

**As Reported by the House Financial Institutions, Real Estate and
Securities Committee**

128th General Assembly

Regular Session

2009-2010

Sub. H. B. No. 490

Representatives Dyer, Coley

**Cosponsors: Representatives Stebelton, Walter, Bacon, Murray, Garland,
Book, Snitchler, Koziura, Pillich**

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A B I L L

| | |
|---------------------------------------------------|----|
| To amend sections 1.01, 926.24, 926.26, 1301.01, | 1 |
| 1301.02, 1301.04, 1301.05, 1301.06, 1301.07, | 2 |
| 1301.08, 1301.09, 1301.10, 1301.11, 1301.13, | 3 |
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| 1309.207, 1309.208, 1309.301, 1309.310, 1309.312, | 17 |
| 1309.313, 1309.314, 1309.317, 1309.331, 1309.338, | 18 |
| 1309.601, 1310.01, 1310.47, 1310.60, 1310.64, | 19 |
| 1310.65, 1310.72, 1310.73, 1310.74, 1311.57, | 20 |
| 1333.23, 1743.08, 2307.39, 2923.17, 2981.01, | 21 |

| | |
|---------------------------------------------------|----|
| 3719.14, 3767.29, 4517.01, 4729.51, and 5322.01; | 22 |
| to amend, for the purpose of adopting new section | 23 |
| numbers as indicated in parentheses, sections | 24 |
| 1301.01 (1301.201), 1301.02 (1301.103), 1301.04 | 25 |
| (1301.104), 1301.05 (1301.301), 1301.06 | 26 |
| (1301.305), 1301.07 (1301.306), 1301.08 | 27 |
| (1301.307), 1301.09 (1301.304), 1301.10 | 28 |
| (1301.205), 1301.11 (1301.303), 1301.13 | 29 |
| (1301.308), 1301.14 (1301.309), 1301.15 | 30 |
| (1301.311), 1301.16 (1333.72), 1301.18 (1333.73), | 31 |
| 1301.21 (1319.02), 1307.01 (1307.102), 1307.02 | 32 |
| (1307.103), 1307.04 (1307.104), 1307.06 | 33 |
| (1307.201), 1307.07 (1307.202), 1307.08 | 34 |
| (1307.203), 1307.09 (1307.204), 1307.10 | 35 |
| (1307.205), 1307.11 (1307.206), 1307.12 | 36 |
| (1307.207), 1307.13 (1307.208), 1307.14 | 37 |
| (1307.209), 1307.15 (1307.210), 1307.16 | 38 |
| (1307.301), 1307.17 (1307.302), 1307.18 | 39 |
| (1307.303), 1307.19 (1307.304), 1307.20 | 40 |
| (1307.305), 1307.21 (1307.306), 1307.22 | 41 |
| (1307.307), 1307.23 (1307.308), 1307.24 | 42 |
| (1307.309), 1307.25 (1307.401), 1307.26 | 43 |
| (1307.402), 1307.27 (1307.403), 1307.28 | 44 |
| (1307.404), 1307.29 (1307.501), 1307.30 | 45 |
| (1307.502), 1307.31 (1307.503), 1307.32 | 46 |
| (1307.504), 1307.33 (1307.505), 1307.34 | 47 |
| (1307.506), 1307.35 (1307.507), 1307.36 | 48 |
| (1307.508), 1307.37 (1307.509), 1307.38 | 49 |
| (1307.601), 1307.39 (1307.602), and 1307.40 | 50 |
| (1307.603); to enact sections 1301.101, 1301.102, | 51 |
| 1301.105, 1301.106, 1301.107, 1301.108, 1301.202, | 52 |
| 1301.203, 1301.204, 1301.206, 1301.302, 1301.310, | 53 |
| 1307.101, 1307.105, 1307.106, 1307.703, and | 54 |

1307.704; and to repeal sections 1301.03, 1301.12, 55
1302.11, 1307.03, 1307.05, and 1310.14 of the 56
Revised Code to adopt the revisions to the general 57
provisions and documents of title portions of the 58
Uniform Commercial Code that were recommended by 59
the National Conference of Commissioners on 60
Uniform State Laws and to make related changes in 61
the Uniform Commercial Code and the Revised Code. 62

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 1.01, 926.24, 926.26, 1301.01, 63
1301.02, 1301.04, 1301.05, 1301.06, 1301.07, 1301.08, 1301.09, 64
1301.10, 1301.11, 1301.13, 1301.14, 1301.15, 1302.01, 1302.05, 65
1302.23, 1302.36, 1302.42, 1302.44, 1302.47, 1302.49, 1302.50, 66
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1304.53, 1304.59, 1305.02, 1306.02, 1306.15, 1307.01, 1307.02, 68
1307.04, 1307.06, 1307.07, 1307.08, 1307.09, 1307.10, 1307.11, 69
1307.12, 1307.13, 1307.14, 1307.15, 1307.16, 1307.17, 1307.18, 70
1307.19, 1307.20, 1307.21, 1307.22, 1307.23, 1307.24, 1307.25, 71
1307.26, 1307.27, 1307.28, 1307.29, 1307.30, 1307.31, 1307.32, 72
1307.33, 1307.34, 1307.35, 1307.36, 1307.37, 1307.38, 1307.39, 73
1307.40, 1308.01, 1308.02, 1309.102, 1309.203, 1309.207, 1309.208, 74
1309.301, 1309.310, 1309.312, 1309.313, 1309.314, 1309.317, 75
1309.331, 1309.338, 1309.601, 1310.01, 1310.47, 1310.60, 1310.64, 76
1310.65, 1310.72, 1310.73, 1310.74, 1311.57, 1333.23, 1743.08, 77
2307.39, 2923.17, 2981.01, 3719.14, 3767.29, 4517.01, 4729.51, and 78
5322.01 be amended; sections 1301.01 (1301.201), 1301.02 79
(1301.103), 1301.04 (1301.104), 1301.05 (1301.301), 1301.06 80
(1301.305), 1301.07 (1301.306), 1301.08 (1301.307), 1301.09 81
(1301.304), 1301.10 (1301.205), 1301.11 (1301.303), 1301.13 82
(1301.308), 1301.14 (1301.309), 1301.15 (1301.311), 1301.16 83
(1333.72), 1301.18 (1333.73), 1301.21 (1319.02), 1307.01 84

(1307.102), 1307.02 (1307.103), 1307.04 (1307.104), 1307.06 85
(1307.201), 1307.07 (1307.202), 1307.08 (1307.203), 1307.09 86
(1307.204), 1307.10 (1307.205), 1307.11 (1307.206), 1307.12 87
(1307.207), 1307.13 (1307.208), 1307.14 (1307.209), 1307.15 88
(1307.210), 1307.16 (1307.301), 1307.17 (1307.302), 1307.18 89
(1307.303), 1307.19 (1307.304), 1307.20 (1307.305), 1307.21 90
(1307.306), 1307.22 (1307.307), 1307.23 (1307.308), 1307.24 91
(1307.309), 1307.25 (1307.401), 1307.26 (1307.402), 1307.27 92
(1307.403), 1307.28 (1307.404), 1307.29 (1307.501), 1307.30 93
(1307.502), 1307.31 (1307.503), 1307.32 (1307.504), 1307.33 94
(1307.505), 1307.34 (1307.506), 1307.35 (1307.507), 1307.36 95
(1307.508), 1307.37 (1307.509), 1307.38 (1307.601), 1307.39 96
(1307.602), and 1307.40 (1307.603) be amended for the purpose of 97
adopting new section numbers as indicated in parentheses; and 98
sections 1301.101, 1301.102, 1301.105, 1301.106, 1301.107, 99
1301.108, 1301.202, 1301.203, 1301.204, 1301.206, 1301.302, 100
1301.310, 1307.101, 1307.105, 1307.106, 1307.703, and 1307.704 of 101
the Revised Code be enacted to read as follows: 102

Sec. 1.01. All statutes of a permanent and general nature of 103
the state as revised and consolidated into general provisions, 104
titles, chapters, and sections shall be known and designated as 105
the "Revised Code", for which designation "R.C." may be 106
substituted. Except as otherwise provided in section 1301.107 of 107
the Revised Code, Title, Chapter, and section headings and 108
marginal General Code section numbers do not constitute any part 109
of the law as contained in the "Revised Code". 110

The enactment of the Revised Code shall not be construed to 111
affect a right or liability accrued or incurred under any section 112
of the General Code prior to the effective date of such enactment, 113
or an action or proceeding for the enforcement of such right or 114
liability. Such enactment shall not be construed to relieve any 115

person from punishment for an act committed in violation of any 116
section of the General Code, nor to affect an indictment or 117
prosecution therefor. For such purposes, any such section of the 118
General Code shall continue in full force notwithstanding its 119
repeal for the purpose of revision. 120

Sec. 926.24. (A) A licensed handler, in the absence of any 121
excuse permitted in this chapter, shall deliver an agricultural 122
commodity upon a demand made by the holder of a receipt for the 123
commodity or by its depositor if the demand is accompanied with: 124

(1) An offer to satisfy any lien arising under section 125
~~1307.14~~ 1307.209 of the Revised Code; and 126

(2) An offer to surrender the receipt with the necessary 127
endorsement. 128

(B) The licensed handler is justified in delivering the 129
agricultural commodity, subject to divisions (C), (D), and (E) of 130
this section, to: 131

(1) The person who is lawfully entitled to the possession of 132
the commodity or ~~his~~ the person's agent; 133

(2) The person who is ~~himself~~ entitled to the delivery by the 134
terms of a nonnegotiable receipt issued for the commodity or who 135
has written authority from a person so entitled, either endorsed 136
on the receipt or written on another paper; 137

(3) A person in possession of a negotiable receipt by the 138
terms of which the commodity is deliverable to ~~him~~ the person 139
possessing the receipt, or order or bearer, or that has been 140
endorsed to ~~him~~ the person possessing the receipt, or in blank, by 141
the person to whom delivery was promised by the terms of the 142
receipt or by ~~his~~ the immediate or remote endorsee of the person 143
to whom delivery was so promised. 144

Upon delivery of an agricultural commodity from storage upon 145

presentation of any receipt issued by the licensed handler, the 146
receipt shall be surrendered to the handler, be plainly marked 147
across its face "CANCELED" together with the date and name of the 148
person canceling it, and be void and not put back into 149
circulation. No commodity shall be delivered twice upon the same 150
receipt. 151

(C) If the licensed handler delivers the agricultural 152
commodity to a person who is not in fact lawfully entitled to the 153
possession of the commodity or ~~his~~ the person's agent, the handler 154
is liable as for a conversion to all persons that have a right of 155
property or possession in the commodity if: 156

(1) ~~He~~ The handler delivered the commodity otherwise than as 157
authorized by divisions (B)(2) and (3) of this section; 158

(2) ~~He~~ The handler delivered the commodity as authorized by 159
those divisions, but prior to delivery ~~he~~ the handler had either 160
been requested by or on behalf of the person whom ~~he~~ the handler 161
knew to be lawfully entitled to a right of property or possession 162
in the commodity not to make delivery or had information that the 163
delivery would be made to a person not lawfully entitled to 164
possession of the commodity. 165

(D) Except as provided in section 926.26 of the Revised Code, 166
when a licensed handler delivers an agricultural commodity for 167
which ~~he~~ the handler has issued a negotiable receipt, the 168
negotiation of which would transfer the right to possession of the 169
commodity, and fails to cancel the receipt, ~~he~~ the handler is 170
liable to anyone who purchases for value in good faith the receipt 171
for failure to deliver the commodity to ~~him~~ the person, whether 172
the person acquired title to the receipt before or after the 173
delivery of the commodity by the handler. No provision shall be 174
inserted in a negotiable receipt that is intended to make it 175
nonnegotiable. The provision, if inserted, shall be void. 176

(E) If a person other than the depositor or person claiming under ~~him~~ the depositor asserts a claim or title to the agricultural commodity and the licensed handler has information of the claim, the handler shall be excused from liability for refusing to deliver the commodity to the depositor, to the person claiming under ~~him~~ the depositor, or to the adverse claimant until the handler has had reasonable time to ascertain the validity of the adverse claim or to bring legal proceedings compelling all claimants to arrive at a settlement.

Sec. 926.26. (A) If an agricultural commodity is delivered to a licensed handler by the owner or by a person whose act in conveying the title to the purchaser in good faith for value would bind the owner, and a negotiable receipt is issued for it, the commodity cannot, while in the possession of the handler, be attached by garnishment or otherwise or be levied under an execution unless the receipt is first surrendered to the handler or its negotiation is enjoined. The handler shall in no case be compelled to deliver the actual possession of the commodity until the receipt is surrendered to ~~him~~ the handler or impounded by the court. A handler's claim for a lien that has arisen under section ~~1307.14~~ 1307.209 of the Revised Code and that has come due shall be satisfied as follows:

(1) The handler shall give a written notice to the person on whose account the commodity is held and to any other person known by the handler to claim an interest in the commodity. The notice shall be delivered in person or by certified mail addressed to the last known place of business or residence of the person to be notified. The notice shall contain:

(a) An itemized statement of the handler's claim showing the sum due at the time of the notice and the date that it became due;

(b) A brief description of the commodity against which the

lien exists; 208

(c) A demand that the amount of the claim as stated in the 209
notice, and of any further claim accruing, shall be paid on or 210
before the date specified in the notice, which shall be not fewer 211
than ten days from the delivery of the notice if it is personally 212
delivered or from the time when the notice reaches its destination 213
if it is sent by mail; 214

(d) A statement that, unless the claim is paid within the 215
time specified, the commodity will be advertised for sale and sold 216
at an auction at a specified time and place. 217

(2) In accordance with the terms of a notice so given, a sale 218
of the commodity at auction may be had to satisfy any valid claim 219
of the handler under which ~~he~~ the handler has a lien on the 220
commodity. The sale shall be held in the place where the commodity 221
is held or, if that place is manifestly unsuitable for the 222
purpose, at the nearest suitable place. After the time for the 223
payment of claims that is specified in the notice to the depositor 224
has elapsed, an advertisement of the sale, describing the 225
commodity to be sold and stating the name of the owner or person 226
on whose account the commodity is held and the time and place of 227
the sale, shall be published once a week for two consecutive weeks 228
in a newspaper of general circulation published in the place where 229
the sale is to be held or, if no newspaper is published in that 230
place, in a newspaper of general circulation published in the 231
county in which the sale is to take place. No sale shall be held 232
before fifteen days from the date of the first publication. 233

(B) At any time before the agricultural commodity is sold, 234
any person claiming a right of property or possession in it may 235
pay the licensed handler the amount necessary to satisfy ~~his~~ the 236
handler's lien and pay the reasonable expenses and liabilities 237
incurred in advertising and preparing for the sale up to the time 238
of payment. The handler shall deliver the commodity to the person 239

making payment only if ~~he~~ the person is a person entitled under 240
this chapter to the possession of the commodity on payment of the 241
existing charges. 242

(C) After the agricultural commodity has been lawfully sold 243
to satisfy a lien arising under section ~~1307.14~~ 1307.209 of the 244
Revised Code or has been lawfully sold or disposed of for any 245
other reason, neither the licensed handler nor the agricultural 246
commodity depositors fund created in section 926.16 of the Revised 247
Code shall be liable for failure to deliver the commodity to the 248
depositor or owner of the commodity or to the holder of a receipt 249
given for the commodity when it was deposited even if the receipt 250
was negotiable. The proceeds of the sale, after deducting the 251
amount of any lawful lien, shall be held in accordance with this 252
section for the benefit of the owner or the holder of the receipt. 253
The proceeds shall be considered full satisfaction of any receipt 254
issued for the commodity so sold and of any bailment agreement 255
between the handler and the depositor. 256

(D) After the licensed handler has satisfied ~~his~~ the 257
handler's lien and after ~~his~~ the handler's expenses for 258
advertising have been met, ~~he~~ the handler shall forward to the 259
director of agriculture the remaining proceeds of the sale, 260
together with such information concerning the sale and outstanding 261
receipt or receipts as the director requires by rule. Upon the 262
payment of the proceeds to the director, the handler shall be 263
relieved of further responsibility for the safekeeping of them and 264
shall be held harmless by the state for any liabilities for any 265
claim arising out of the transfer of the proceeds to the director. 266
The director shall deposit the proceeds into the state treasury to 267
be held for the benefit of the person who would be rightfully 268
entitled to possession of the commodity had it not been sold under 269
this section. 270

(E) Any person claiming an interest in proceeds delivered to 271

the director under this chapter may file a claim for them on a 272
form prescribed by the director. The director shall consider any 273
claim filed under this section and render a decision in writing, 274
stating the substance of any evidence considered and the reasons 275
for allowance or disallowance of the claim. If the claim is 276
allowed, the director shall provide for payment of the claim from 277
the agricultural commodity depositors fund. 278

(F) The remedy for enforcing a lien provided in this section 279
does not preclude any other remedies allowed by law for the 280
enforcement of a lien or bar the handler's right to recover any 281
amount of ~~his~~ the handler's claim that is not paid by the proceeds 282
of the sale held under this section. 283

