personal defense against the claimant; or
32

33 (vii) Any other lawful excuse.
34

35 (b) A person claiming goods covered by a document of
36 title shall satisfy the bailee's lien if the bailee so
37 requests or if the bailee is prohibited by law from
38 delivering the goods until the charges are paid.
39

40 (c) Unless a person claiming the goods is a person
41 against which the document of title does not confer a right
42 under W.S. 34.1-7-503(a):
43

44 (i) The person claiming under a document shall
45 surrender possession or control of any outstanding

1 negotiable document covering the goods for cancellation or
2 indication of partial deliveries; and
3

4 (ii) The bailee shall cancel the document or
5 conspicuously indicate in the document the partial delivery
6 or the bailee is liable to any person to which the document
7 is duly negotiated.
8

9 **34.1-7-404. No liability for good faith delivery**
10 **pursuant to document of title.**
11

12 (a) A bailee that in good faith has received goods
13 and delivered or otherwise disposed of the goods according
14 to the terms of a document of title or pursuant to this
15 article is not liable for the goods even if:
16

17 (i) The person from which the bailee received
18 the goods did not have authority to procure the document or
19 to dispose of the goods; or
20

21 (ii) The person to which the bailee delivered
22 the goods did not have authority to receive the goods.
23

24 **PART 5. WAREHOUSE RECEIPTS AND BILLS OF LADING:**
25 **NEGOTIATION AND TRANSFER**
26

27 **34.1-7-501. Form of negotiation and requirements of**
28 **due negotiation.**
29

30 (a) The following rules apply to a negotiable
31 tangible document of title:
32

33 (i) If the document's original terms run to the
34 order of a named person, the document is negotiated by the
35 named person's endorsement and delivery. After the named
36 person's endorsement in blank or to bearer, any person may
37 negotiate the document by delivery alone;
38

39 (ii) If the document's original terms run to
40 bearer, it is negotiated by delivery alone;
41

42 (iii) If the document's original terms run to
43 the order of a named person and it is delivered to the
44 named person, the effect is the same as if the document had
45 been negotiated;

1
2 (iv) Negotiation of the document after it has
3 been endorsed to a named person requires endorsement by the
4 named person and delivery;

5
6 (v) A document is duly negotiated if it is
7 negotiated in the manner stated in this subsection to a
8 holder that purchases it in good faith, without notice of
9 any defense against or claim to it on the part of any
10 person, and for value, unless it is established that the
11 negotiation is not in the regular course of business or
12 financing or involves receiving the document in settlement
13 or payment of a monetary obligation.

14
15 (b) The following rules apply to a negotiable
16 electronic document of title:

17
18 (i) If the document's original terms run to the
19 order of a named person or to bearer, the document is
20 negotiated by delivery of the document to another person.
21 Endorsement by the named person is not required to
22 negotiate the document;

23
24 (ii) If the document's original terms run to the
25 order of a named person and the named person has control of
26 the document, the effect is the same as if the document had
27 been negotiated;

28
29 (iii) A document is duly negotiated if it is
30 negotiated in the manner stated in this subsection to a
31 holder that purchases it in good faith, without notice of
32 any defense against or claim to it on the part of any
33 person, and for value, unless it is established that the
34 negotiation is not in the regular course of business or
35 financing or involves taking delivery of the document in
36 settlement or payment of a monetary obligation.

37
38 (c) Endorsement of a nonnegotiable document of title
39 neither makes it negotiable nor adds to the transferee's
40 rights.

41
42 (d) The naming in a negotiable bill of lading of a
43 person to be notified of the arrival of the goods does not
44 limit the negotiability of the bill or constitute notice to

1 a purchaser of the bill of any interest of that person in
2 the goods.

3
4 **34.1-7-502. Rights acquired by due negotiation.**

5
6 (a) Subject to W.S. 34.1-7-205 and 34.1-7-503, a
7 holder to which a negotiable document of title has been
8 duly negotiated acquires thereby:

9
10 (i) Title to the document;

11
12 (ii) Title to the goods;

13
14 (iii) All rights accruing under the law of
15 agency or estoppel, including rights to goods delivered to
16 the bailee after the document was issued; and

17
18 (iv) The direct obligation of the issuer to hold
19 or deliver the goods according to the terms of the document
20 free of any defense or claim by the issuer except those
21 arising under the terms of the document or under this
22 article, but in the case of a delivery order, the bailee's
23 obligation accrues only upon the bailee's acceptance of the
24 delivery order and the obligation acquired by the holder is
25 that the issuer and any endorser will procure the
26 acceptance of the bailee.