Sec. 1301.101. Short titles [UCC 1-101] 284

(A) Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 285
1309., and 1310. of the Revised Code may be cited as the Uniform 286
Commercial Code. 287

(B) Sections 1301.101 to 1301.310 of the Revised Code may be 288
cited as Uniform Commercial Code - General Provisions. 289

(C) This chapter uses the numbering system of the national 290
conference of commissioners on uniform state laws. The digits to 291
the right of the decimal point are sequential and not supplemental 292
to any preceding Revised Code section. 293

Sec. 1301.102. Scope of Chapter 1301. [UCC 1-102] 294

Sections 1301.101 to 1301.310 of the Revised Code apply to a 295
transaction to the extent that it is governed by Chapter 1302., 296
1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the Revised 297
Code. 298

Sec. ~~1301.02~~ 1301.103. (A) Construction of Uniform Commercial 299
Code to promote its purposes and policies; applicability of 300

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| <u>supplemental principles of law [UCC 1-103]</u> | 301 |
| (A) Chapters 1301., 1302., 1303., 1304, 1305., 1307., 1308., 1309., and 1310. of the Revised Code shall <u>must</u> be liberally construed and applied to promote their underlying purposes and policies- | 302 303 304 305 |
| (B) Underlying purposes and policies of those chapters, which are the following: | 306 307 |
| (1) To simplify, clarify, and modernize the law governing commercial transactions; | 308 309 |
| (2) To permit the continued expansion of commercial practices through custom, usage, and agreement of the parties; <u>and</u> | 310 311 |
| (3) To make uniform the law among the various jurisdictions. | 312 |
| (C) The effect of (B) Unless displaced by the particular provisions of Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code may be varied by agreement, except as otherwise provided in those chapters and except that the obligations of good faith, diligence, reasonableness, and care prescribed by those chapters may not be disclaimed by agreement, but the parties by agreement may determine the standards by which the performance of those obligations is to be measured if the standards are not manifestly unreasonable. | 313 314 315 316 317 318 319 320 321 322 |
| (D) The presence in certain, the principles of law and equity, including the law merchant and the law relative to capacity to contract, principal and agent, estoppel, fraud, misrepresentation, duress, coercion, mistake, bankruptcy, and other validating or invalidating cause supplement their provisions of those chapters of the words "unless otherwise agreed" or words of similar import does not imply that the effect of other provisions may not be varied by agreement under division (C) of this section. | 323 324 325 326 327 328 329 330 331 |

Sec. ~~1301.04~~ 1301.104. Chapters Construction against implied 332
repeal [UCC 1-104] 333

Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 334
1309., and 1310. of the Revised Code being a general act intended 335
as a unified coverage of its subject matter, no part of it shall 336
be deemed to be impliedly repealed by subsequent legislation if 337
that such construction can reasonably be avoided. 338

Sec. 1301.105. Severability [UCC 1-105] 339

If any provision or clause of Chapter 1301., 1302., 1303., 340
1304., 1305., 1307., 1308., 1309., or 1310. of the Revised Code or 341
its application to any person or circumstance is held invalid, the 342
invalidity does not affect other provisions or applications of 343
Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., or 344
1310. of the Revised Code which can be given effect without the 345
invalid provision or application, and to this end the provisions 346
of Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., 347
or 1310. of the Revised Code are severable. 348

Sec. 1301.106. Use of singular and plural; gender [UCC 1-106] 349

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In Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 351
1309., and 1310. of the Revised Code, unless the statutory context 352
otherwise requires: 353

(A) Words in the singular number include the plural, and 354
those in the plural include the singular; and 355

(B) Words of any gender also refer to any other gender. 356

Sec. 1301.107. Section captions [UCC 1-107] 357

Section captions are part of Chapters 1301. and 1307. of the 358
Revised Code. 359

Sec. 1301.108. Relation to Electronic Signatures in Global and National Commerce Act [UCC 1-108] 360
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This chapter modifies, limits, and supersedes the federal "Electronic Signatures in Global and National Commerce Act," 15 U.S.C. section 7001 et seq., except that nothing in this chapter modifies, limits, or supersedes section 7001(c) of that act or authorizes electronic delivery of any of the notices described in section 7003(b) of that act. 362
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Sec. ~~1301.01~~ 1301.201. As used in Chapters General definitions [UCC 1-201] 368
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(A) Unless the context otherwise requires, words or phrases defined in this section, or in the additional definitions contained in Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and or 1310. of the Revised Code, unless the context otherwise requires, and subject that apply to particular chapters or sections therein, have the meanings stated. 370
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(B) Subject to additional definitions contained in these chapters Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the Revised Code, that apply to particular chapters or sections therein: 376
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(A)(1) "Action," in the sense of a judicial proceeding, includes recoupment, counterclaim, set-off, suit in equity, and any other proceedings proceeding in which rights are determined. 380
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(B)(2) "Aggrieved party" means a party entitled to resort to pursue a remedy. 383
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(C)(3) "Agreement", as distinguished from "contract", means the bargain of the parties in fact, as found in their language or by implication inferred from other circumstances, including course of performance, course of dealing, or usage of trade, or course of performance as provided in sections 1301.11 and 1302.11 section 385
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~~1301.303~~ of the Revised Code. ~~Whether an agreement has legal~~ 390
~~consequences is determined by Chapters 1301., 1302., 1303., 1304.,~~ 391
~~1305., 1307., 1308., 1309., and 1310. of the Revised Code, if~~ 392
~~applicable; otherwise by the law of contracts.~~ 393

~~(D)~~(4) "Bank" means ~~any~~ a person engaged in the business of 394
banking and includes a savings bank, savings and loan association, 395
credit union, and trust company. 396

~~(E)~~(5) "Bearer" means ~~the~~ a person in control of a negotiable 397
electronic document of title or a person in possession of ~~an~~ a 398
negotiable instrument, negotiable tangible document of title, or 399
certificated security that is payable to bearer or ~~endorsed~~ 400
indorsed in blank. 401

~~(F)~~(6) "Bill of lading" means a document of title evidencing 402
the receipt of goods for shipment issued by a person engaged in 403
the business of directly or indirectly transporting or forwarding 404
goods, ~~and includes an airbill. "Airbill" means a document serving~~ 405
~~for air transportation as a bill of lading~~ The term does ~~for~~ 406
~~marine or rail transportation, and includes an air consignment~~ 407
~~note or air waybill~~ not include a warehouse receipt. 408

~~(G)~~(7) "Branch" includes a separately incorporated foreign 409
branch of a bank. 410

~~(H)~~(8) "Burden of establishing" a fact means the burden of 411
persuading the ~~triers~~ trier of fact that the existence of the fact 412
is more probable than its nonexistence. 413

~~(I)~~(9) "Buyer in ordinary course of business" means a person 414
~~who~~ that buys goods in good faith, without knowledge that the sale 415
violates the rights of another person in the goods, and in the 416
ordinary course from a person, other than a pawnbroker, in the 417
business of selling goods of that kind. A person buys goods in the 418
ordinary course if the sale to the person comports with the usual 419
or customary practices in the kind of business in which the seller 420

is engaged or with the seller's own usual or customary practices. 421
A person ~~who~~ that sells oil, gas, or other minerals at the 422
wellhead or minehead is a person in the business of selling goods 423
of that kind. A buyer in ~~the~~ ordinary course of business may buy 424
for cash, by exchange of other property, or on secured or 425
unsecured credit, and may acquire goods or documents of title 426
under a preexisting contract for sale. Only a buyer that takes 427
possession of the goods or has a right to recover the goods from 428
the seller under Chapter 1302. of the Revised Code may be a buyer 429
in ordinary course of business. A "Buyer in ordinary course of 430
business" does not include a person ~~who~~ that acquires goods in a 431
transfer in bulk or as security for or in total or partial 432
satisfaction of a money debt ~~is not a buyer in the ordinary course~~ 433
~~of business.~~ 434

~~(J) A term or clause is "conspicuous" when it is (10)~~ 435
"Conspicuous", with reference to a term, means so written, 436
displayed, or presented that a reasonable person against ~~whom~~ 437
which it is to operate ought to have noticed it. ~~A printed heading~~ 438
~~in capitals (as: NONNEGOTIABLE BILL OF LADING) is "conspicuous."~~ 439
~~Language in the body of a form is "conspicuous" if it is in larger~~ 440
~~or other contrasting type or color. In a telegram, any stated term~~ 441
~~is "conspicuous."~~ Whether a term ~~or clause~~ is "conspicuous" or not 442
is for decision by the court. Conspicuous terms include the 443
following: 444

(a) A heading in capitals equal to or greater in size than 445
the surrounding text, or in contrasting type, font, or color to 446
the surrounding text of the same or lesser size; and 447

(b) Language in the body of a record or display in larger 448
type than the surrounding text, or in contrasting type, font, or 449
color to the surrounding text of the same size, or set off from 450
surrounding text of the same size by symbols or other marks that 451
call attention to the language. 452

~~(K)~~(11) "Consumer" means an individual who enters into a
transaction primarily for personal, family, or household purposes.

(12) "Contract", as distinguished from "agreement", means the
total legal obligation that results from the parties' agreement as
affected determined by Chapters 1301., 1302., 1303., 1304., 1305.,
1307., 1308., 1309., and 1310. of the Revised Code, ~~and as~~
supplemented by any other applicable ~~rules of law~~ laws.

~~(L)~~(13) "Creditor" includes a general creditor, a secured
creditor, a lien creditor, and any representative of creditors,
including an assignee for the benefit of creditors, a trustee in
bankruptcy, a receiver in equity, and an executor or administrator
of an insolvent debtor's or assignor's estate.

~~(M)~~(14) "Defendant" includes a person in the position of
defendant in ~~cross-action or a~~ counterclaim, cross-claim, or
third-party claim.

~~(N)~~(15) "Delivery" with respect to ~~instruments~~ an electronic
document of title means voluntary transfer of control and with
respect to an instrument, documents a tangible document of title,
or chattel paper, ~~or certificated securities~~ means voluntary
transfer of possession.

~~(O)~~(16) "Document of title" ~~includes~~ means a ~~bill of lading,~~
~~dock warrant, dock receipt, warehouse receipt, or order for the~~
~~delivery of goods, and any other document~~ record (i) that in the
regular course of business or financing is treated as adequately
evidencing that the person in possession or control of ~~it~~ the
record is entitled to receive, control, hold, and dispose of the
~~document~~ record and the goods ~~it~~ the record covers. ~~To be a~~
~~document of title, a document must purport~~ and (ii) that purports
to be issued by or addressed to a bailee and ~~purport~~ to cover
goods in the bailee's possession ~~that~~ which are either identified
or are fungible portions of an identified mass. The term includes

a bill of lading, transport document, dock warrant, dock receipt, 484
warehouse receipt, and order for delivery of goods. An electronic 485
document of title means a document of title evidenced by a record 486
consisting of information stored in an electronic medium. A 487
tangible document of title means a document of title evidenced by 488
a record consisting of information that is inscribed on a tangible 489
medium. 490

~~(P)(17)~~ "Fault" means a default, breach, or wrongful act, or 491
omission, or breach. 492

~~(Q)(18)~~ "Fungible" ~~with respect to goods or securities~~ means 493
goods or securities: 494

(a) Goods of which any unit is, by nature or usage of trade, 495
is the equivalent of any other like unit; or 496

(b) Goods that are not fungible are fungible for the purposes 497
of Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 498
1309., and 1310. of the Revised Code to the extent that under a 499
particular by agreement or document unlike units are treated as 500
equivalents equivalent. 501

~~(R)(19)~~ "Genuine" means free of forgery or counterfeiting. 502

~~(S)(20)~~ "Good faith," except as otherwise provided in Chapter 503
1305. of the Revised Code, means honesty in fact in the conduct or 504
transaction concerned and the observance of reasonable commercial 505
standards of fair dealing. 506

~~(T)(1)(21)~~ "Holder" ~~with respect to a negotiable instrument~~ 507
means either of the following: 508

(a) If the instrument is payable to bearer, a The person who 509
is in possession of the a negotiable instrument; 510

(b) If the instrument that is payable either to bearer or to 511
an identified person, the identified that is the person when in 512
possession of the instrument. 513

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| (2) "Holder" with respect to; | 514 |
| (b) The person in possession of a negotiable tangible document of title means the person in possession if the goods are deliverable either to bearer or to the order of the person in possession; or | 515 516 517 518 |
| (c) The person in control of a negotiable electronic document of title. | 519 520 |
| (U) To "honor" is to pay or to accept and pay, or where a creditor so engages to purchase or discount a draft complying with the terms of the credit. | 521 522 523 |
| (V)(22) "Insolvency proceedings proceeding" include any includes an assignment for the benefit of the creditors or other proceedings proceeding intended to liquidate or rehabilitate the estate of the person involved. | 524 525 526 527 |
| (W) A person is (23) "insolvent Insolvent" who either has means: | 528 529 |
| (a) Having generally ceased to pay the person's debts in the ordinary course of business or cannot pay the person's other than as a result of a bona fide dispute; | 530 531 532 |
| (b) Being unable to pay debts as they become due; or is | 533 |
| (c) Being insolvent within the meaning of the federal bankruptcy law. | 534 535 |
| (X)(24) "Money" means a medium of exchange currently authorized or adopted by a domestic or foreign government and. The term includes a monetary unit of account established by an intergovernmental organization or by agreement between two or more nations countries. | 536 537 538 539 540 |
| (Y) A person has "notice" of a fact when any of the following applies: | 541 542 |
| (1) The person has actual knowledge of it. | 543 |

~~(2) The person has received a notice or notification of it.~~ 544

~~(3) From all the facts and circumstances known to the person 545
at the time in question, the person has reason to know that it 546
exists. 547~~

~~A person "knows" or has "knowledge" of the fact when the 548
person has actual knowledge of it. "Discover" or "learn" or a word 549
or phrase of similar import refers to knowledge rather than to 550
reason to know. The time and circumstances under which a notice or 551
notification may cease to be effective are not determined by this 552
section. 553~~

~~(Z) A person "notifies" or "gives" a notice or notification 554
to another person by taking the steps that may be reasonably 555
required to inform the other person in ordinary course, whether or 556
not the other person actually comes to know of it. A person 557
"receives" a notice or notification when either of the following 558
applies: 559~~

~~(1) It comes to the person's attention. 560~~

~~(2) It is duly delivered at the place of business through 561
which the contract was made or at any other place held out by the 562
person as the place for receipt of such communications. 563~~

~~(AA) Notice, knowledge, or a notice or notification received 564
by an organization is effective for a particular transaction from 565
the time when it is brought to the attention of the individual 566
conducting that transaction, and in any event from the time when 567
it would have been brought to the individual's attention if the 568
organization had exercised due diligence. An organization 569
exercises due diligence if it maintains reasonable routines for 570
communicating significant information to the person conducting the 571
transaction and there is reasonable compliance with the routine. 572
Due diligence does not require an individual acting for the 573
organization to communicate information unless that communication 574~~

~~is part of the individual's regular duties or unless the~~ 575
~~individual has reason to know of the transaction and that the~~ 576
~~transaction would be materially affected by the information.~~ 577

~~(BB)(25) "Organization" includes means a corporation,~~ 578
~~government, governmental subdivision or agency, business trust,~~ 579
~~estate, trust, partnership, or association, two or more persons~~ 580
~~having a joint or common interest, or any person other legal or~~ 581
~~commercial entity than an individual.~~ 582

~~(CC)(26) "Party," as distinct distinguished from "third~~ 583
~~party," means a person who that has engaged in a transaction or~~ 584
~~made an agreement within subject to Chapters 1301., 1302., 1303.,~~ 585
~~1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code.~~ 586

~~(DD)(27) "Person" includes means an individual, corporation,~~ 587
~~business trust, estate, trust, partnership, limited liability~~ 588
~~company, association, joint venture, government, governmental~~ 589
~~subdivision, agency, or instrumentality, public corporation, or~~ 590
~~any other legal or an organization commercial entity.~~ 591

~~(EE) "Presumption" or "presumed" means that the trier of fact~~ 592
~~must find the existence of the fact presumed unless and until~~ 593
~~evidence is introduced that would support a finding of its~~ 594
~~nonexistence.~~ 595

~~(FF)(28) "Present value" means the amount as of a date~~ 596
~~certain of one or more sums payable in the future, discounted to~~ 597
~~the date certain by use of either an interest rate specified by~~ 598
~~the parties if that rate is not manifestly unreasonable at the~~ 599
~~time the transaction is entered into or, if an interest rate is~~ 600
~~not so specified, a commercially reasonable rate that takes into~~ 601
~~account the facts and circumstances at the time the transaction is~~ 602
~~entered into.~~ 603

~~(29) "Purchase" includes means taking by sale, lease,~~ 604
~~discount, negotiation, mortgage, pledge, lien, security interest,~~ 605

issue or reissue, gift, or any other voluntary transaction 606
creating an interest in property. 607

~~(GG)~~(30) "Purchaser" means a person ~~who~~ that takes by 608
purchase. 609

~~(HH)~~(31) "Record" means information that is inscribed on a 610
tangible medium or that is stored in an electronic or other medium 611
and is retrievable in perceivable form. 612

(32) "Remedy" means any remedial right to which an aggrieved 613
party is entitled with or without resort to a tribunal. 614

~~(II)~~(33) "Representative" ~~includes~~ means a person empowered 615
to act for another, including an agent, an officer of a 616
corporation or association, and a trustee, executor, or 617
administrator of an estate, ~~or any other person empowered to act 618~~
~~for another.~~ 619

~~(JJ)~~(34) "~~Rights~~ Right" includes ~~remedies~~ remedy. 620

~~(KK)~~(1)(35) "Security interest" means an interest in personal 621
property or fixtures ~~that~~ which secures payment or performance of 622
an obligation. "Security interest" ~~also~~ includes any interest of a 623
consignor and a buyer of accounts, chattel paper, a payment 624
intangible, or a promissory note in a transaction that is subject 625
to Chapter 1309. of the Revised Code. ~~The~~ "Security interest" does 626
not include the special property interest of a buyer of goods on 627
identification of those goods to a contract for sale under section 628
1302.42 of the Revised Code ~~is not a security interest~~, but a 629
buyer ~~also~~ may also acquire a "security interest" by complying 630
with Chapter 1309. of the Revised Code. Except as otherwise 631
provided in section 1302.49 of the Revised Code, the right of a 632
seller or lessor of goods under Chapter 1302. or 1310. of the 633
Revised Code to retain or acquire possession of the goods is not a 634
"security interest", but a seller or lessor ~~also~~ may also acquire 635
a "security interest" by complying with Chapter 1309. of the 636

Revised Code. The retention or reservation of title by a seller of 637
goods notwithstanding shipment or delivery to the buyer under 638
section 1302.42 of the Revised Code is limited in effect to a 639
reservation of a "security interest. ~~A lease purchase agreement as~~ 640
~~defined in division (F) of section 1351.01 of the Revised Code~~ 641
~~shall never be intended as security.~~ 642

~~(2)" Whether a transaction, other than a lease purchase~~ 643
~~agreement as defined in division (F) of section 1351.01~~ the form 644
~~of the Revised Code, creates a lease or~~ creates a "security 645
~~interest"~~ is determined ~~by the facts of each case; however, a~~ 646
~~transaction creates a security interest if the consideration the~~ 647
~~lessee is to pay the lessor for the right to possession and use of~~ 648
~~the goods is an obligation for the term of the lease not subject~~ 649
~~to termination by the lessee and if any of the following applies:~~ 650

~~(a) The original term of the lease is equal to or greater~~ 651
~~than the remaining economic life of the goods.~~ 652

~~(b) The lessee is bound to renew the lease for the remaining~~ 653
~~economic life of the goods or is bound to become the owner of the~~ 654
~~goods.~~ 655

~~(c) The lessee has an option to renew the lease for the~~ 656
~~remaining economic life of the goods for no additional~~ 657
~~consideration or nominal additional consideration upon compliance~~ 658
~~with the lease agreement.~~ 659

~~(d) The lessee has an option to become the owner of the goods~~ 660
~~for no additional consideration or nominal additional~~ 661
~~consideration upon compliance with the lease agreement.~~ 662

~~(3) A transaction does not create a security interest merely~~ 663
~~because it provides any of the following:~~ 664

~~(a) That the present value of the consideration the lessee is~~ 665
~~obligated to pay the lessor for the right to possession and use of~~ 666
~~the goods is substantially equal to or is greater than the fair~~ 667

~~market value of the goods at the time the lease is entered into;~~ 668

~~(b) That the lessee assumes risk of loss of the goods or 669
agrees to pay taxes, insurance, filing, recording, or registration 670
fees, or service or maintenance costs with respect to the goods;~~ 671

~~(c) That the lessee has an option to renew the lease or to 672
become the owner of the goods;~~ 673

~~(d) That the lessee has an option to renew the lease for a 674
fixed rent that is equal to or greater than the reasonably 675
predictable fair market rent for the use of the goods for the term 676
of the renewal at the time the option is to be performed;~~ 677

~~(e) That the lessee has an option to become the owner of the 678
goods for a fixed price that is equal to or greater than the 679
reasonably predictable fair market value of the goods at the time 680
the option is to be performed.~~ 681

~~(4) For purposes of division (KK) of this section, all of the 682
following apply:~~ 683

~~(a) Additional consideration is not nominal if, when the 684
option to renew the lease is granted to the lessee, the rent is 685
stated to be the fair market rent for the use of the goods for the 686
term of the renewal determined at the time the option is to be 687
performed or, when the option to become the owner of the goods is 688
granted to the lessee, the price is stated to be the fair market 689
value of the goods determined at the time the option is to be 690
performed. Additional consideration is nominal if it is less than 691
the lessee's reasonably predictable cost of performing under the 692
lease agreement if the option is not exercised.~~ 693

~~(b) "Reasonably predictable" and "remaining economic life of 694
the goods" are to be determined with reference to the facts and 695
circumstances at the time the parties entered into the 696
transaction.~~ 697

~~(c) "Present value" means the amount as of a date certain of one or more sums payable in the future, discounted to the date certain. The discount is determined by the interest rate specified by the parties if the rate is not manifestly unreasonable at the time the parties entered into the transaction. Otherwise, the discount is determined by a commercially reasonable rate that takes into account the facts and circumstances of each case at the time the parties entered into the transaction pursuant to section 1301.203 of the Revised Code.~~ 698
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~~(LL)(36) "Send" in connection with any writing, record, or notice means to:~~ 707
708

~~(a) To deposit in the mail or deliver for transmission by any other usual means of communication with postage or cost of transmission provided for and properly addressed and, in the case of an instrument, to an address specified on it thereon or otherwise agreed, or if there be none to any address reasonable under the circumstances. The receipt of; or~~ 709
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~~(b) In any writing other way to cause to be received any record or notice within the time at which it would have arrived if properly sent has the effect of a proper sending.~~ 715
716
717

~~(MM)(37) "Signed" includes using any symbol executed or adopted by a party with present intention to authenticate adopt or accept a writing.~~ 718
719
720

~~(NN)(38) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.~~ 721
722
723
724

~~(39) "Surety" includes a guarantor or any other secondary obligor.~~ 725
726

~~(OO) "Telegram" includes a message transmitted by radio, teletype, cable, any mechanical method of transmission, or the~~ 727
728

~~like.~~ 729

~~(PP)(40)~~ "Term" means ~~that~~ a portion of an agreement ~~which~~ 730
~~that~~ relates to a particular matter. 731

~~(QQ)(41)~~ "Unauthorized" signature" means ~~one~~ a signature made 732
without actual, implied, or apparent authority ~~and~~. The term 733
includes a forgery. 734

~~(RR)~~ ~~Except as otherwise provided with respect to negotiable~~ 735
~~instruments and bank collections under sections 1303.32, 1304.20,~~ 736
~~and 1304.21 of the Revised Code, a person gives "value" for rights~~ 737
~~if the person acquires them in any of the following manners:~~ 738

~~(1) In return for a binding commitment to extend credit or~~ 739
~~for the extension of immediately available credit whether or not~~ 740
~~drawn upon and whether or not a charge back is provided for in the~~ 741
~~event of difficulties in collection;~~ 742

~~(2) As security for or in total or partial satisfaction of a~~ 743
~~preexisting claim;~~ 744

~~(3) By accepting delivery pursuant to a preexisting contract~~ 745
~~for purchase;~~ 746

~~(4) Generally, in return for any consideration sufficient to~~ 747
~~support a simple contract.~~ 748

~~(SS)(42)~~ "Warehouse receipt" means a ~~written or electronic~~ 749
~~receipt document of title~~ issued by a person engaged in the 750
business of storing goods for hire. 751

~~(TT)~~ ~~"Written" or "writing"~~ (43) "Writing" includes printing, 752
typewriting, or any other intentional reduction to tangible form. 753
"Written" has a corresponding meaning. 754

Sec. 1301.202. Notice; knowledge [UCC 1-202] 755

(A) Subject to division (F) of this section, a person has 756
"notice" of a fact if the person: 757

| | |
|---------------------------------------------------------------------------|-----|
| <u>(1) Has actual knowledge of it;</u> | 758 |
| <u>(2) Has received a notice or notification of it; or</u> | 759 |
| <u>(3) From all the facts and circumstances known to the person</u> | 760 |
| <u>at the time in question, has reason to know that it exists.</u> | 761 |
| <u>(B) "Knowledge" means actual knowledge. "Knows" has a</u> | 762 |
| <u>corresponding meaning.</u> | 763 |
| <u>(C) "Discover", "learn", or words of similar import refer to</u> | 764 |
| <u>knowledge rather than to reason to know.</u> | 765 |
| <u>(D) A person "notifies" or "gives" a notice or notification</u> | 766 |
| <u>to another person by taking such steps as may be reasonably</u> | 767 |
| <u>required to inform the other person in ordinary course, whether or</u> | 768 |
| <u>not the other person actually comes to know of it.</u> | 769 |
| <u>(E) Subject to division (F) of this section, a person</u> | 770 |
| <u>"receives" a notice or notification when:</u> | 771 |
| <u>(1) It comes to that person's attention; or</u> | 772 |
| <u>(2) It is duly delivered in a form reasonable under the</u> | 773 |
| <u>circumstances at the place of business through which the contract</u> | 774 |
| <u>was made or at another location held out by that person as the</u> | 775 |
| <u>place for receipt of such communications.</u> | 776 |
| <u>(F) Notice, knowledge, or a notice or notification received</u> | 777 |
| <u>by an organization is effective for a particular transaction from</u> | 778 |
| <u>the time it is brought to the attention of the individual</u> | 779 |
| <u>conducting that transaction and, in any event, from the time it</u> | 780 |
| <u>would have been brought to the individual's attention if the</u> | 781 |
| <u>organization had exercised due diligence. An organization</u> | 782 |
| <u>exercises due diligence if it maintains reasonable routines for</u> | 783 |
| <u>communicating significant information to the person conducting the</u> | 784 |
| <u>transaction and there is reasonable compliance with the routines.</u> | 785 |
| <u>Due diligence does not require an individual acting for the</u> | 786 |
| <u>organization to communicate information unless the communication</u> | 787 |

is part of the individual's regular duties or the individual has 788
reason to know of the transaction and that the transaction would 789
be materially affected by the information. 790

Sec. 1301.203. Lease distinguished from security interest 791
[UCC 1-203] 792

(A) Whether a transaction in the form of a lease creates a 793
lease or security interest is determined by the facts of each 794
case. 795

(B) A transaction in the form of a lease creates a security 796
interest if the consideration that the lessee is to pay the lessor 797
for the right to possession and use of the goods is an obligation 798
for the term of the lease and is not subject to termination by the 799
lessee, and: 800

(1) The original term of the lease is equal to or greater 801
than the remaining economic life of the goods; 802

(2) The lessee is bound to renew the lease for the remaining 803
economic life of the goods or is bound to become the owner of the 804
goods; 805

(3) The lessee has an option to renew the lease for the 806
remaining economic life of the goods for no additional 807
consideration or for nominal additional consideration upon 808
compliance with the lease agreement; or 809

(4) The lessee has an option to become the owner of the goods 810
for no additional consideration or for nominal additional 811
consideration upon compliance with the lease agreement. 812

(C) A transaction in the form of a lease does not create a 813
security interest merely because: 814

(1) The present value of the consideration the lessee is 815
obligated to pay the lessor for the right to possession and use of 816
the goods is substantially equal to or is greater than the fair 817

| | |
|--------------------------------------------------------------------------|-----|
| <u>market value of the goods at the time the lease is entered into;</u> | 818 |
| <u>(2) The lessee assumes risk of loss of the goods;</u> | 819 |
| <u>(3) The lessee agrees to pay, with respect to the goods,</u> | 820 |
| <u>taxes, insurance, filing, recording, or registration fees, or</u> | 821 |
| <u>service or maintenance costs;</u> | 822 |
| <u>(4) The lessee has an option to renew the lease or to become</u> | 823 |
| <u>the owner of the goods;</u> | 824 |
| <u>(5) The lessee has an option to renew the lease for a fixed</u> | 825 |
| <u>rent that is equal to or greater than the reasonably predictable</u> | 826 |
| <u>fair market rent for the use of the goods for the term of the</u> | 827 |
| <u>renewal at the time the option is to be performed; or</u> | 828 |
| <u>(6) The lessee has an option to become the owner of the goods</u> | 829 |
| <u>for a fixed price that is equal to or greater than the reasonably</u> | 830 |
| <u>predictable fair market value of the goods at the time the option</u> | 831 |
| <u>is to be performed.</u> | 832 |
| <u>(D) Additional consideration is nominal if it is less than</u> | 833 |
| <u>the lessee's reasonably predictable cost of performing under the</u> | 834 |
| <u>lease agreement if the option is not exercised. Additional</u> | 835 |
| <u>consideration is not nominal if:</u> | 836 |
| <u>(1) When the option to renew the lease is granted to the</u> | 837 |
| <u>lessee, the rent is stated to be the fair market rent for the use</u> | 838 |
| <u>of the goods for the term of the renewal determined at the time</u> | 839 |
| <u>the option is to be performed; or</u> | 840 |
| <u>(2) When the option to become the owner of the goods is</u> | 841 |
| <u>granted to the lessee, the price is stated to be the fair market</u> | 842 |
| <u>value of the goods determined at the time the option is to be</u> | 843 |
| <u>performed.</u> | 844 |
| <u>(E) The "remaining economic life of the goods" and</u> | 845 |
| <u>"reasonably predictable" fair market rent, fair market value, or</u> | 846 |
| <u>cost of performing under the lease agreement must be determined</u> | 847 |

with reference to the facts and circumstances at the time the 848
transaction is entered into. 849

Sec. 1301.204. Value [UCC 1-204] 850

Except as otherwise provided in Chapters 1303., 1304., and 851
1305. of the Revised Code, a person gives value for rights if the 852
person acquires them: 853

(A) In return for a binding commitment to extend credit or 854
for the extension of immediately available credit, whether or not 855
drawn upon and whether or not a charge-back is provided for in the 856
event of difficulties in collection; 857

(B) As security for, or in total or partial satisfaction of, 858
a preexisting claim; 859

(C) By accepting delivery under a preexisting contract for 860
purchase; or 861

(D) In return for any consideration sufficient to support a 862
simple contract. 863

Sec. ~~1301.10~~ 1301.205. (A) ~~Whenever~~ Reasonable time; 864
Seasonableness [UCC 1-205] 865

(A) Whether a time for taking an action required by Chapters 866
1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. 867
of the Revised Code ~~require any action to be taken within a~~ is 868
reasonable time, ~~any time that is not manifestly unreasonable may~~ 869
~~be fixed by agreement.~~ 870

~~(B) What is a reasonable time for taking any action depends~~ 871
on the nature, purpose, and circumstances of ~~that~~ the action. 872

~~(C)~~(B) An action is taken "seasonably" ~~when~~ if it is taken at 873
or within the time agreed or, if no time is agreed, at or within a 874
reasonable time. 875

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| <u>Sec. 1301.206. Presumptions [UCC 1-206]</u> | 876 |
| <u>Whenever Chapter 1301., 1302., 1303., 1304., 1305., 1307.,</u> | 877 |
| <u>1308., 1309., or 1310. of the Revised Code creates a "presumption"</u> | 878 |
| <u>with respect to a fact, or provides that a fact is "presumed," the</u> | 879 |
| <u>trier of fact must find the existence of the fact unless and until</u> | 880 |
| <u>evidence is introduced that supports a finding of its</u> | 881 |
| <u>nonexistence.</u> | 882 |
| | |
| <u>Sec. 1301.05 1301.301. (A) Territorial applicability;</u> | 883 |
| <u>parties' power to choose applicable law [UCC 1-301]</u> | 884 |
| | |
| <u>(A) Except as otherwise provided in this section, when a</u> | 885 |
| <u>transaction bears a reasonable relation to this state and also to</u> | 886 |
| <u>another state or nation, the parties may agree that the law either</u> | 887 |
| <u>of this state or of the <u>such</u> other state or nation shall govern</u> | 888 |
| <u>their rights and duties. In</u> | 889 |
| | |
| <u>(B) In the absence of an agreement of that nature <u>effective</u></u> | 890 |
| <u>under division (A) of this section, and except as provided in</u> | 891 |
| <u>division (C) of this section, Chapters 1301., 1302., 1303., 1304.,</u> | 892 |
| <u>1305., 1307., 1308., 1309., and 1310. of the Revised Code apply to</u> | 893 |
| <u>transactions bearing an appropriate relation to this state.</u> | 894 |
| | |
| (B) Where <u>(C) If</u> one of the following provisions of Chapters | 895 |
| 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. | 896 |
| of the Revised Code specifies the applicable law, that provision | 897 |
| governs and a contrary agreement is effective only to the extent | 898 |
| permitted by the law, including the conflict of laws rules, so | 899 |
| specified: | 900 |
| | |
| (1) Rights of creditors against sold goods, as provided in | 901 |
| section <u>Section</u> 1302.43 of the Revised Code; | 902 |
| | |
| (2) Applicability of sections 1304.01 to 1304.40 <u>Sections</u> | 903 |
| <u>1310.03 and 1310.04</u> of the Revised Code, as provided in section; | 904 |