27
28 (b) Subject to W.S. 34.1-7-503, title and rights
29 acquired by due negotiation are not defeated by any
30 stoppage of the goods represented by the document of title
31 or by surrender of the goods by the bailee and are not
32 impaired even if:

33
34 (i) The due negotiation or any prior due
35 negotiation constituted a breach of duty;

36
37 (ii) Any person has been deprived of possession
38 of a negotiable tangible document or control of a
39 negotiable electronic document by misrepresentation, fraud,
40 accident, mistake, duress, loss, theft, or conversion; or

41
42 (iii) A previous sale or other transfer of the
43 goods or document has been made to a third person.
44

1 **34.1-7-503. Document of title to goods defeated in**
2 **certain cases.**

3
4 (a) A document of title confers no right in goods
5 against a person that before issuance of the document had a
6 legal interest or a perfected security interest in the
7 goods and that did not:

8
9 (i) Deliver or entrust the goods or any document
10 of title covering the goods to the bailor or the bailor's
11 nominee with:

12
13 (A) Actual or apparent authority to ship,
14 store, or sell;

15
16 (B) Power to obtain delivery under W.S.
17 34.1-7-403; or

18
19 (C) Power of disposition under W.S.
20 34.1-2-403, 34.1-2.A-304(b), 34.1-2.A-305(b), 34.1-9-320,
21 34.1-9-321(c) or other statute or rule of law; or

22
23 (ii) Acquiesce in the procurement by the bailor
24 or its nominee of any document.

25
26 (b) Title to goods based upon an unaccepted delivery
27 order is subject to the rights of any person to which a
28 negotiable warehouse receipt or bill of lading covering the
29 goods has been duly negotiated. That title may be defeated
30 under W.S. 34.1-7-504 to the same extent as the rights of
31 the issuer or a transferee from the issuer.

32
33 (c) Title to goods based upon a bill of lading issued
34 to a freight forwarder is subject to the rights of any
35 person to which a bill issued by the freight forwarder is
36 duly negotiated. However, delivery by the carrier in
37 accordance with part 4 of this title pursuant to its own
38 bill of lading discharges the carrier's obligation to
39 deliver.

40
41 **34.1-7-504. Rights acquired in absence of due**
42 **negotiation; effect of diversion; stoppage of delivery.**

43
44 (a) A transferee of a document of title, whether
45 negotiable or nonnegotiable, to which the document has been

1 delivered but not duly negotiated, acquires the title and
2 rights that its transferor had or had actual authority to
3 convey.
4

5 (b) In the case of a transfer of a nonnegotiable
6 document of title, until but not after the bailee receives
7 notice of the transfer, the rights of the transferee may be
8 defeated:
9

10 (i) By those creditors of the transferor which
11 could treat the transfer as void under W.S. 34.1-2-402 or
12 34.1-2.A-308;
13

14 (ii) By a buyer from the transferor in ordinary
15 course of business if the bailee has delivered the goods to
16 the buyer or received notification of the buyer's rights;
17

18 (iii) By a lessee from the transferor in
19 ordinary course of business if the bailee has delivered the
20 goods to the lessee or received notification of the
21 lessee's rights; or
22

23 (iv) As against the bailee, by good-faith
24 dealings of the bailee with the transferor.
25

26 (c) A diversion or other change of shipping
27 instructions by the consignor in a nonnegotiable bill of
28 lading which causes the bailee not to deliver the goods to
29 the consignee defeats the consignee's title to the goods if
30 the goods have been delivered to a buyer in ordinary course
31 of business or a lessee in ordinary course of business and,
32 in any event, defeats the consignee's rights against the
33 bailee.
34

35 (d) Delivery of the goods pursuant to a nonnegotiable
36 document of title may be stopped by a seller under W.S.
37 34.1-2-705 or a lessor under W.S. 34.1-2.A-526, subject to
38 the requirements of due notification in those sections. A
39 bailee that honors the seller's or lessor's instructions is
40 entitled to be indemnified by the seller or lessor against
41 any resulting loss or expense.
42

43 **34.1-7-505. Endorser not guarantor for other parties.**
44

1 The endorsement of a tangible document of title issued by a
2 bailee does not make the endorser liable for any default by
3 the bailee or previous endorsers.

4
5 **34.1-7-506. Delivery without endorsement: right to**
6 **compel endorsement.**

7
8 The transferee of a negotiable tangible document of title
9 has a specifically enforceable right to have its transferor
10 supply any necessary endorsement, but the transfer becomes
11 a negotiation only as of the time the endorsement is
12 supplied.