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| <u>(3) Section 1304.02 of the Revised Code;</u> | 905 |
| (3) Fund transfers under sections 1304.51 to 1304.85 of the Revised Code, as provided in section (4) Section 1304.85 of the Revised Code; | 906 907 908 |
| (4) Choice of law as to letters of credit under section (5) Section 1305.15 of the Revised Code; | 909 910 |
| (5) Applicability of Chapter 1308. of the Revised Code, as provided in section (6) Section 1308.05 of the Revised Code; | 911 912 |
| (6) Perfection provisions, including the effect of perfection or nonperfection, and the priority of security interests and agricultural liens of sections (7) Sections 1309.301 to 1309.307 of the Revised Code; | 913 914 915 916 |
| (7) Applicability of sections 1310.01 to 1310.78 of the Revised Code, as provided in sections 1310.03 and 1310.04 of the Revised Code. | 917 918 919 |
| <u>Sec. 1301.302. Variation by agreement [UCC 1-302]</u> | 920 |
| <u>(A) Except as otherwise provided in division (B) of this section or elsewhere in Chapter 1301., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the Revised Code, the effect of provisions of Chapters 1301., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code may be varied by agreement.</u> | 921 922 923 924 925 |
| <u>(B) The obligations of good faith, diligence, reasonableness, and care prescribed by Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the Revised Code may not be disclaimed by agreement. The parties, by agreement, may determine the standards by which the performance of those obligations is to be measured if those standards are not manifestly unreasonable. Whenever Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the Revised Code requires an action to be taken within a reasonable time, a time that is not manifestly</u> | 926 927 928 929 930 931 932 933 934 |

unreasonable may be fixed by agreement. 935

(C) The presence in certain provisions of Chapter 1301., 936
1302., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the 937
Revised Code of the phrase "unless otherwise agreed", or words of 938
similar import, does not imply that the effect of other provisions 939
may not be varied by agreement under this section. 940

Sec. ~~1301.11~~ 1301.303. (A) Course of performance, course of 941
dealing, and usage of trade [UCC 1-303] 942

(A) A "course of performance" is a sequence of conduct 943
between the parties to a particular transaction that exists if: 944

(1) The agreement of the parties with respect to the 945
transaction involves repeated occasions for performance by a 946
party; and 947

(2) The other party, with knowledge of the nature of the 948
performance and opportunity for objection to it, accepts the 949
performance or acquiesces in it without objection. 950

(B) A "course of dealing" is a sequence of ~~previous~~ conduct 951
concerning previous transactions between the parties to a 952
particular transaction ~~which~~ that is fairly to be regarded as 953
establishing a common basis of understanding for interpreting 954
their expressions and other conduct. 955

~~(B)~~(C) A "usage of trade" is any practice or method of 956
dealing having such regularity of observance in a place, vocation, 957
or trade as to justify an expectation that it will be observed 958
with respect to the transaction in question. The existence and 959
scope of such a usage ~~are to~~ must be proved as facts. If it is 960
established that such a usage is embodied in a ~~written~~ trade code 961
or similar ~~writing~~ record, the interpretation of the ~~writing~~ 962
record is ~~for the court~~ a question of law. 963

~~(C)~~(D) A course of performance or course of dealing between 964

the parties and any or usage of trade in the vocation or trade in 965
which they are engaged or of which they are or should be aware is 966
relevant in ascertaining the meaning of the parties' agreement, 967
may give particular meaning to specific terms of the agreement, 968
and may supplement or qualify the terms of an the agreement. A 969
usage of trade applicable in the place in which part of the 970
performance under the agreement is to occur may be so utilized as 971
to that part of the performance. 972

~~(D) The~~ (E) Except as otherwise provided in division (F) of 973
this section, the express terms of an agreement and an any 974
applicable course of performance, course of dealing, or usage of 975
trade shall must be construed wherever whenever reasonable as 976
consistent with each other; but when. If such a construction is 977
unreasonable express: 978

(1) Express terms control both prevail over course of 979
performance, course of dealing, and usage of trade; 980

(2) Course of performance prevails over course of dealing and 981
usage of trade; and course 982

(3) Course of dealing controls prevails over usage of trade. 983

~~(E) An applicable usage of trade in the place where any part~~ 984
~~of performance is to occur shall be used in interpreting the~~ 985
~~agreement as to that part of the performance.~~ 986

(F) Subject to section 1302.12 of the Revised Code, a course 987
of performance is relevant to show a waiver or modification of any 988
term inconsistent with the course of performance. 989

(G) Evidence of a relevant usage of trade offered by one 990
party is not admissible unless and until he that party has given 991
the other party such notice as that the court finds sufficient to 992
prevent unfair surprise to the latter other party. 993

Sec. ~~1301.09~~ 1301.304. Every Obligation of good faith [UCC 994

| | |
|----------------------------------------------------------------------------------------------------------|------|
| <u>1-304]</u> | 995 |
| Every contract or duty within Chapters 1301., 1302., 1303., | 996 |
| 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code | 997 |
| imposes an obligation of good faith in its performance or <u>and</u> | 998 |
| enforcement. | 999 |
| Sec. 1301.06 <u>1301.305.</u> (A) <u>Remedies to be liberally</u> | 1000 |
| <u>administered [UCC 1-305]</u> | 1001 |
| (A) The remedies provided by Chapters 1301., 1302., 1303., | 1002 |
| 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code | 1003 |
| shall <u>must</u> be liberally administered to the end that the aggrieved | 1004 |
| party may be put in as good a position as if the other party had | 1005 |
| fully performed, but neither consequential or special <u>damages</u> nor | 1006 |
| penal damages may be had except as specifically provided in those | 1007 |
| chapters or by other rule of law. | 1008 |
| (B) Any right or obligation declared by Chapters 1301., | 1009 |
| 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the | 1010 |
| Revised Code is enforceable by action unless the provision | 1011 |
| declaring it specifies a different and limited effect. | 1012 |
| Sec. 1301.07 <u>1301.306.</u> Any <u>Waiver or renunciation of claim or</u> | 1013 |
| <u>right after breach [UCC 1-306]</u> | 1014 |
| A claim or right arising out of an alleged breach can <u>may</u> be | 1015 |
| discharged in whole or in part without consideration by a written | 1016 |
| waiver or renunciation signed and delivered by <u>agreement of the</u> | 1017 |
| aggrieved party <u>in an authenticated record.</u> | 1018 |
| Sec. 1301.08 <u>1301.307.</u> A <u>Prima facie evidence by third-party</u> | 1019 |
| <u>documents [UCC 1-307]</u> | 1020 |
| A document in due form purporting to be a bill of lading, | 1021 |
| policy or certificate of insurance, official weigher's or | 1022 |
| inspector's certificate, consular invoice, or any other document | 1023 |

authorized or required by the contract to be issued by a third 1024
party ~~shall be~~ is prima facie evidence of its own authenticity and 1025
genuineness and of the facts stated in the document by the third 1026
party. 1027

Sec. ~~1301.13~~ 1301.308. ~~(A)~~ Performance or acceptance under 1028
reservation of rights [UCC 1-308] 1029

(A) A party ~~who,~~ that with explicit reservation of rights, 1030
performs or promises performance or assents to performance in a 1031
manner demanded or offered by the other party does not thereby 1032
prejudice the rights reserved. Such words as "without prejudice," 1033
"under protest," or the like are sufficient. 1034

(B) Division (A) of this section does not apply to an accord 1035
and satisfaction. 1036

Sec. ~~1301.14~~ 1301.309. A Option to accelerate at will [UCC 1037
1-309] 1038

A term providing that one party or ~~his~~ that party's successor 1039
in interest may accelerate payment or performance or require 1040
collateral or additional collateral "at will" or ~~"when he~~ the 1041
party "deems ~~himself~~ itself insecure," or in words of similar 1042
import ~~shall be construed to mean,~~ means that ~~he shall have~~ the 1043
party has power to do so only if ~~he~~ that party in good faith 1044
believes that the prospect of payment or performance is impaired. 1045
The burden of establishing lack of good faith is on the party 1046
against ~~whom~~ which the power has been exercised. 1047

Sec. 1301.310. Subordinated obligations [UCC 1-310] 1048

An obligation may be issued as subordinated to performance of 1049
another obligation of the person obligated, or a creditor may 1050
subordinate its right to performance of an obligation by agreement 1051
with either the person obligated or another creditor of the person 1052

obligated. Subordination does not create a security interest as 1053
against either the common debtor or a subordinated creditor. 1054

Sec. ~~1301.15~~ 1301.311. ~~Transactions~~ Transactions entered into 1055
before 7-1-62 [UCC 10-102(2)] 1056

Transactions validly entered into before July 1, 1962, and 1057
the rights, duties, and interests flowing from them remain valid 1058
after that date and may be terminated, completed, consummated, or 1059
enforced as required or permitted by any statute or other law 1060
amended or repealed by Amended Senate Bill No. 5 of the 104th 1061
General Assembly as though that repeal or amendment had not 1062
occurred. 1063

Instruments, documents, or notices filed prior to July 1, 1064
1962, in accordance with the law at the time of the filings shall 1065
be deemed to be filed under Chapters 1301., 1302., 1304., 1305., 1066
1307., 1308., 1309., and 1310. of the Revised Code as of the 1067
original date or filing and may be continued or terminated as 1068
provided in those chapters. 1069

Sec. 1302.01. (A) As used in sections 1302.01 to 1302.98 of 1070
the Revised Code, unless the context otherwise requires: 1071

(1) "Buyer" means a person who buys or contracts to buy 1072
goods. 1073

(2) "Good faith" ~~in the case of a merchant means honesty in~~ 1074
~~fact and the observance of reasonable commercial standards of fair~~ 1075
~~dealing in the trade~~ has the same meaning as in section 1301.201 1076
of the Revised Code. 1077

(3) "Receipt" of goods means taking physical possession of 1078
them. 1079

(4) "Seller" means a person who sells or contracts to sell 1080
goods. 1081

(5) "Merchant" means a person who deals in goods of the kind 1082
or otherwise by the person's occupation holds the person out as 1083
having knowledge or skill peculiar to the practices or goods 1084
involved in the transaction or to whom such knowledge or skill may 1085
be attributed by the person's employment of an agent or broker or 1086
other intermediary who by the agent's, broker's, or other 1087
intermediary's occupation holds the person out as having such 1088
knowledge or skill. 1089

(6) "Financing agency" means a bank, finance company, or 1090
other person who in the ordinary course of business make advances 1091
against goods or documents of title or who by arrangement with 1092
either the seller or the buyer intervenes in ordinary course to 1093
make or collect payment due or claimed under the contract for 1094
sale, as by purchasing or paying the seller's draft or making 1095
advances against it or by merely taking it for collection whether 1096
or not documents of title accompany or are associated with the 1097
draft. "Financing agency" includes also a bank or other person who 1098
similarly intervenes between persons who are in the position of 1099
seller and buyer in respect to the goods under section 1302.81 of 1100
the Revised Code. 1101

(7) "Between merchants" means in any transaction with respect 1102
to which both parties are chargeable with the knowledge or skill 1103
of merchants. 1104

(8) "Goods" means all things (including specially 1105
manufactured goods) which are movable at the time of 1106
identification to the contract for sale other than the money in 1107
which the price is to be paid, investment securities, and things 1108
in action. "Goods" also includes the unborn young of animals and 1109
growing crops and other identified things attached to realty as 1110
described in section 1302.03 of the Revised Code. 1111

Goods must be both existing and identified before any 1112
interest in them can pass. Goods which are not both existing and 1113

identified are "Future" goods. A purported present sale of future 1114
goods or of any interest therein operates as a contract to sell. 1115

There may be a sale of a part interest in existing identified 1116
goods. 1117

An undivided share in an identified bulk of fungible goods is 1118
sufficiently identified to be sold although the quantity of the 1119
bulk is not determined. Any agreed proportion of such a bulk or 1120
any quantity thereof agreed upon by number, weight, or other 1121
measure may to the extent of the seller's interest in the bulk be 1122
sold to the buyer who then becomes an owner in common. 1123

(9) "Lot" means a parcel or a single article which is the 1124
subject matter of a separate sale or delivery, whether or not it 1125
is sufficient to perform the contract. 1126

(10) "Commercial unit" means such a unit of goods as by 1127
commercial usage is a single whole for purposes of sale and 1128
division of which materially impairs its character or value on the 1129
market or in use. A commercial unit may be a single article (as a 1130
machine) or a set of articles (as a suite of furniture or an 1131
assortment of sizes) or a quantity (as a bale, gross, or carload) 1132
or any other unit treated in use or in the relevant market as a 1133
single whole. 1134

(11) "Contract" and "agreement" are limited to those relating 1135
to the present or future sale of goods. "Contract for sale" 1136
includes both a present sale of goods and a contract to sell goods 1137
at a future time. A "sale" consists in the passing of title from 1138
the seller to the buyer for a price. A "present sale" means a sale 1139
which is accomplished by the making of the contract. 1140

(12) Goods or conduct including any part of a performance are 1141
"conforming" or conform to the contract when they are in 1142
accordance with the obligations under the contract. 1143

(13) "Termination" occurs when either party pursuant to a 1144

power created by agreement or law puts an end to the contract 1145
otherwise than for its breach. On "termination" all obligations 1146
which are still executory on both sides are discharged but any 1147
right based on prior breach or performance survives. 1148

(14) "Cancellation" occurs when either party puts an end to 1149
the contract for breach by the other and its effect is the same as 1150
that of "termination" except that the cancelling party also 1151
retains any remedy for breach of the whole contract or any 1152
unperformed balance. 1153

(B) Other definitions applying to sections 1302.01 to 1154
1302.98, ~~inclusive~~, of the Revised Code are: 1155

(1) "Acceptance", as defined in section 1302.64 of the 1156
Revised Code; 1157

(2) "Banker's credit", as defined in section 1302.38 of the 1158
Revised Code; 1159

(3) "Confirmed credit", as defined in section 1302.38 of the 1160
Revised Code; 1161

(4) "Cover", as defined in section 1302.86 of the Revised 1162
Code; 1163

(5) "Entrusting", as defined in section 1302.44 of the 1164
Revised Code; 1165

(6) "Identification", as defined in section 1302.45 of the 1166
Revised Code; 1167

(7) "Installment contract", as defined in section 1302.70 of 1168
the Revised Code; 1169

(8) "Letter of credit", as defined in section 1302.38 of the 1170
Revised Code; 1171

(9) "Overseas", as defined in section 1302.36 of the Revised 1172
Code; 1173

(10) "Person in position of a seller", as defined in section 1174
1302.81 of the Revised Code; 1175

(11) "Sale on approval", as defined in section 1302.39 of the 1176
Revised Code; 1177

(12) "Sale or return", as defined in section 1302.39 of the 1178
Revised Code. 1179

(C) As used in sections 1302.01 to 1302.98 of the Revised 1180
Code, "check" and "draft" have the meaning set forth in section 1181
1303.03 of the Revised Code, "consignee" and "consignor" have the 1182
meaning set forth in section ~~1307.01~~ 1307.102 of the Revised Code, 1183
"consumer goods" has the meaning set forth in section 1309.102 of 1184
the Revised Code, "control" has the same meaning as set forth in 1185
section 1307.106 of the Revised Code, and "dishonor" has the 1186
meaning set forth in section 1303.62 of the Revised Code. 1187

(D) ~~The terms~~ In addition, Chapter 1301. of the Revised Code 1188
contains general definitions and principles of construction and 1189
interpretation ~~set forth in sections 1301.01 to 1301.14 of the~~ 1190
~~Revised Code,~~ are applicable to ~~sections 1302.01 to 1302.98 of the~~ 1191
~~Revised Code~~ throughout this chapter. 1192

Sec. 1302.05. Terms with respect to which the confirmatory 1193
memoranda of the parties agree or which are otherwise set forth in 1194
a writing intended by the parties as a final expression of their 1195
agreement with respect to such terms as are included therein may 1196
not be contradicted by evidence of any prior agreement or of a 1197
contemporaneous oral agreement but may be explained or 1198
supplemented: 1199

(A) by course of performance, course of dealing, or usage of 1200
trade as provided in section ~~1301.11~~ 1301.303 of the Revised Code 1201
~~or by a course of performance as provided in section 1302.11 of~~ 1202
~~the Revised Code;~~ and 1203

(B) by evidence of consistent additional terms unless the court finds the writing to have been intended also as a complete and exclusive statement of the terms of the agreement.