13
14 **34.1-7-507. Warranties on negotiation or delivery of**
15 **document of title.**

16
17 (a) If a person negotiates or delivers a document of
18 title for value, otherwise than as a mere intermediary
19 under W.S. 34.1-7-508, unless otherwise agreed, the
20 transferor, in addition to any warranty made in selling or
21 leasing the goods, warrants to its immediate purchaser only
22 that:

23
24 (i) The document is genuine;

25
26 (ii) The transferor does not have knowledge of
27 any fact that would impair the document's validity or
28 worth; and

29
30 (iii) The negotiation or delivery is rightful
31 and fully effective with respect to the title to the
32 document and the goods it represents.

33
34 **34.1-7-508. Warranties of collecting bank as to**
35 **documents of title.**

36
37 A collecting bank or other intermediary known to be
38 entrusted with documents of title on behalf of another or
39 with collection of a draft or other claim against delivery
40 of documents warrants by the delivery of the documents only
41 its own good faith and authority even if the collecting
42 bank or other intermediary has purchased or made advances
43 against the claim or draft to be collected.

44

1 **34.1-7-509. Adequate compliance with commercial**
2 **contract.**

3
4 Whether a document of title is adequate to fulfill the
5 obligations of a contract for sale, a contract for lease,
6 or the conditions of a letter of credit is determined by
7 article 2, 2.A or 5.

8
9 PART 6. WAREHOUSE RECEIPTS AND BILLS OF LADING:
10 MISCELLANEOUS PROVISIONS

11
12 **34.1-7-601. Lost, stolen, or destroyed documents of**
13 **title.**

14
15 (a) If a document of title is lost, stolen, or
16 destroyed, a court may order delivery of the goods or
17 issuance of a substitute document and the bailee may
18 without liability to any person comply with the order. If
19 the document was negotiable, a court may not order delivery
20 of the goods or issuance of a substitute document without
21 the claimant's posting security unless it finds that any
22 person that may suffer loss as a result of nonsurrender of
23 possession or control of the document is adequately
24 protected against the loss. If the document was
25 nonnegotiable, the court may require security. The court
26 may also order payment of the bailee's reasonable costs and
27 attorney's fees in any action under this subsection.

28
29 (b) A bailee that, without a court order, delivers
30 goods to a person claiming under a missing negotiable
31 document of title is liable to any person injured thereby.
32 If the delivery is not in good faith, the bailee is liable
33 for conversion. Delivery in good faith is not conversion
34 if the claimant posts security with the bailee in an amount
35 at least double the value of the goods at the time of
36 posting to indemnify any person injured by the delivery
37 which files a notice of claim within one (1) year after the
38 delivery.

39
40 **34.1-7-602. Judicial process against goods covered by**
41 **negotiable document of title.**

42
43 Unless a document of title was originally issued upon
44 delivery of the goods by a person that did not have power
45 to dispose of them, a lien does not attach by virtue of any

1 judicial process to goods in the possession of a bailee for
2 which a negotiable document of title is outstanding unless
3 possession or control of the document is first surrendered
4 to the bailee or the document's negotiation is enjoined.
5 The bailee may not be compelled to deliver the goods
6 pursuant to process until possession or control of the
7 document is surrendered to the bailee or to the court. A
8 purchaser of the document for value without notice of the
9 process or injunction takes free of the lien imposed by
10 judicial process.

11
12 **34.1-7-603. Conflicting claims; interpleader.**

13
14 If more than one (1) person claims title to or possession
15 of the goods, the bailee is excused from delivery until the
16 bailee has a reasonable time to ascertain the validity of
17 the adverse claims or to commence an action for
18 interpleader. The bailee may assert an interpleader either
19 in defending an action for nondelivery of the goods or by
20 original action.

21
22 **PART 7. MISCELLANEOUS PROVISIONS**

23
24 **34.1-7-701. Effective date.**

25
26 This revised article takes effect on July 1, 2015.

27
28 **34.1-7-702. Repeals.**

29
30 Former article 7, W.S. 34.1-7-101 through 34.1-7-603, and
31 W.S. 34.1-10-104 are repealed.

32
33 **34.1-7-703. Applicability.**

34
35 This act applies to a document of title that is issued or a
36 bailment that arises on or after the effective date of this
37 act. This act does not apply to a document of title that
38 is issued or a bailment that arises before the effective
39 date of this act even if the document of title or bailment
40 would be subject to this act if the document of title had
41 been issued or bailment had arisen on or after the
42 effective date of this act. This act does not apply to a
43 right of action that has accrued before the effective date
44 of this act.

45

1 **34.1-7-704. Savings clause.**
2

3 A document of title issued or a bailment that arises before
4 the effective date of this act and the rights, obligations,
5 and interests flowing from that document or bailment are
6 governed by any statute or other rule amended or repealed
7 by this act as if amendment or repeal had not occurred and
8 may be terminated, completed, consummated, or enforced
9 under that statute or other rule.

10
11 **Section 5.** W.S. 34.1-2-103(c), 34.1-2-104(b),
12 34.1-2-310(a) (iii), 34.1-2-323(b) (intro),
13 34.1-2-401(a) (iii) (A) and (B), 34.1-2-503(d) (ii) and
14 (e) (ii), 34.1-2-505(a) (ii) and (b), 34.1-2-506(b),
15 34.1-2-509(b) (i) and (iii), 34.1-2-605(b),
16 34.1-2-705(b) (iii) and (c) (iii), 34.1-2.A-103(a) (i) and
17 (xv), 34.1-2.A-514(b), 34.1-2.A-526(b) (iii), 34.1-4-104(c),
18 34.1-4-210(c) (intro) and (i), 34.1-8-103 by creating a new
19 subsection (g), 34.1-9-102(b), 34.1-9-203(b) (iii) (D),
20 34.1-9-207(c) (intro), 34.1-9-208(b) (iv), (v) and by
21 creating new paragraph (vi), 34.1-9-301(a) (iii) (intro),
22 34.1-9-310(b) (v) and (viii), 34.1-9-312(e), 34.1-9-313(a),
23 34.1-9-314(a) and (b), 34.1-9-317(b), 34.1-9-338(a) (ii) and
24 34.1-9-601(b) are amended to read:

25
26 **34.1-2-103. Definitions and index of definitions.**
27

28 (c) "Control" as provided in W.S. 34.1-7-106 and the
29 following definitions in other articles apply to this
30 article:
31

- | | | |
|----|-------------------|------------------|
| 32 | "Check". | W.S. 34.1-3-104. |
| 33 | "Consignee". | W.S. 34.1-7-102. |
| 34 | "Consignor". | W.S. 34.1-7-102. |
| 35 | "Consumer goods". | W.S. 34.1-9-102. |
| 36 | "Dishonor". | W.S. 34.1-3-502. |
| 37 | "Draft". | W.S. 34.1-3-104. |
- 38

39 **34.1-2-104. Definitions: "Merchant"; "between**
40 **merchants"; "financing agency".**
41

42 (b) "Financing agency" means a bank, finance company
43 or other person who in the ordinary course of business
44 makes advances against goods or documents of title or who
45 by arrangement with either the seller or the buyer

1 intervenes in ordinary course to make or collect payment
 2 due or claimed under the contract for sale, as by
 3 purchasing or paying the seller's draft or making advances
 4 against it or by merely taking it for collection whether or
 5 not documents of title accompany or are associated with the
 6 draft. "Financing agency" includes also a bank or other
 7 person who similarly intervenes between persons who are in
 8 the position of seller and buyer in respect to the goods
 9 (section 34.1-2-707).

10
 11 **34.1-2-310. Open time for payment or running of**
 12 **credit; authority to ship under reservation.**

13
 14 (a) Unless otherwise agreed:

15
 16 (iii) If delivery is authorized and made by way
 17 of documents of title otherwise than by subdivision (ii)
 18 then payment is due regardless of where the goods are to be
 19 received:

20
 21 (A) At the time and place at which the
 22 buyer is to receive delivery of the tangible documents; or

23
 24 (B) ~~regardless of where the goods are to be~~
 25 received-At the time the buyer is to receive delivery of
 26 the electronic documents and at the seller's place of
 27 business or if none, the seller's residence; and

28
 29 **34.1-2-323. Form of bill of lading required in**
 30 **overseas shipment; "overseas".**

31
 32 (b) Where in a case within subsection (a) a tangible
 33 bill of lading has been issued in a set of parts, unless
 34 otherwise agreed if the documents are not to be sent from
 35 abroad the buyer may demand tender of the full set,
 36 otherwise only one (1) part of the bill of lading need be
 37 tendered. Even if the agreement expressly requires a full
 38 set:

39
 40 **34.1-2-401. Passing of title; reservation for**
 41 **security; limited application of this section.**

42
 43 (a) Each provision of this article with regard to the
 44 rights, obligations and remedies of the seller, the buyer,
 45 purchasers or other third parties applies irrespective of

1 title to the goods except where the provision refers to
2 such title. Insofar as situations are not covered by the
3 other provisions of this article and matters concerning
4 title become material the following rules apply:

5
6 (iii) Unless otherwise explicitly agreed where
7 delivery is to be made without moving the goods:

8
9 (A) If the seller is to deliver a tangible
10 document of title, title passes at the time when and the
11 place where he delivers such documents and if the seller is
12 to deliver an electronic document of title, title passes
13 when the seller delivers the document; or

14
15 (B) If the goods are at the time of
16 contracting already identified and no documents of title
17 are to be delivered, title passes at the time and place of
18 contracting.