Sec. 1302.23. Unless otherwise agreed:

(A) Payment is due at the time and place at which the buyer is to receive the goods even though the place of shipment is the place of delivery; and

(B) if the seller is authorized to send the goods ~~he~~ the seller may ship them under reservation, and may tender the documents of title, but the buyer may inspect the goods after their arrival before payment is due unless such inspection is inconsistent with the terms of the contract as provided in section 1302.57 of the Revised Code; and

(C) if delivery is authorized and made by way of documents of title otherwise than as provided in division (B) of this section, then payment is due regardless of where the goods are to be received (1) at the time and place at which the buyer is to receive delivery of the tangible documents ~~regardless of where the goods are to be received or (2) at the time the buyer is to receive delivery of the electronic documents and at the seller's place of business or if none, the seller's residence;~~ and

(D) where the seller is required or authorized to ship the goods on credit the credit period runs from the time of shipment but post-dating the invoice or delaying its dispatch will correspondingly delay the starting of the credit period.

Sec. 1302.36. (A) Where the contract contemplates overseas shipment and contains a term C.I.F. or C. & F. or F.O.B. vessel, the seller unless otherwise agreed must obtain a negotiable bill of lading stating that the goods have been loaded on board or, in the case of a term C.I.F. or C.&F., received for shipment.

(B) Where in a case within division (A) of this section, a tangible bill of lading has been issued in a set of parts, unless otherwise agreed if the documents are not to be sent from abroad, the buyer may demand tender of the full set; otherwise only one part of the bill of lading need be tendered. Even if the agreement expressly requires a full set:

(1) due tender of a single part is acceptable within the provisions of section 1302.52 of the Revised Code on cure of improper delivery; and

(2) even though the full set is demanded, if the documents are sent from abroad the person tendering an incomplete set may nevertheless require payment upon furnishing an indemnity which the buyer in good faith deems adequate.

(C) A shipment by water or by air or a contract contemplating such shipment is "overseas" insofar as by usage of trade or agreement it is subject to the commercial, financing, or shipping practices characteristic of international deep water commerce.

Sec. 1302.42. Each provision of sections 1302.01 to 1302.98 of the Revised Code with regard to the rights, obligations, and remedies of the seller, the buyer, purchasers, or other third parties applies irrespective of title to the goods except where the provision refers to that title. Insofar as situations are not covered by the other provisions of sections 1302.01 to 1302.98 of the Revised Code and matters concerning title become material, the following rules apply:

(A) Title to goods cannot pass under a contract for sale prior to their identification to the contract pursuant to section 1302.45 of the Revised Code, and unless otherwise explicitly agreed the buyer acquires by their identification a special property as limited by Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code. Any retention

or reservation by the seller of the title (property) in goods 1265
shipped or delivered to the buyer is limited in effect to a 1266
reservation of a security interest. Subject to these provisions 1267
and to the provisions of Chapter 1309. of the Revised Code, title 1268
to goods passes from the seller to the buyer in any manner and on 1269
any conditions explicitly agreed on by the parties. 1270

(B) Unless otherwise explicitly agreed, title passes to the 1271
buyer at the time and place at which the seller completes 1272
performance with reference to the physical delivery of the goods, 1273
despite any reservation of a security interest and even though a 1274
document of title is to be delivered at a different time or place; 1275
and in particular and despite any reservation of a security 1276
interest by the bill of lading: 1277

(1) If the contract requires or authorized the seller to send 1278
the goods to the buyer but does not require the seller to deliver 1279
them at destination, title passes to the buyer at the time and 1280
place of shipment; but 1281

(2) If the contract requires delivery at destination, title 1282
passes on tender there. 1283

(C) Unless otherwise explicitly agreed where delivery is to 1284
be made without moving the goods: 1285

(1) If the seller is to deliver a tangible document of title, 1286
title passes at the time when and the place where the seller 1287
delivers the documents- and if the seller is to deliver an 1288
electronic document of title, title passes when the seller 1289
delivers the document; or 1290

(2) If the goods are at the time of contracting already 1291
identified and no documents of title are to be delivered, title 1292
passes at the time and place of contracting. 1293

(D) A rejection or other refusal by the buyer to receive or 1294
retain the goods, whether or not justified, or a justified 1295

revocation of acceptance reverts title to the goods in the seller. 1296
The reversioning occurs by operation of law and is not a "sale." 1297

Sec. 1302.44. (A) A purchaser of goods acquires all title 1298
which the transferor had or had power to transfer except that a 1299
purchaser of a limited interest acquires rights only to the extent 1300
of the interest purchased. A person with voidable title has power 1301
to transfer a good title to a good faith purchaser for value. When 1302
goods have been delivered under a transaction of purchase, the 1303
purchaser has such power even though: 1304

(1) The transferor was deceived as to the identity of the 1305
purchaser, or 1306

(2) The delivery was in exchange for a check which is later 1307
dishonored, or 1308

(3) It was agreed that the transaction was to be a "cash 1309
sale", or 1310

(4) The delivery was procured through fraud punishable as 1311
larcenous under the criminal law. 1312

(B) Any entrusting of possession of goods to a merchant who 1313
deals in goods of that kind gives the merchant power to transfer 1314
all rights of the entruster to a buyer in ordinary course of 1315
business. 1316

(C) "Entrusting" includes any delivery and any acquiescence 1317
in retention of possession regardless of any condition expressed 1318
between the parties to the delivery or acquiescence and regardless 1319
of whether the procurement of the entrusting or the possessor's 1320
disposition of the goods have been such as to be larcenous under 1321
the criminal law. 1322

(D) The rights of other purchasers of goods and of lien 1323
creditors are governed by the provisions of Chapter 1309. and 1324
sections ~~1307.01~~ 1307.102 to ~~1307.40~~ 1307.603 of the Revised Code. 1325

Sec. 1302.47. (A) Tender of delivery requires that the seller 1326
put and hold conforming goods at the buyer's disposition and give 1327
the buyer any notification reasonably necessary to enable ~~him~~ the 1328
buyer to take delivery. The manner, time, and place for tender are 1329
determined by the agreement and sections 1302.01 to 1302.98, 1330
inclusive, of the Revised Code, and in particular: 1331

(1) tender must be at a reasonable hour, and if it is of 1332
goods they must be kept available for the period reasonably 1333
necessary to enable the buyer to take possession; but 1334

(2) unless otherwise agreed the buyer must furnish facilities 1335
reasonably suited to the receipt of the goods. 1336

(B) Where the case is within section 1302.48 of the Revised 1337
Code respecting shipment, tender requires that the seller comply 1338
with its provisions. 1339

(C) Where the seller is required to deliver at a particular 1340
destination, tender requires that ~~he~~ the seller comply with 1341
division (A) of this section and also in any appropriate case 1342
tender documents as described in divisions (D) and (E) of this 1343
section. 1344

(D) Where goods are in the possession of a bailee and are to 1345
be delivered without being moved: 1346

(1) tender requires that the seller either tender a 1347
negotiable document of title covering such goods or procure 1348
acknowledgment by the bailee of the buyer's right to possession of 1349
the goods; but 1350

(2) tender to the buyer of a non-negotiable document of title 1351
or of a ~~written direction to~~ record directing the bailee to 1352
deliver is sufficient tender unless the buyer seasonably objects, 1353
and except as otherwise provided in Chapter 1309. of the Revised 1354
Code, receipt by the bailee of notification of the buyer's rights 1355

fixes those rights as against the bailee and all third persons; 1356
but risk of loss of the goods and of any failure by the bailee to 1357
honor the non-negotiable document of title or to obey the 1358
direction remains on the seller until the buyer has had a 1359
reasonable time to present the document or direction, and a 1360
refusal by the bailee to honor the document or to obey the 1361
direction defeats the tender. 1362

(E) Where the contract requires the seller to deliver 1363
documents: 1364

(1) ~~he~~ the seller must tender all such documents in correct 1365
form, except as provided in division (B) of section 1302.36 of the 1366
Revised Code; and 1367

(2) tender through customary banking channels is sufficient 1368
and dishonor of a draft accompanying or associated with the 1369
documents constitutes nonacceptance or rejection. 1370

Sec. 1302.49. (A) Where the seller has identified goods to 1371
the contract by or before shipment: 1372

(1) ~~his~~ the seller's procurement of a negotiable bill of 1373
lading to ~~his~~ the seller's own order or otherwise reserves in ~~him~~ 1374
the seller a security interest in the goods. ~~His~~ The seller's 1375
procurement of the bill to the order of a financing agency or of 1376
the buyer indicates in addition only the seller's expectation of 1377
transferring that interest to the person named. 1378

(2) a non-negotiable bill of lading to ~~himself~~ the seller's 1379
own self or ~~his~~ the seller's nominee reserves possession of the 1380
goods as security but except in a case of conditional delivery as 1381
provided in section 1302.51 of the Revised Code, a non-negotiable 1382
bill of lading naming the buyer as consignee reserves no security 1383
interest even though the seller retains possession or control of 1384
the bill of lading. 1385

(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 section 1302.48 of the Revised Code 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.

Sec. 1302.50. (A) A financing agency by paying or purchasing for value a draft which relates to a shipment of goods acquires to the extent of the payment or purchase and in addition to its own rights under the draft and any document of title securing it any rights of the shipper in the goods including the right to stop delivery and the shipper's right to have the draft honored by the buyer.

(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~~.

Sec. 1302.53. (A) Where the contract requires or authorizes the seller to ship the goods by carrier:

(1) if it does not require ~~him~~ the seller to deliver them at a particular destination, the risk of loss passes to the buyer when the goods are duly delivered to the carrier even though the shipment is under reservation as provided in section 1302.49 of the Revised Code; but

(2) if it does require ~~him~~ the seller to deliver them at a particular destination and the goods are there duly tendered while in the possession of the carrier, the risk of loss passes to the buyer when the goods are there duly so tendered as to enable the

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| buyer to take delivery. | 1416 |
| (B) Where the goods are held by a bailee to be delivered without being moved, the risk of loss passes to the buyer: | 1417 1418 |
| (1) on his <u>the buyer's</u> receipt of <u>possession or control of</u> a negotiable document of title covering the goods; or | 1419 1420 |
| (2) on acknowledgment by the bailee of the buyer's right to possession of the goods; or | 1421 1422 |
| (3) after his <u>the buyer's</u> receipt of <u>possession or control of</u> a non-negotiable document of title or other written direction to deliver <u>in a record</u> , as provided in division (D) (2) of section 1302.47 of the Revised Code. | 1423 1424 1425 1426 |
| (C) In any case not within division (A) or (B) of this section, the risk of loss passes to the buyer on his <u>the buyer's</u> receipt of the goods if the seller is a merchant; otherwise the risk passes to the buyer on tender of delivery. | 1427 1428 1429 1430 |
| (D) The provisions of this section are subject to contrary agreement of the parties and to the provisions of sections 1302.40 and 1302.54 of the Revised Code. | 1431 1432 1433 |
| Sec. 1302.63. (A) The buyer's failure to state in connection with rejection a particular defect which is ascertainable by reasonable inspection precludes him <u>the buyer</u> from relying on the unstated defect to justify rejection or to establish breach: | 1434 1435 1436 1437 |
| (1) where the seller could have cured it if stated seasonably; or | 1438 1439 |
| (2) between merchants when the seller has after rejection made a request in writing for a full and final written statement of all defects on which the buyer proposes to rely. | 1440 1441 1442 |
| (B) Payment against documents made without reservation of rights precludes recovery of the payment for defects apparent on | 1443 1444 |

~~the face of~~ in the documents. 1445

Sec. 1302.79. (A) The seller may stop delivery of goods in 1446
the possession of a carrier or other bailee when he discovers the 1447
buyer to be insolvent as provided in section 1302.76 of the 1448
Revised Code and may stop delivery of carload, truckload, 1449
planeload, or larger shipments of express or freight when the 1450
buyer repudiates or fails to make a payment due before delivery or 1451
if for any other reason the seller has a right to withhold or 1452
reclaim the goods. 1453

(B) As against such buyer the seller may stop delivery until: 1454

(1) receipt of the goods by the buyer; or 1455

(2) acknowledgment to the buyer by any bailee of the goods 1456
except a carrier that the bailee holds the goods for the buyer; or 1457

(3) such acknowledgment to the buyer by a carrier by 1458
reshipment or as ~~warehouseman~~ a warehouse; or 1459

(4) negotiation to the buyer of any negotiable document of 1460
title covering the goods. 1461

(C)(1) To stop delivery the seller must so notify as to 1462
enable the bailee by reasonable diligence to prevent delivery of 1463
the goods. 1464

(2) After such notification the bailee must hold and deliver 1465
the goods according to the directions of the seller but the seller 1466
is liable to the bailee for any ensuing charges or damages. 1467

(3) If a negotiable document of title has been issued for 1468
goods the bailee is not obliged to obey a notification to stop 1469
until surrender of possession or control of the document. 1470

(4) A carrier who has issued a non-negotiable bill of lading 1471
is not obliged to obey a notification to stop received from a 1472
person other than the consignor. 1473

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| Sec. 1303.01. (A) As used in this chapter, unless the context | 1474 |
| otherwise requires: | 1475 |
| (1) "Acceptor" means a drawee who has accepted a draft. | 1476 |
| (2) "Drawee" means a person ordered in a draft to make | 1477 |
| payment. | 1478 |
| (3) "Drawer" means a person who signs or is identified in a | 1479 |
| draft as a person ordering payment. | 1480 |
| (4) "Good faith" means honesty in fact and the observance of | 1481 |
| reasonable commercial standards of fair dealing <u>has the same</u> | 1482 |
| <u>meaning as in section 1301.201 of the Revised Code.</u> | 1483 |
| (5) "Issue" means the first delivery of an instrument by the | 1484 |
| maker or drawer to a holder or nonholder for the purpose of giving | 1485 |
| rights of the instrument to any person. | 1486 |
| (6) "Issuer" means a maker or drawer of an issued or unissued | 1487 |
| instrument. | 1488 |
| (7) "Maker" means a person who signs or is identified in a | 1489 |
| note as a person undertaking to pay. | 1490 |
| (8) "Order" means a written instruction to pay money signed | 1491 |
| by the person giving the instruction. The instruction may be | 1492 |
| addressed to any person, including the person giving the | 1493 |
| instruction, or to one or more persons jointly or in the | 1494 |
| alternative but not in succession. "Order" does not mean an | 1495 |
| authorization to pay unless the person authorized to pay also is | 1496 |
| instructed to pay. | 1497 |
| (9) "Ordinary care" in the case of a person engaged in | 1498 |
| business means observance of the reasonable commercial standards | 1499 |
| that are prevailing in the area in which the person is located | 1500 |
| with respect to the business in which the person is engaged. In | 1501 |
| the case of a bank that takes an instrument for processing for | 1502 |
| collection or payment by automated means, reasonable commercial | 1503 |

standards do not require the bank to examine the instrument if the failure to examine does not violate the bank's prescribed procedures, and the bank's procedures do not vary unreasonably from general banking usage not disapproved by this chapter or Chapter 1304. of the Revised Code.

(10) "Party" means a party to an instrument.

(11) "Promise" means a written undertaking to pay money that is signed by the person undertaking to pay. "Promise" does not include an acknowledgment of an obligation by the obligor unless the obligor also undertakes to pay the obligation.

(12) "Prove," with respect to a fact, means to meet the burden of establishing the fact.

(13) "Remitter" means a person who purchases an instrument from its issuer if the instrument is payable to an identified person other than the purchaser.

(B) As used in this chapter:

(1) "Acceptance" has the same meaning as in section 1303.46 of the Revised Code.

(2) "Accommodation party" and "accommodated party" have the same meanings as in section 1303.59 of the Revised Code.

(3) "Alteration" has the same meaning as in section 1303.50 of the Revised Code.

(4) "Anomalous indorsement," "blank indorsement," and "special indorsement" have the same meanings as in section 1303.25 of the Revised Code.

(5) "Certificate of deposit," "cashier's check," "check," "draft," "instrument," "negotiable instrument," "note," "teller's check," and "traveler's check" have the same meanings as in section 1303.03 of the Revised Code.