19
20 **34.1-2-503. Manner of seller's tender of delivery.**

21
22 (d) Where goods are in the possession of a bailee and
23 are to be delivered without being moved:

24
25 (ii) Tender to the buyer of a nonnegotiable
26 document of title or of a ~~written direction to record~~
27 directing the bailee to deliver is sufficient tender unless
28 the buyer seasonably objects, and except as otherwise
29 provided in article 9 of this title receipt by the bailee
30 of notification of the buyer's rights fixes those rights as
31 against the bailee and all third persons; but risk of loss
32 of the goods and of any failure by the bailee to honor the
33 nonnegotiable document of title or to obey the direction
34 remains on the seller until the buyer has had a reasonable
35 time to present the document or direction, and a refusal by
36 the bailee to honor the document or to obey the direction
37 defeats the tender.

38
39 (e) Where the contract requires the seller to deliver
40 documents:

41
42 (ii) Tender through customary banking channels
43 is sufficient and dishonor of a draft accompanying or
44 associated with the documents constitutes nonacceptance or
45 rejection.

1

2

34.1-2-505. Seller's shipment under reservation.

3

4

(a) Where the seller has identified goods to the contract by or before shipment:

5

6

(ii) A nonnegotiable bill of lading to himself or his nominee reserves possession of the goods as security but except in a case of conditional delivery (section 34.1-2-507(b)) a nonnegotiable bill of lading naming the buyer as consignee reserves no security interest even though the seller retains possession or control of the bill of lading.

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(b) When shipment by the seller with reservation of a security interest is in violation of the contract for sale it constitutes an improper contract for transportation within the preceding section but impairs neither the rights given to the buyer by shipment and identification of the goods to the contract nor the seller's powers as a holder of a negotiable document of title.

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34.1-2-506. Rights of financing agency.

(b) The right to reimbursement of a financing agency which has in good faith honored or purchased the draft under commitment to or authority from the buyer is not impaired by subsequent discovery of defects with reference to any relevant document which was apparently regular. ~~on its face.~~

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34.1-2-509. Risk of loss in the absence of breach.

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(b) Where the goods are held by a bailee to be delivered without being moved, the risk of loss passes to the buyer:

(i) On his receipt of possession or control of a negotiable document of title covering the goods; or

(iii) After his receipt of possession or control of a nonnegotiable document of title or other written direction to deliver in a record, as provided in section 34.1-2-503(d) (ii).

1 **34.1-2-605. Waiver of buyer's objections by failure**
 2 **to particularize.**

3
 4 (b) Payment against documents made without
 5 reservation of rights precludes recovery of the payment for
 6 defects apparent ~~on the face of~~ in the documents.

7
 8 **34.1-2-705. Seller's stoppage of delivery in transit**
 9 **or otherwise.**

10
 11 (b) As against such buyer the seller may stop
 12 delivery until:

13
 14 (iii) Such acknowledgment to the buyer by a
 15 carrier by reshipment or as ~~warehouseman~~ a warehouse; or

16
 17 (c)(i) To stop delivery the seller must so notify as
 18 to enable the bailee by reasonable diligence to prevent
 19 delivery of the goods;

20
 21 (iii) If a negotiable document of title has been
 22 issued for goods the bailee is not obliged to obey a
 23 notification to stop until surrender of possession or
 24 control of the document;

25
 26 **34.1-2.A-103. Definitions and index of definitions.**

27
 28 (a) In this article unless the context otherwise
 29 requires:

30
 31 (i) "Buyer in ordinary course of business" means
 32 a person who in good faith and without knowledge that the
 33 sale to him is in violation of the ownership rights or
 34 security interest or leasehold interest of a third party in
 35 the goods, buys in ordinary course from a person in the
 36 business of selling goods of that kind but does not include
 37 a pawnbroker. "Buying" may be for cash or by exchange of
 38 other property or on secured or unsecured credit and
 39 includes ~~receiving~~ acquiring goods or documents of title
 40 under a pre-existing contract for sale but does not include
 41 a transfer in bulk or as security for or in total or
 42 partial satisfaction of a money debt;

43
 44 (xv) "Lessee in ordinary course of business"
 45 means a person who in good faith and without knowledge that

1 the lease to him is in violation of the ownership rights or
 2 security interest or leasehold interest of a third party in
 3 the goods leases in ordinary course from a person in the
 4 business of selling or leasing goods of that kind but does
 5 not include a pawnbroker. "Leasing" may be for cash or by
 6 exchange of other property or on secured or unsecured
 7 credit and includes ~~receiving~~acquiring goods or documents
 8 of title under a pre-existing lease contract but does not
 9 include a transfer in bulk or as security for or in total
 10 or partial satisfaction of a money debt;

11
 12 **34.1-2.A-514. Waiver of lessee's objections.**

13
 14 (b) A lessee's failure to reserve rights when paying
 15 rent or other consideration against documents precludes
 16 recovery of the payment for defects apparent ~~on the face of~~
 17 in the documents.

18
 19 **34.1-2.A-526. Lessor's stoppage of delivery in**
 20 **transit or otherwise.**

21
 22 (b) In pursuing its remedies under subsection (a),
 23 the lessor may stop delivery until:

24
 25 (iii) Such an acknowledgment to the lessee by a
 26 carrier via reshipment or as ~~warehouseman~~a warehouse.

27
 28 **34.1-4-104. Definitions and index of definitions.**

29
 30 (c) "Control" as provided in W.S. 34.1-7-106 and the
 31 following definitions in other articles apply to this
 32 article:

33 "Acceptance".	W.S. 34.1-3-409.
34 "Alteration".	W.S. 34.1-3-407.
35 "Cashier's check".	W.S. 34.1-3-104.
36 "Certificate of deposit".	W.S. 34.1-3-104.
37 "Certified check".	W.S. 34.1-3-409.
38 "Check".	W.S. 34.1-3-104.
39 "Good faith".	W.S. 34.1-3-103.
40 "Holder in due course".	W.S. 34.1-3-302.
41 "Instrument".	W.S. 34.1-3-104.
42 "Notice of dishonor".	W.S. 34.1-3-503.
43 "Order".	W.S. 34.1-3-103.
44 "Ordinary care".	W.S. 34.1-3-103.
45 "Person entitled to enforce".	W.S. 34.1-3-301.

1	"Presentment".	W.S. 34.1-3-501.
2	"Promise".	W.S. 34.1-3-103.
3	"Registered clearing corporation".	W.S. 34.1-8-102.
4	"Prove".	W.S. 34.1-3-103.
5	"Teller's check".	W.S. 34.1-3-104.
6	"Unauthorized signature".	W.S. 34.1-3-403.

7
8 **34.1-4-210. Security interest of collecting bank in**
9 **items accompanying documents and proceeds.**

10
11 (c) Receipt by a collecting bank of a final
12 settlement for an item is a realization on its security
13 interest in the item, accompanying documents, and proceeds.
14 So long as the bank does not receive final settlement for
15 the item or give up possession of the item or possession or
16 control of the accompanying documents for purposes other
17 than collection, the security interest continues to that
18 extent and is subject to article 9, but:

19
20 (i) No security agreement is necessary to make
21 the security interest enforceable (section
22 ~~34.1-9-203(b)(iii)(A)~~ 34.1-9-203);

23
24 **34.1-8-103. Rules for determining whether certain**
25 **obligations and interests are securities or financial**
26 **assets.**

27
28 (g) A document of title is not a financial asset
29 unless section 34.1-8-102(a)(ix)(C) applies.

30
31 **34.1-9-102. Definitions and index of definitions.**

32
33 (b) "Control" as provided in section 34.1-7-106 and
34 the following definitions in other articles apply to this
35 article:

36	"Applicant".	Section 34.1-5-102.
37	"Beneficiary".	Section 34.1-5-102.
38	"Broker".	Section 34.1-8-102.
39	"Certificated security".	Section 34.1-8-102.
40	"Check".	Section 34.1-3-104.
41	"Clearing corporation".	Section 34.1-8-102.
42	"Contract for sale".	Section 34.1-2-106.
43	"Customer".	Section 34.1-4-104.
44	"Entitlement holder".	Section 34.1-8-102.
45	"Financial asset".	Section 34.1-8-102.