(6) "Certified check" has the same meaning as in section

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| 1303.46 of the Revised Code. | 1534 |
| (7) "Consideration" and "value" have the same meanings as in section 1303.33 of the Revised Code. | 1535 1536 |
| (8) "Holder in due course" has the same meaning as in section 1303.32 of the Revised Code. | 1537 1538 |
| (9) "Incomplete instrument" has the same meaning as in section 1303.11 of the Revised Code. | 1539 1540 |
| (10) "Indorsement" and "indorser" have the same meanings as in section 1303.24 of the Revised Code. | 1541 1542 |
| (11) "Negotiation" has the same meaning as in section 1303.21 of the Revised Code. | 1543 1544 |
| (12) "Payable at a definite time" and "payable on demand" have the same meanings as in section 1303.07 of the Revised Code. | 1545 1546 |
| (13) "Payable to bearer" and "payable to order" have the same meanings as in section 1303.10 of the Revised Code. | 1547 1548 |
| (14) "Payment" has the same meaning as in section 1303.67 of the Revised Code. | 1549 1550 |
| (15) "Person entitled to enforce" has the same meaning as in section 1303.31 of the Revised Code. | 1551 1552 |
| (16) "Presentment" has the same meaning as in in section 1303.59 of the Revised Code. | 1553 1554 |
| (17) "Reacquisition" has the same meaning as in section 1303.27 of the Revised Code. | 1555 1556 |
| (18) "Transfer of instrument" has the same meaning as in section 1303.22 of the Revised Code. | 1557 1558 |
| (C) As used in this chapter, "account," "bank," "banking day," "clearing house," "collecting bank," "customer," "depository bank," "documentary draft," "intermediary bank," "item," "midnight deadline," "payor bank," and "suspends payments" have the same | 1559 1560 1561 1562 |

meanings as in section 1304.01 of the Revised Code. 1563

(D) ~~The terms~~ In addition, Chapter 1301. of the Revised Code 1564
contains general definitions and general principles of 1565
construction and interpretation ~~set forth in sections 1301.01 to~~ 1566
~~1301.14 of the Revised Code~~ are applicable ~~to~~ throughout this 1567
chapter. 1568

Sec. 1304.01. (A) As used in sections 1304.01 to 1304.40 of 1569
the Revised Code, unless the context requires otherwise: 1570

(1) "Account" means any deposit or credit account with a 1571
bank, including a demand, time, savings, passbook, share draft, or 1572
similar account, other than an account evidenced by a certificate 1573
of deposit. 1574

(2) "Afternoon" means the period of day between noon and 1575
midnight. 1576

(3) "Banking day" means the part of a day on which a bank is 1577
open to the public for carrying on substantially all of its 1578
banking functions. 1579

(4) "Clearing house" means an association of banks or other 1580
payors regularly clearing items. 1581

(5) "Customer" means a person having an account with a bank 1582
or for whom a bank has agreed to collect items, including a bank 1583
that maintains an account at another bank. 1584

(6) "Documentary draft" means a draft to be presented for 1585
acceptance or payment if specified documents, certified securities 1586
or instructions for uncertificated securities as defined in 1587
section 1308.01 of the Revised Code, or other certificates, 1588
statements, or similar documents are to be received by the drawee 1589
or other payor before acceptance or payment of the draft. 1590

(7) "Draft" means a draft as defined in section 1303.03 of 1591
the Revised Code or an item, other than an instrument, that is an 1592

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| order. | 1593 |
| (8) "Drawee" means a person ordered in a draft to make payment. | 1594 1595 |
| (9) "Item" means an instrument or a promise or order to pay money handled by a bank for collection or payment. "Item" does not include a payment order governed by sections 1304.51 to 1304.85 of the Revised Code, a credit slip, or a debit card slip. | 1596 1597 1598 1599 |
| (10) "Midnight deadline," with respect to a bank, is midnight on its next banking day following the banking day on which it receives the relevant item or notice or from which the time for taking action commences to run, whichever is later. | 1600 1601 1602 1603 |
| (11) "Settle" means to pay in cash, by clearing house settlement, in a charge or credit or by remittance, or otherwise as agreed. A settlement may be either provisional or final. | 1604 1605 1606 |
| (12) "Suspends payments" with respect to a bank means that it has been closed by order of the supervisory authorities, that a public officer has been appointed to take it over, or that it ceases or refuses to make payments in the ordinary course of business. | 1607 1608 1609 1610 1611 |
| (B) As used in sections 1304.01 to 1304.40 of the Revised Code: | 1612 1613 |
| (1) "Bank" means a person engaged in the business of banking, including a savings bank, a savings and loan association, a credit union, or a trust company. | 1614 1615 1616 |
| (2) "Depository bank" means the first bank to take an item even though it is also the payor bank, unless the item is presented for immediate payment over the counter. | 1617 1618 1619 |
| (3) "Payor bank" means a bank that is a drawee of a draft. | 1620 |
| (4) "Intermediary bank" means a bank to which an item is transferred in course of collection except the depository or payor | 1621 1622 |

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| bank. | 1623 |
| (5) "Collecting bank" means a bank handling an item for collection except the payor bank. | 1624 1625 |
| (6) "Presenting bank" means a bank presenting an item except a payor bank. | 1626 1627 |
| (C) As used in sections 1304.01 to 1304.40 of the Revised Code: | 1628 1629 |
| (1) "Acceptance" and "certified check" have the same meanings as in section 1303.46 of the Revised Code. | 1630 1631 |
| (2) "Alteration" has the same meaning as in section 1303.50 of the Revised Code. | 1632 1633 |
| (3) "Cashier's check," "certificate of deposit," "check," "instrument," and "teller's check" have the same meanings as in section 1303.03 of the Revised Code. | 1634 1635 1636 |
| (4) " Good faith, <u>"order Control"</u> has the same meaning as in section 1307.106 of the Revised Code. | 1637 1638 |
| (5) <u>"Good faith" has the same meaning as in section 1301.201 of the Revised Code.</u> | 1639 1640 |
| (6) <u>"Order,"</u> "ordinary care," "promise," and "prove" have the same meanings as in section 1303.01 of the Revised Code. | 1641 1642 |
| (5) (7) "Holder in due course" has the same meaning as in section 1303.32 of the Revised Code. | 1643 1644 |
| (6) (8) "Notice of dishonor" has the same meaning as in section 1303.63 of the Revised Code. | 1645 1646 |
| (7) (9) "Person entitled to enforce" has the same meaning as in section 1303.31 of the Revised Code. | 1647 1648 |
| (8) (10) "Presentment" has the same meaning as in section 1303.61 of the Revised Code. | 1649 1650 |
| (9) (11) "Unauthorized signature" has the same meaning as in | 1651 |

section 1303.43 of the Revised Code. 1652

(D) ~~The terms~~ In addition, Chapter 1301. of the Revised Code 1653
contains general definitions and principles of construction and 1654
interpretation in sections 1301.01 to 1301.14 of the Revised Code 1655
~~are applicable to~~ throughout sections 1304.01 to 1304.40 of the 1656
Revised Code. 1657

Sec. 1304.20. (A) A collecting bank has a security interest 1658
in an item and any accompanying documents or the proceeds of the 1659
item or documents in any of the following manners: 1660

(1) In the case of an item deposited in an account, to the 1661
extent to which credit given for the item has been withdrawn or 1662
applied; 1663

(2) In the case of an item for which it has given credit 1664
available for withdrawal as of right, to the extent of the credit 1665
given, whether or not the credit is drawn upon or there is a right 1666
of charge-back; 1667

(3) If it makes an advance on or against the item. 1668

(B) If credit given for several items received at one time or 1669
pursuant to a single agreement is withdrawn or applied in part, 1670
the security interest remains upon all the items, any accompanying 1671
documents, or the proceeds of either. For the purpose of this 1672
section, credits first given are first withdrawn. 1673

(C) Receipt by a collecting bank of a final settlement for an 1674
item is a realization on its security interest in the item, 1675
accompanying documents, and proceeds. So long as the bank does not 1676
receive final settlement for the item or give up possession of the 1677
item or possession or control of the accompanying documents for 1678
purposes other than collection, the security interest continues to 1679
that extent and is subject to Chapter 1309. of the Revised Code, 1680
except for all of the following: 1681

(1) No security agreement is necessary to make the security interest enforceable under division (B)(3)(a) of section 1309.203 of the Revised Code. 1682
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(2) No filing is required to perfect the security interest. 1685

(3) The security interest has priority over conflicting perfected security interests in the item, accompanying documents, or proceeds. 1686
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Sec. 1304.51. (A) As used in sections 1304.51 to 1304.85 of the Revised Code: 1689
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(1) "Authorized account" means a deposit account of a customer in a bank designated by the customer as a source of payment of payment orders issued by the customer to the bank. If a customer does not so designate an account, any account of the customer is an authorized account if payment of a payment order from that account is not inconsistent with a restriction on the use of that account. 1691
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(2) "Bank" means a person engaged in the business of banking and includes a savings bank, savings and loan association, credit union, and trust company. A branch or separate office of a bank is a separate bank for purposes of sections 1304.51 to 1304.85 of the Revised Code. 1698
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(3) "Beneficiary" means the person to be paid by the beneficiary's bank. 1703
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(4) "Beneficiary's bank" means the bank identified in a payment order in which an account of the beneficiary is to be credited pursuant to the order or which otherwise is to make payment to the beneficiary if the order does not provide for payment to an account. 1705
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(5) "Customer" means a person, including a bank, having an account with a bank or from whom a bank has agreed to receive 1710
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payment orders. 1712

(6) "Funds transfer" means the series of transactions, 1713
beginning with the originator's payment order, made for the 1714
purpose of making payment to the beneficiary of the order. "Funds 1715
transfer" includes any payment order issued by the originator's 1716
bank or an intermediary bank intended to carry out the 1717
originator's payment order. A funds transfer is completed by 1718
acceptance by the beneficiary's bank of a payment order for the 1719
benefit of the beneficiary of the originator's payment order. 1720

(7) "Funds-transfer business day" of a receiving bank means 1721
the part of a day during which the receiving bank is open for the 1722
receipt, processing, and transmittal of payment orders and 1723
cancellations and amendments of payment orders. 1724

(8) "Funds-transfer system" means a wire transfer network, 1725
automated clearing house, or other communication system of a 1726
clearing house or other association of banks through which a 1727
payment order by a bank may be transmitted to the bank to which 1728
the order is addressed. 1729

(9) "Good faith" ~~means honesty in fact and the observance of~~ 1730
~~reasonable commercial standards of fair dealing~~ has the same 1731
meaning as in section 1301.201 of the Revised Code. 1732

(10) "Intermediary bank" means a receiving bank other than 1733
the originator's bank or the beneficiary's bank. 1734

(11) "Originator" means the sender of the first payment order 1735
in a funds transfer. 1736

(12) "Originator's bank" means the receiving bank to which 1737
the payment order of the originator is issued if the originator is 1738
not a bank, or the originator if the originator is a bank. 1739

(13)(a) "Payment order" means an instruction of a sender to a 1740
receiving bank, transmitted orally, electronically, or in writing, 1741

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| to pay, or to cause another bank to pay, a fixed or determinable | 1742 |
| amount of money to a beneficiary if all of the following apply: | 1743 |
| (i) The instruction does not state a condition to payment to | 1744 |
| the beneficiary other than time of payment. | 1745 |
| (ii) The receiving bank is to be reimbursed by debiting an | 1746 |
| account of, or otherwise receiving payment from, the sender. | 1747 |
| (iii) The instruction is transmitted by the sender directly | 1748 |
| to the receiving bank or to an agent, funds-transfer system, or | 1749 |
| communication system for transmittal to the receiving bank. | 1750 |
| (b) If the instruction complying with division (A)(13)(a) of | 1751 |
| this section is to make more than one payment to a beneficiary, | 1752 |
| the instruction is a separate payment order with respect to each | 1753 |
| payment. | 1754 |
| (c) A payment order is issued when it is sent to the | 1755 |
| receiving bank. | 1756 |
| (14) "Prove," with respect to a fact, means to meet the | 1757 |
| burden of establishing the fact. | 1758 |
| (15) "Receiving bank" means the bank to which the sender's | 1759 |
| instruction is addressed. | 1760 |
| (16) "Sender" means the person giving the instruction to the | 1761 |
| receiving bank. | 1762 |
| (B) Other definitions applying to sections 1304.51 to 1304.85 | 1763 |
| of the Revised Code are: | 1764 |
| (1) "Acceptance" as defined in section 1304.64 of the Revised | 1765 |
| Code; | 1766 |
| (2) "Executed" as defined in section 1304.68 of the Revised | 1767 |
| Code; | 1768 |
| (3) "Execution date" as defined in section 1304.68 of the | 1769 |
| Revised Code; | 1770 |

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| (4) "Funds-transfer system rule" as defined in section 1304.79 of the Revised Code; | 1771 1772 |
| (5) "Payment by beneficiary's bank to beneficiary" as defined in section 1304.77 of the Revised Code; | 1773 1774 |
| (6) "Payment by originator to beneficiary" as defined in section 1304.78 of the Revised Code; | 1775 1776 |
| (7) "Payment by sender to receiving bank" as defined in section 1304.75 of the Revised Code; | 1777 1778 |
| (8) "Payment date" as defined in section 1304.73 of the Revised Code; | 1779 1780 |
| (9) "Security procedure" as defined in section 1304.56 of the Revised Code. | 1781 1782 |
| (C) As used in sections 1304.51 to 1304.85 of the Revised Code, "clearing house," "item," and "suspends payments" have the same meanings as in section 1304.01 of the Revised Code. | 1783 1784 1785 |
| (D) The terms <u>In addition, Chapter 1301. of the Revised Code contains general definitions</u> and principles of construction and interpretation set forth in sections 1301.01 to 1301.14 of the Revised Code are applicable to <u>throughout</u> sections 1304.51 to 1304.85 of the Revised Code. | 1786 1787 1788 1789 1790 |
| Sec. 1304.53. (A) The time of receipt of a payment order or communication canceling or amending a payment order is determined by the rules applicable to receipt of a notice as provided in division (AA) of section 1301.01 <u>1301.202</u> of the Revised Code. A receiving bank may fix a cut-off time or times on a funds-transfer business day for the receipt and processing of payment orders and communications canceling or amending payment orders. Different cut-off times may apply to payment orders, cancellations, or amendments, or to different categories of payment orders, cancellations, or amendments. A cut-off time may apply to senders | 1791 1792 1793 1794 1795 1796 1797 1798 1799 1800 |

generally or different cut-off times may apply to different 1801
senders or categories of payment orders. If a payment order or 1802
communication canceling or amending a payment order is received 1803
after the close of a funds-transfer business day or after the 1804
appropriate cut-off time on a funds-transfer business day, the 1805
receiving bank may treat the payment order or communication as 1806
received at the opening of the next funds-transfer business day. 1807

(B) If sections 1304.51 to 1304.85 of the Revised Code refer 1808
to an execution date or payment date or state a day on which a 1809
receiving bank is required to take action, and the date or day 1810
does not fall on a funds-transfer business day, the next day that 1811
is a funds-transfer business day is treated as the date or day 1812
stated, unless the contrary is stated in these sections. 1813

Sec. 1304.59. (A) If a receiving bank accepts a payment order 1814
issued in the name of its customer as sender which is not 1815
authorized and not effective as the order of the customer under 1816
section 1304.57 of the Revised Code, or not enforceable, in whole 1817
or in part, against the customer under section 1304.58 of the 1818
Revised Code, the bank shall refund any payment of the payment 1819
order received from the customer to the extent the bank is not 1820
entitled to enforce payment and shall pay interest on the 1821
refundable amount calculated from the date the bank received 1822
payment to the date of the refund. The customer is not entitled to 1823
interest from the bank on the amount to be refunded if the 1824
customer fails to exercise ordinary care to determine that the 1825
order was not authorized by the customer and to notify the bank of 1826
the relevant facts within a reasonable time not exceeding ninety 1827
days after the date the customer received notification from the 1828
bank that the order was accepted or that the customer's account 1829
was debited with respect to the order. The bank is not entitled to 1830
any recovery from the customer on account of a failure by the 1831
customer to give notification as stated in this section. 1832

(B) Reasonable time under division (A) of this section may be 1833
fixed by agreement as provided in division ~~(A)~~(B) of section 1834
~~1301.10~~ 1301.302 of the Revised Code, but the obligation of a 1835
receiving bank to refund payment as provided in division (A) of 1836
this section may not otherwise be varied by agreement. 1837

Sec. 1305.02. (A) This chapter applies to letters of credit 1838
and to certain rights and obligations arising out of transactions 1839
involving letters of credit. 1840

(B) The statement of a rule in this chapter does not by 1841
itself require, imply, or negate application of the same or a 1842
different rule to a situation not provided for, or to a person not 1843
specified, in this chapter. 1844

(C) With the exception of this division, divisions (A) and 1845
(D) of this section, divisions (A)(9) and (10) of section 1305.01, 1846
division (D) of section 1305.05, and division (D) of section 1847
1305.13, and except to the extent prohibited in ~~division (C)~~ of 1848
section ~~1301.02~~ 1301.302 and division (D) of section 1305.16 of 1849
the Revised Code, the effect of this chapter may be varied by 1850
agreement or by a provision stated or incorporated by reference in 1851
an undertaking. A term in an agreement or undertaking generally 1852
excusing liability or generally limiting remedies for failure to 1853
perform obligations is not sufficient to vary obligations 1854
prescribed by this chapter. 1855

(D) Rights and obligations of an issuer to a beneficiary or a 1856
nominated person under a letter of credit are independent of the 1857
existence, performance, or nonperformance of a contract or 1858
arrangement out of which the letter of credit arises or which 1859
underlies it, including contracts or arrangements between the 1860
issuer and the applicant and between the applicant and the 1861
beneficiary. 1862

Sec. 1306.02. (A) Except as provided in division (B) of this section, sections 1306.01 to 1306.23 of the Revised Code apply to electronic records and electronic signatures relating to a transaction.