1	"Holder in due course".	Section 34.1-3-302.
2	"Issuer" (with respect to a letter of credit or	
3	letter-of-credit right).	Section 34.1-5-102.
4	"Issuer" (with respect to a security).	Section
5	34.1-8-201.	
6	<u>"Issuer" (with respect to documents of title). Section</u>	
7	<u>34.1-7-102.</u>	
8	"Lease".	Section 34.1-2.A-103.
9	"Lease agreement".	Section 34.1-2.A-103.
10	"Lease contract".	Section 34.1-2.A-103.
11	"Leasehold interest".	Section 34.1-2.A-103.
12	"Lessee".	Section 34.1-2.A-103.
13	"Lessee in ordinary course of business".	Section
14	34.1-2.A-103.	
15	"Lessor".	Section 34.1-2.A-103.
16	"Lessor's residual interest".	Section 34.1-2.A-103.
17	"Letter of credit".	Section 34.1-5-102.
18	"Merchant".	Section 34.1-2-104.
19	"Negotiable instrument".	Section 34.1-3-104.
20	"Nominated person".	Section 34.1-5-102.
21	"Note".	Section 34.1-3-104.
22	"Proceeds of a letter of credit".	Section 34.1-5-114.
23	"Prove".	Section 34.1-3-103.
24	"Sale".	Section 34.1-2-106.
25	"Securities account".	Section 34.1-8-501.
26	"Securities intermediary".	Section 34.1-8-102.
27	"Security".	Section 34.1-8-102.
28	"Security certificate".	Section 34.1-8-102.
29	"Security entitlement".	Section 34.1-8-102.
30	"Uncertificated security".	Section 34.1-8-102.

31
32 **34.1-9-203. Attachment and enforceability of security**
33 **interest; proceeds; supporting obligations; formal**
34 **requisites.**

35
36 (b) Except as otherwise provided in subsections (c)
37 through (j), a security interest is enforceable against the
38 debtor and third parties with respect to the collateral
39 only if:

40
41 (iii) One (1) of the following conditions is
42 met:

43
44 (D) The collateral is deposit accounts,
45 electronic chattel paper, investment property, ~~or~~ letter-

1 of-credit rights, or electronic documents and the secured
 2 party has control under section 34.1-7-106, 34.1-9-104,
 3 34.1-9-105, 34.1-9-106 or 34.1-9-107 pursuant to the
 4 debtor's security agreement.

5
 6 **34.1-9-207. Rights and duties of secured party having**
 7 **possession or control of collateral.**

8
 9 (c) Except as otherwise provided in subsection (d), a
 10 secured party having possession of collateral or control of
 11 collateral under section 34.1-7-106, 34.1-9-104,
 12 34.1-9-105, 34.1-9-106 or 34.1-9-107:

13
 14 **34.1-9-208. Additional duties of secured party having**
 15 **control of collateral.**

16
 17 (b) Within ten (10) days after receiving an
 18 authenticated demand by the debtor:

19
 20 (iv) A secured party having control of
 21 investment property under section 34.1-8-106(d)(ii) or
 22 34.1-9-106(b) shall send to the securities intermediary or
 23 commodity intermediary with which the security entitlement
 24 or commodity contract is maintained an authenticated record
 25 that releases the securities intermediary or commodity
 26 intermediary from any further obligation to comply with
 27 entitlement orders or directions originated by the secured
 28 party;~~and~~

29
 30 (v) A secured party having control of a letter-
 31 of-credit right under section 34.1-9-107 shall send to each
 32 person having an unfulfilled obligation to pay or deliver
 33 proceeds of the letter of credit to the secured party an
 34 authenticated release from any further obligation to pay or
 35 deliver proceeds of the letter of credit to the secured
 36 party;~~and~~ and

37
 38 (vi) A secured party having control of an
 39 electronic document shall:

40
 41 (A) Give control of the electronic document
 42 to the debtor or its designated custodian;

43
 44 (B) If the debtor designates a custodian
 45 that is the designated custodian with which the

1 authoritative copy of the electronic document is maintained
2 for the secured party, communicate to the custodian an
3 authenticated record releasing the designated custodian
4 from any further obligation to comply with instructions
5 originated by the secured party and instructing the
6 custodian to comply with instructions originated by the
7 debtor; and
8

9 (C) Take appropriate action to enable the
10 debtor or its designated custodian to make copies of or
11 revisions to the authoritative copy which add or change an
12 identified assignee of the authoritative copy without the
13 consent of the secured party.
14

15 **34.1-9-301. Law governing perfection and priority of**
16 **security interests.**
17

18 (a) Except as otherwise provided in sections
19 34.1-9-303 through 34.1-9-306, the following rules
20 determine the law governing perfection, the effect of
21 perfection or nonperfection, and the priority of a security
22 interest in collateral:
23

24 (iii) Except as otherwise provided in paragraph
25 (iv), while tangible negotiable documents, goods,
26 instruments, money or tangible chattel paper is located in
27 a jurisdiction, the local law of that jurisdiction governs:
28

29 **34.1-9-310. When filing required to perfect security**
30 **interest or agricultural lien; security interests and**
31 **agricultural liens to which filing provisions do not apply.**
32

33 (b) The filing of a financing statement is not
34 necessary to perfect a security interest:
35

36 (v) In certificated securities, documents, goods
37 or instruments which is perfected without filing, control
38 or possession under section 34.1-9-312(e), (f) or (g);
39

40 (viii) In deposit accounts, electronic chattel
41 paper, electronic documents, investment property or letter-
42 of-credit rights which is perfected by control under
43 section 34.1-9-314;
44

1 **34.1-9-312. Perfection of security interests in**
2 **chattel paper, deposit accounts, documents, goods covered**
3 **by documents, instruments, investment property, letter-of-**
4 **credit rights and money; perfection by permissive filing;**
5 **temporary perfection without filing or transfer of**
6 **possession.**

7
8 (e) A security interest in certificated securities,
9 negotiable documents or instruments is perfected without
10 filing or the taking of possession or control for a period
11 of twenty (20) days from the time it attaches to the extent
12 that it arises for new value given under an authenticated
13 security agreement.

14
15 **34.1-9-313. When possession by or delivery to secured**
16 **party perfects security interest without filing.**

17
18 (a) Except as otherwise provided in subsection (b), a
19 secured party may perfect a security interest in tangible
20 negotiable documents, goods, instruments, money or tangible
21 chattel paper by taking possession of the collateral. A
22 secured party may perfect a security interest in
23 certificated securities by taking delivery of the
24 certificated securities under section 34.1-8-301.

25
26 **34.1-9-314. Perfection by control.**

27
28 (a) A security interest in investment property,
29 deposit accounts, letter-of-credit rights, ~~or~~ electronic
30 chattel paper or electronic documents may be perfected by
31 control of the collateral under section 34.1-7-106,
32 34.1-9-104, 34.1-9-105, 34.1-9-106 or 34.1-9-107.

33
34 (b) A security interest in deposit accounts,
35 electronic chattel paper, ~~or~~ letter-of-credit rights or
36 electronic documents is perfected by control under section
37 34.1-7-106, 34.1-9-104, 34.1-9-105 or 34.1-9-107 when the
38 secured party obtains control and remains perfected by
39 control only while the secured party retains control.

40
41 **34.1-9-317. Interests that take priority over or take**
42 **free of security interest or agricultural lien.**

43
44 (b) Except as otherwise provided in subsection (e), a
45 buyer, other than a secured party, of tangible chattel

1 paper, tangible documents, goods, instruments or a
2 certificated security takes free of a security interest or
3 agricultural lien if the buyer gives value and receives
4 delivery of the collateral without knowledge of the
5 security interest or agricultural lien and before it is
6 perfected.

7
8 **34.1-9-338. Priority of security interest or**
9 **agricultural lien perfected by filed financing statement**
10 **providing certain incorrect information.**

11
12 (a) If a security interest or agricultural lien is
13 perfected by a filed financing statement providing
14 information described in section 34.1-9-516(b)(v) which is
15 incorrect at the time the financing statement is filed:

16
17 (ii) A purchaser, other than a secured party, of
18 the collateral takes free of the security interest or
19 agricultural lien to the extent that, in reasonable
20 reliance upon the incorrect information, the purchaser
21 gives value and, in the case of tangible chattel paper,
22 tangible documents, goods, instruments or a security
23 certificate, receives delivery of the collateral.

24
25 **34.1-9-601. Rights after default; judicial**
26 **enforcement; consignor or buyer of accounts, chattel paper,**
27 **payment intangibles or promissory notes.**

28
29 (b) A secured party in possession of collateral or
30 control of collateral under section 34.1-7-106, 34.1-9-104,
31 34.1-9-105, 34.1-9-106 or 34.1-9-107 has the rights and
32 duties provided in section 34.1-9-207.

33
34 **Section 6.** W.S. 34.1-10-104 is repealed.

35
36 **Section 7.** The legislature requests that Wyoming's
37 Uniform Commercial Code, title 34.1 of the Wyoming
38 statutes, be published with current Uniform Law Commission
39 official comments as necessary to reflect revisions made to
40 Wyoming's Uniform Commercial Code.

41
42 **Section 8.** This act is effective July 1, 2015.

43
44 (END)