(B) Sections 1306.01 to 1306.23 of the Revised Code do not apply to a transaction to the extent it is governed by any of the following:

(1) A law governing the creation and execution of wills, codicils, or testamentary trusts;

(2) Chapter 1301., except ~~sections 1301.07 and 1301.12~~ section 1301.306, and Chapters 1303., 1304., 1305., 1307., 1308., and 1309. of the Revised Code.

Sec. 1306.15. (A) As used in this section, "transferable record" means an electronic record that satisfies both of the following:

(1) The transferable record would be a note under Chapter 1303. or a document under Chapter 1307. of the Revised Code, if the electronic record were in writing.

(2) The issuer of the electronic record expressly has agreed that it is a transferable record.

(B) A person has control of a transferable record if a system employed for evidencing the transfer of interests in the transferable record reliably establishes that person as the person to which the transferable record was issued or transferred.

(C) A system satisfies division (B) of this section, and a person is deemed to have control of a transferable record, if the transferable record is created, stored, and assigned in such a manner that satisfies all of the following:

(1) A single authoritative copy of the transferable record

exists that is unique, identifiable, and, except as provided in 1892
divisions (C)(4) to (6) of this section, unalterable. 1893

(2) The authoritative copy identifies the person asserting 1894
control as either of the following: 1895

(a) The person to which the transferable record was issued; 1896

(b) If the authoritative copy indicates that the transferable 1897
record has been transferred, the person to which the transferable 1898
record most recently was transferred. 1899

(3) The authoritative copy is communicated to and maintained 1900
by the person asserting control or its designated custodian. 1901

(4) Copies or revisions that add or change an identified 1902
assignee of the authoritative copy may be made only with the 1903
consent of the person asserting control. 1904

(5) Each copy of the authoritative copy and any copy of a 1905
copy is readily identifiable as a copy that is not the 1906
authoritative copy. 1907

(6) Any revision of the authoritative copy is readily 1908
identifiable as authorized or unauthorized. 1909

(D)(1) Except as otherwise agreed, a person having control of 1910
a transferable record is the holder, as defined in section ~~1301.01~~ 1911
1301.201 of the Revised Code, of the transferable record and has 1912
the same rights and defenses as a holder of an equivalent record 1913
or writing under the uniform commercial code. If the applicable 1914
statutory requirements under section 1303.32, ~~1307.29~~ 1307.501, or 1915
1309.27 of the Revised Code are satisfied, these rights and 1916
defenses include the rights and defenses of a holder in due 1917
course, a holder to which a negotiable document of title has been 1918
duly negotiated, or a purchaser, respectively. 1919

(2) Delivery, possession, and indorsement are not required to 1920
obtain or exercise any of the rights under division (D)(1) of this 1921

section. 1922

(E) Except as otherwise agreed, an obligor under a 1923
transferable record has the same rights and defenses as an 1924
equivalent obligor under equivalent records or writings under the 1925
uniform commercial code. 1926

(F)(1) If requested by a person against which enforcement is 1927
sought, the person seeking to enforce the transferable record 1928
shall provide reasonable proof that the person is in control of 1929
the transferable record. 1930

(2) Proof required by division (F)(1) of this section may 1931
include access to the authoritative copy of the transferable 1932
record and related business records sufficient to review the terms 1933
of the transferable record and to establish the identity of the 1934
person having control of the transferable record. 1935

Sec. 1307.101. Short title [UCC 7-101] 1936

(A) This chapter may be cited as "Uniform Commercial Code, 1937
documents of title." 1938

(B) This chapter uses the numbering system of the national 1939
conference of commissioners on uniform state laws. The digits to 1940
the right of the decimal point are sequential and not supplemental 1941
to any preceding Revised Code section. 1942

Sec. ~~1307.01~~ 1307.102. (A) Definitions and index of 1943
definitions [UCC 7-102] 1944

(A) As used in sections ~~1307.01~~ 1307.101 to ~~1307.40~~ 1307.603 1945
of the Revised Code, unless the context otherwise requires: 1946

(1) "Bailee" means ~~the~~ a person ~~who~~ that by a warehouse 1947
receipt, bill of lading, or other document of the title 1948
acknowledges possession of goods and contracts to deliver them. 1949

(2) "Carrier" means a person that issues a bill of lading. 1950

(3) "Consignee" means ~~the~~ a person named in a bill of lading 1951
to ~~whom~~ which or to whose order the bill promises delivery. 1952

~~(3)~~(4) "Consignor" means ~~the~~ a person named in a bill of 1953
lading as the person from ~~whom~~ which the goods have been received 1954
for shipment. 1955

~~(4)~~(5) "Delivery order" means a ~~written~~ record that contains 1956
an order to deliver goods directed to a ~~warehouseman~~ warehouse, 1957
carrier, or other person ~~who~~ that in the ordinary course of 1958
business issues warehouse receipts or bills of lading. 1959

~~(5)~~ "Document" means ~~document of title as defined in division~~ 1960
~~(0)~~ of section 1301.01 of the Revised Code. 1961

(6) "Good faith" has the same meaning as in section 1301.201 1962
of the Revised Code. 1963

(7) "Goods" means all things ~~which~~ that are treated as 1964
~~removable~~ movable for the purposes of a contract of storage or 1965
transportation. 1966

~~(7)~~(8) "Issuer" means a bailee ~~who~~ that issues a document 1967
~~except that of title or,~~ in relation to the case of an unaccepted 1968
delivery order ~~it means,~~ the person ~~who~~ that orders the possessor 1969
of goods to deliver. ~~Issuer~~ The term includes ~~any~~ a person for 1970
~~whom~~ which an agent or employee purports to act in issuing a 1971
document if the agent or employee has real or apparent authority 1972
to issue documents, ~~notwithstanding that~~ even if the issuer 1973
~~received no~~ did not receive any goods ~~or that,~~ the goods were 1974
misdescribed, or ~~that~~ in any other respect the agent or employee 1975
violated ~~his~~ the issuer's instructions. 1976

~~(8)~~(9) "Person entitled under the document" means the holder, 1977
in the case of a negotiable document of title, or the person to 1978
which delivery of the goods is to be made by the terms of, or 1979
pursuant to instructions in a record under, a nonnegotiable 1980
document of title. 1981

| | |
|---------------------------------------------------------------------------------------------------------|------|
| <u>(10) "Record" means information that is inscribed on a</u> | 1982 |
| <u>tangible medium or that is stored in an electronic or other medium</u> | 1983 |
| <u>and is retrievable in perceivable form.</u> | 1984 |
| <u>(11) "Sign" means, with present intent to authenticate or</u> | 1985 |
| <u>adopt a record:</u> | 1986 |
| <u>(a) To execute or adopt a tangible symbol; or</u> | 1987 |
| <u>(b) To attach to or logically associate with the record an</u> | 1988 |
| <u>electronic sound, symbol, or process.</u> | 1989 |
| <u>(12) "Shipper" means a person that enters into a contract of</u> | 1990 |
| <u>transportation with a carrier.</u> | 1991 |
| <u>(13) "Warehouseman Warehouse" is means a person engaged in</u> | 1992 |
| <u>the business of storing of goods for hire.</u> | 1993 |
| <u>(B) Other definitions applying to sections 1307.01 to 1307.40</u> | 1994 |
| <u>of the Revised Code are:</u> | 1995 |
| <u>(1) "Duly negotiate, as defined in section 1307.29 of the</u> | 1996 |
| <u>Revised Code;</u> | 1997 |
| <u>(2) "Person entitled under the document," as defined in</u> | 1998 |
| <u>section 1307.27 of the Revised Code.</u> | 1999 |
| <u>(C) As used in sections 1307.01 <u>1307.101</u> to 1307.40 <u>1307.603</u></u> | 2000 |
| <u>of the Revised Code, "contract for sale" and "receipt" of goods</u> | 2001 |
| <u>have the meaning set forth in section 1302.01 of the Revised Code,</u> | 2002 |
| <u>and "overseas <u>lessee in the ordinary course of business</u>" has the</u> | 2003 |
| <u>meaning set forth in section 1302.36 <u>1310.01</u> of the Revised Code.</u> | 2004 |
| <u>(D) The terms (C) <u>In addition, Chapter 1301. of the Revised</u></u> | 2005 |
| <u>Code contains general definitions and principles of construction</u> | 2006 |
| <u>and interpretation contained in sections 1301.01 to 1301.14 of the</u> | 2007 |
| <u>Revised Code are applicable to sections 1307.01 to 1307.40 of the</u> | 2008 |
| <u>Revised Code <u>throughout this chapter.</u></u> | 2009 |
| Sec. 1307.02 <u>1307.103</u>. Sections 1307.01 <u>Relation of Chapter</u> | 2010 |

1307. of the Revised Code to treaty or statute [UCC 7-103] 2011

(A) Sections 1307.101 to 1307.603 of the Revised Code are 2012
subject to any treaty or statute of the United States or 2013
regulatory statute of this state to the extent the treaty, 2014
statute, or regulatory statute is applicable. 2015

(B) Sections 1307.101 to ~~1307.40, inclusive,~~ 1307.603 of the 2016
Revised Code do not ~~repeal or~~ modify or repeal any ~~laws~~ law 2017
prescribing the form or ~~contents~~ content of ~~documents~~ a document 2018
of title or the services or facilities to be afforded by ~~bailees~~ a 2019
~~bailee,~~ or otherwise regulating ~~bailees' businesses~~ a bailee's 2020
~~business~~ in respects not specifically ~~dealt with herein;~~ but the 2021
~~fact that~~ treated in those sections. However, violation of such 2022
~~laws are violated~~ a law does not affect the status of a document 2023
of title ~~which~~ that otherwise ~~complies with~~ is within the 2024
definition of a document of title ~~set forth in division (O) of~~ 2025
~~section 1301.01 of the Revised Code.~~ 2026

(C) Sections 1307.101 to 1307.603 of the Revised Code modify, 2027
limit, and supersede the federal "Electronic Signatures in Global 2028
and National Commerce Act," 15 U.S.C. section 7001, et seq., but 2029
do not modify, limit, or supersede section 101(c) of that act (15 2030
U.S.C. section 7001(c)) or authorize electronic delivery of any of 2031
the notices described in section 103(b) of that act (15 U.S.C. 2032
section 7003(b)). 2033

(D) To the extent there is a conflict between Chapters 1306. 2034
and 1307. of the Revised Code, Chapter 1307. of the Revised Code 2035
governs. 2036

Sec. ~~1307.04~~ 1307.104. ~~(A) A warehouse receipt, bill of~~ 2037
~~lading, or other~~ Negotiable and nonnegotiable document of title 2038
[UCC 7-104] 2039

(A) Except as otherwise provided in division (C) of this 2040

| | |
|--------------------------------------------------------------------------------------|------|
| <u>section, a document of title is negotiable;</u> | 2041 |
| (1) if by its terms the goods are to be delivered to bearer | 2042 |
| or to the order of a named person; or | 2043 |
| (2) where recognized in overseas trade, if it runs to a named | 2044 |
| person or assigns. | 2045 |
| (B) Any other <u>A document other than one described in division</u> | 2046 |
| <u>(A) of this section is non-negotiable nonnegotiable.</u> A bill of | 2047 |
| lading in which it is stated <u>that states</u> that the goods are | 2048 |
| consigned to a named person is not made negotiable by a provision | 2049 |
| that the goods are to be delivered only against a written <u>an</u> order | 2050 |
| <u>in a record</u> signed by the same or another named person. | 2051 |
| (C) <u>A document of title is nonnegotiable if, at the time it</u> | 2052 |
| <u>is issued, the document has a conspicuous legend, however</u> | 2053 |
| <u>expressed, that it is nonnegotiable.</u> | 2054 |
| | |
| <u>Sec. 1307.105. Reissuance in alternative medium [UCC 7-105]</u> | 2055 |
| <u>(A) Upon request of a person entitled under an electronic</u> | 2056 |
| <u>document of title, the issuer of the electronic document may issue</u> | 2057 |
| <u>a tangible document of title as a substitute for the electronic</u> | 2058 |
| <u>document if:</u> | 2059 |
| <u>(1) The person entitled under the electronic document</u> | 2060 |
| <u>surrenders control of the document to the issuer; and</u> | 2061 |
| <u>(2) The tangible document when issued contains a statement</u> | 2062 |
| <u>that it is issued in substitution for the electronic document.</u> | 2063 |
| <u>(B) Upon issuance of a tangible document of title in</u> | 2064 |
| <u>substitution for an electronic document of title in accordance</u> | 2065 |
| <u>with division (A) of this section:</u> | 2066 |
| <u>(1) The electronic document ceases to have any effect or</u> | 2067 |
| <u>validity; and</u> | 2068 |
| <u>(2) The person that procured issuance of the tangible</u> | 2069 |

document warrants to all subsequent persons entitled under the 2070
tangible document that the warrantor was a person entitled under 2071
the electronic document when the warrantor surrendered control of 2072
the electronic document to the issuer. 2073

(C) Upon request of a person entitled under a tangible 2074
document of title, the issuer of the tangible document may issue 2075
an electronic document of title as a substitute for the tangible 2076
document if: 2077

(1) The person entitled under the tangible document 2078
surrenders possession of the document to the issuer; and 2079

(2) The electronic document when issued contains a statement 2080
that it is issued in substitution for the tangible document. 2081

(D) Upon issuance of an electronic document of title in 2082
substitution for a tangible document of title in accordance with 2083
division (C) of this section: 2084

(1) The tangible document ceases to have any effect or 2085
validity; and 2086

(2) The person that procured issuance of the electronic 2087
document warrants to all subsequent persons entitled under the 2088
electronic document that the warrantor was a person entitled under 2089
the tangible document when the warrantor surrendered possession of 2090
the tangible document to the issuer. 2091

**Sec. 1307.106. Control of electronic document of title [UCC 2092
7-106] 2093**

(A) A person has control of an electronic document of title 2094
if a system employed for evidencing the transfer of interests in 2095
the electronic document reliably establishes that person as the 2096
person to which the electronic document was issued or transferred. 2097

(B) A system satisfies division (A) of this section, and a 2098
person is deemed to have control of an electronic document of 2099

title, if the document is created, stored, and assigned in such a 2100
manner that: 2101

(1) A single authoritative copy of the document exists which 2102
is unique, identifiable, and, except as otherwise provided in 2103
divisions (B)(4), (5), and (6) of this section, unalterable; 2104

(2) The authoritative copy identifies the person asserting 2105
control as: 2106

(a) The person to which the document was issued; or 2107

(b) If the authoritative copy indicates that the document has 2108
been transferred, the person to which the document was most 2109
recently transferred; 2110

(3) The authoritative copy is communicated to and maintained 2111
by the person asserting control or its designated custodian; 2112

(4) Copies or amendments that add or change an identified 2113
assignee of the authoritative copy can be made only with the 2114
consent of the person asserting control; 2115

(5) Each copy of the authoritative copy and any copy of a 2116
copy is readily identifiable as a copy that is not the 2117
authoritative copy; and 2118

(6) Any amendment of the authoritative copy is readily 2119
identifiable as authorized or unauthorized. 2120

Sec. ~~1307.06~~ 1307.201. (A) Person that may issue a warehouse 2121
receipt; storage under bond [UCC 7-201] 2122

(A) A warehouse receipt may be issued by any ~~warehouseman~~ 2123
warehouse. 2124

(B) ~~Where~~ If goods, including distilled spirits and 2125
agricultural commodities, are stored under a statute requiring a 2126
bond against withdrawal or a license for the issuance of receipts 2127
in the nature of warehouse receipts, a receipt issued for the 2128

goods ~~has like effect as~~ is deemed to be a warehouse receipt even 2129
though if issued by a person ~~who~~ that is the owner of the goods 2130
and is not a ~~warehouseman~~ warehouse. 2131

Sec. ~~1307.07~~ 1307.202. ~~(A)~~ Form of warehouse receipt; effect 2132
of omission [UCC 7-202] 2133

(A) A warehouse receipt need not be in any particular form. 2134

(B) Unless a warehouse receipt ~~embodies within its written or~~ 2135
~~printed terms~~ provides for each of the following, the ~~warehouse~~ 2136
warehouse is liable for damages caused ~~by the omission~~ to a person 2137
injured by ~~the~~ its omission: 2138

(1) ~~The~~ A statement of the location of the warehouse facility 2139
where the goods are stored; 2140

(2) The date of issue of the receipt; 2141

(3) The ~~consecutive number~~ unique identification code of the 2142
receipt; 2143

(4) A statement whether the goods received will be delivered 2144
to the bearer, to a ~~specified~~ named person, or to a named person 2145
or its order; 2146

(5) The rate of storage and handling charges, ~~except that, if~~ 2147
unless goods are stored under a field warehousing arrangement, in 2148
which case a statement of that fact is sufficient on a 2149
~~non-negotiable~~ nonnegotiable receipt; 2150

(6) A description of the goods or ~~of~~ the packages containing 2151
them; 2152

(7) The signature of the ~~warehouse~~ warehouse, ~~which may be~~ 2153
~~made by the warehouse's authorized~~ or its agent; 2154

(8) If the receipt is issued for goods ~~of which~~ that the 2155
~~warehouse is owner~~ warehouse owns, either solely ~~or~~, jointly, or 2156
in common with others, a statement of the fact of that ownership; 2157

and 2158

(9) A statement of the amount of advances made and of 2159
liabilities incurred for which the ~~warehouser~~ warehouse claims a 2160
lien or security interest, ~~pursuant to section 1307.14 of the~~ 2161
~~Revised Code. If~~ unless the precise amount of the advances made or 2162
~~of the~~ liabilities incurred ~~is~~, at the time of the issue of the 2163
receipt, is unknown to the ~~warehouser~~ warehouse or to ~~the~~ 2164
~~warehouser's~~ its agent ~~who issues it that issued the receipt, in~~ 2165
which case a statement of the fact that advances have been made or 2166
liabilities incurred and the purpose of the advances or 2167
liabilities is sufficient. 2168

(C) A ~~warehouser~~ warehouse may insert in ~~the warehouser's~~ its 2169
receipt any ~~other~~ terms that are not contrary to ~~the provisions of~~ 2170
Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., 2171
and 1310. of the Revised Code and do not impair ~~the warehouser's~~ 2172
its obligation of delivery, ~~as set forth in under~~ section ~~1307.27~~ 2173
1307.403 of the Revised Code, or ~~the warehouser's~~ its duty of 2174
care, ~~as set forth in under~~ section ~~1307.09~~ 1307.204 of the 2175
Revised Code. Any contrary ~~provisions shall be~~ provision is 2176
ineffective. 2177

Sec. ~~1307.08~~ 1307.203. A Liability for nonreceipt or 2178
misdescription [UCC 7-203] 2179

A party to or purchaser for value in good faith of a document 2180
of title, other than a bill of lading ~~relying in either case, that~~ 2181
relies upon the description ~~therein~~ of the goods in the document 2182
may recover from the issuer damages caused by the ~~non receipt~~ 2183
nonreceipt or misdescription of the goods, except to the extent 2184
that ~~the:~~ 2185

(A) The document conspicuously indicates that the issuer does 2186
not know whether ~~any~~ all or part ~~or all~~ of the goods in fact were 2187
received or conform to the description, such as where a case in 2188

which the description is in terms of marks or labels or kind, 2189
quantity, or condition, or the receipt or description is qualified 2190
by "contents, condition, and quality unknown", "said to contain", 2191
or ~~the like~~ words of similar import, if ~~such~~ the indication ~~be~~ is 2192
true~~;~~ or ~~the~~ 2193

(B) The party or purchaser otherwise has notice of the 2194
nonreceipt or misdescription. 2195

Sec. ~~1307-09~~ 1307.204. ~~(A)~~ Duty of care; contractual 2196
limitation of warehouse's liability [UCC 7-204] 2197

(A) A ~~warehouseman~~ warehouse is liable for damages for loss 2198
of or injury to the goods caused by ~~his~~ its failure to exercise 2199
~~such~~ care ~~in~~ with regard to ~~them as~~ the goods that a reasonably 2200
careful ~~man~~ person would exercise under ~~like~~ similar circumstances 2201
~~but unless.~~ Unless otherwise agreed ~~he,~~ the warehouse is not 2202
liable for damages ~~which~~ that could not have been avoided by the 2203
exercise of ~~such~~ that care. 2204

(B) Damages may be limited by a term in the warehouse receipt 2205
or storage agreement limiting the amount of liability in case of 2206
loss or damage, ~~and setting forth a specific liability per article~~ 2207
~~or item, or value per unit of weight,~~ beyond which the 2208
~~warehouseman shall~~ warehouse is not be liable; provided, that such 2209
liability may on written. Such a limitation is not effective with 2210
respect to the warehouse's liability for conversion to its own 2211
use. On request of the bailor in a record at the time of signing 2212
~~such~~ the storage agreement or within a reasonable time after 2213
receipt of the warehouse receipt, the warehouse's liability may be 2214
increased on part or all of the goods ~~thereunder, in which covered~~ 2215
by the storage agreement or the warehouse receipt. In this event, 2216
increased rates may be charged based on ~~such~~ an increased 2217
valuation, ~~but that no such increase shall be permitted contrary~~ 2218
~~to a lawful limitation of liability contained in the~~ 2219

warehouseman's tariff, if any. No such limitation is effective 2220
with respect to the warehouseman's liability for conversion to his 2221
own use of the goods. 2222

(C) Reasonable provisions as to the time and manner of 2223
presenting claims and ~~instituting~~ commencing actions based on the 2224
bailment may be included in the warehouse receipt or ~~tariff~~ 2225
storage agreement. 2226

Sec. ~~1307.10~~ 1307.205. A Title under warehouse receipt 2227
defeated in certain cases [UCC 7-205] 2228

A buyer in ~~the~~ ordinary course of business of fungible goods 2229
sold and delivered by a ~~warehouseman who~~ warehouse that is also in 2230
the business of buying and selling such goods takes the goods free 2231
of any claim under a warehouse receipt even ~~though it~~ if the 2232
receipt is negotiable and has been duly negotiated. 2233

Sec. ~~1307.11~~ 1307.206. ~~(A)~~ Termination of storage at 2234
warehouse's option [UCC 7-206] 2235

(A) A ~~warehouseman may on notifying~~ warehouse, by giving 2236
notice to the person on whose account the goods are held and any 2237
other ~~persons~~ person known to claim an interest in the goods, may 2238
require payment of any charges and removal of the goods from the 2239
warehouse at the termination of the period of storage fixed by the 2240
document, of title or, if ~~no~~ a period is not fixed, within a 2241
stated period not less than thirty days after the ~~notification~~ 2242
warehouse gives notice. If the goods are not removed before the 2243
date specified in the ~~notification~~ notice, the ~~warehouseman~~ 2244
warehouse may sell them ~~in accordance with the provisions of~~ 2245
pursuant to section ~~1307.15~~ 1307.210 of the Revised Code ~~on~~ 2246
~~enforcement of a warehouseman's lien~~. 2247

(B) If a ~~warehouseman~~ warehouse in good faith believes that 2248
the goods are about to deteriorate or decline in value to less 2249

than the amount of ~~his~~ its lien within the time prescribed in 2250
division (A) of this section ~~for notification, advertisement, and~~ 2251
~~sale and section 1307.210 of the Revised Code~~, the ~~warehouseman~~ 2252
warehouse may specify in the ~~notification~~ notice given under 2253
division (A) of this section any reasonable shorter time for 2254
removal of the goods and ~~in case, if~~ the goods are not removed, 2255
may sell them at public sale held not less than one week after a 2256
single advertisement or posting. 2257

(C) If the warehouse as a result of a quality or condition of the goods of 2258
which the ~~warehouseman had no~~ warehouse did not have notice at the 2259
time of deposit, the goods are a hazard to other property ~~or to~~, 2260
the warehouse facilities, or ~~to~~ other persons, the ~~warehouseman~~ 2261
warehouse may sell the goods at public or private sale without 2262
advertisement or posting on reasonable notification to all persons 2263
known to claim an interest in the goods. If the ~~warehouseman~~ 2264
warehouse, after a reasonable effort, is unable to sell the goods 2265
~~he, it~~ may dispose of them in any lawful manner and ~~shall~~ does not 2266
incur ~~no~~ liability by reason of ~~such that~~ disposition. 2267

(D) ~~The warehouseman must~~ A warehouse shall deliver the goods 2268
to any person entitled to them under sections ~~1307.01~~ 1307.101 to 2269
~~1307.40, inclusive, 1307.603~~ of the Revised Code, upon due demand 2270
made at any time ~~prior to~~ before sale or other disposition under 2271
this section. 2272

(E) ~~The warehouseman~~ A warehouse may satisfy ~~his~~ its lien 2273
from the proceeds of any sale or disposition under this section 2274
but ~~must~~ shall hold the balance for delivery on the demand of any 2275
person to ~~whom he~~ which the warehouse would have been bound to 2276
deliver the goods. 2277

Sec. ~~1307.12~~ 1307.207. ~~(A)~~ Goods must be kept separate; 2278
fungible goods [UCC 7-207] 2279

(A) Unless the warehouse receipt provides otherwise ~~provides~~, 2280

a ~~warehouseman must~~ warehouse shall keep separate the goods 2281
covered by each receipt so as to permit at all times 2282
identification and delivery of those goods ~~except that.~~ However, 2283
different lots of fungible goods may be commingled. 2284

(B) ~~Fungible~~ If different lots of fungible goods ~~se~~ are 2285
commingled, the goods are owned in common by the persons entitled 2286
thereto and the ~~warehouseman~~ warehouse is severally liable to each 2287
owner for that owner's share. ~~Where~~ If, because of overissue, a 2288
mass of fungible goods is insufficient to meet all the receipts 2289
~~which~~ the ~~warehouseman~~ warehouse has issued against it, the 2290
persons entitled include all holders to ~~whom~~ which overissued 2291
receipts have been duly negotiated. 2292

Sec. ~~1307.13~~ 1307.208. ~~Where~~ Altered warehouse receipts [UCC 2293
7-208] 2294

If a blank in a negotiable tangible warehouse receipt has 2295
been filled in without authority, a good-faith purchaser for value 2296
and without notice of the ~~want~~ lack of authority may treat the 2297
insertion as authorized. Any other unauthorized alteration leaves 2298
any tangible or electronic warehouse receipt enforceable against 2299
the issuer according to its original tenor. 2300

Sec. ~~1307.14~~ 1307.209. ~~(A)~~ Lien of warehouse [UCC 7-209] 2301

(A) A ~~warehouse~~ warehouse has a lien against the bailor on 2302
the goods covered by a warehouse receipt or storage agreement or 2303
on the proceeds thereof in ~~the warehouse's~~ its possession for 2304
charges for storage or transportation, including demurrage and 2305
terminal charges, insurance, labor, or other charges, present or 2306
future, in relation to the goods, and for expenses necessary for 2307
preservation of the goods or reasonably incurred in their sale 2308
pursuant to law. If the person on whose account the goods are held 2309
is liable for ~~like~~ similar charges or expenses in relation to 2310

other goods whenever deposited and it is stated in the warehouse 2311
receipt or storage agreement that a lien is claimed for charges 2312
and expenses in relation to other goods, the ~~warehouser~~ warehouse 2313
also has a lien against the ~~person~~ goods covered by the warehouse 2314
receipt or storage agreement or on the proceeds thereof in its 2315
possession for ~~such~~ those charges and expenses, whether or not the 2316
other goods have been delivered by the ~~warehouser~~ warehouse. ~~But~~ 2317
However, as against a person to ~~whom~~ which a negotiable warehouse 2318
receipt is duly negotiated, a ~~warehouser's~~ warehouse's lien is 2319
limited to charges in an amount or at a rate specified ~~on~~ in the 2320
warehouse receipt or, if no charges are so specified ~~then~~, to a 2321
reasonable charge for storage of the specific goods covered by the 2322
receipt subsequent to the date of the receipt. 2323

(B) ~~The warehouser~~ A warehouse may also reserve a security 2324
interest against the bailor for a the maximum amount specified on 2325
the receipt for charges other than those specified in division (A) 2326
of this section, such as for money advanced and interest. ~~Such a~~ 2327
The security interest is governed by Chapter 1309. of the Revised 2328
Code. 2329

(C) A ~~warehouser's~~ warehouse's lien for charges and expenses 2330
under division (A) of this section, or a security interest under 2331
division (B) of this section is also effective against any person 2332
~~who~~ that so entrusted the bailor with possession of the goods that 2333
a pledge of them by the bailor to a good faith purchaser for value 2334
would have been valid ~~but~~. However, the lien or security interest 2335
is not effective against a person ~~as to whom the~~ that before 2336
issuance of a document confers no right of title had a legal 2337
interest or a perfected security interest in the goods ~~covered by~~ 2338
~~it~~ and that did not: 2339

(1) Deliver or entrust the goods or any document covering the 2340
goods to the bailor or the bailor's nominee with: 2341

(a) Actual or apparent authority to ship, store, or sell; 2342

| | |
|----------------------------------------------------------------------------------------------------|------|
| <u>(b) Power to obtain delivery under section 1307.31 1307.403</u> | 2343 |
| of the Revised Code; <u>or</u> | 2344 |
| <u>(c) Power of disposition under section 1302.44, 1309.320,</u> | 2345 |
| <u>division (B) of section 1310.32, or division (B) of section</u> | 2346 |
| <u>1310.33 of the Revised Code, or other statute or rule of law; or</u> | 2347 |
| <u>(2) Acquiesce in the procurement by the bailor or its nominee</u> | 2348 |
| <u>of any document.</u> | 2349 |
| <u>(D) A warehouse's lien on household goods for charges and</u> | 2350 |
| <u>expenses in relation to the goods under division (A) of this</u> | 2351 |
| <u>section is also effective against all persons if the depositor was</u> | 2352 |
| <u>the legal possessor of the goods at the time of deposit. In this</u> | 2353 |
| <u>division, "household goods" means furniture, furnishings, or</u> | 2354 |
| <u>personal effects used by the depositor in a dwelling.</u> | 2355 |
| <u>(E) A warehouse warehouse loses the warehouse's its lien on</u> | 2356 |
| <u>any goods which the warehouse that it voluntarily delivers or</u> | 2357 |
| <u>which the warehouse unjustifiably refuses to deliver.</u> | 2358 |
| Sec. 1307.15 1307.210. <u>(A) Enforcement of warehouse's lien</u> | 2359 |
| <u>[UCC 7-210]</u> | 2360 |
| <u>(A) Except as <u>otherwise</u> provided in division (B) of this</u> | 2361 |
| <u>section, a warehouseman's warehouse's lien may be enforced by</u> | 2362 |
| <u>public or private sale of the goods in blo <u>bulk</u> or in parcels</u> | 2363 |
| <u>packages, at any time or place and on any terms which <u>that</u> are</u> | 2364 |
| <u>commercially reasonable, after notifying all persons known to</u> | 2365 |
| <u>claim an interest in the goods. Such <u>The</u> notification must include</u> | 2366 |
| <u>a statement of the amount due, the nature of the proposed sale,</u> | 2367 |
| <u>and the time and place of any public sale. The fact that a better</u> | 2368 |
| <u>price could have been obtained by a sale at <u>a</u> different time or in</u> | 2369 |
| <u>a different method <u>different</u> from that selected by the</u> | 2370 |
| <u>warehouseman <u>warehouse</u> is not of itself sufficient to establish</u> | 2371 |
| <u>that the sale was not made in a commercially reasonable manner. if</u> | 2372 |

~~the warehouseman either~~ The warehouse sells in a commercially 2373
reasonable manner if the warehouse sells the goods in the usual 2374
manner in any recognized market ~~therefor~~ therefore, ~~or if he~~ sells 2375
at the price current in ~~such~~ that market at the time of ~~his~~ the 2376
sale, or ~~if he has~~ otherwise ~~sold~~ sells in conformity with 2377
commercially reasonable practices among dealers in the type of 2378
goods sold, ~~he has sold in a commercially reasonable manner.~~ A 2379
sale of more goods than apparently necessary to be offered to 2380
~~insure~~ ensure satisfaction of the obligation is not commercially 2381
reasonable, except in cases covered by the preceding sentence. 2382

(B) A ~~warehouseman's~~ warehouse may enforce its lien on goods, 2383
other than goods stored by a merchant in the course of ~~his~~ its 2384
business ~~may be enforced,~~ only as follows if the following 2385
requirements are satisfied: 2386

(1) All persons known to claim an interest in the goods must 2387
be notified. 2388

(2) ~~The notification must be delivered in person or sent by~~ 2389
~~registered letter to the last known address of any person to be~~ 2390
~~notified.~~ 2391

~~(3)~~ The notification must include an itemized statement of 2392
the claim, a description of the goods subject to the lien, a 2393
demand for payment within a specified time not less than ten days 2394
after receipt of the notification, and a conspicuous statement 2395
that unless the claim is paid within that time the goods will be 2396
advertised for sale and sold by auction at a specified time and 2397
place. 2398

~~(4)~~(3) The sale must conform to the terms of the 2399
notification. 2400

~~(5)~~(4) The sale must be held at the nearest suitable place to 2401
~~that~~ where the goods are held or stored. 2402

~~(6)~~(5) After the expiration of the time given in the 2403

notification, an advertisement of the sale must be published once 2404
a week for two weeks consecutively in a newspaper of general 2405
circulation where the sale is to be held. The advertisement must 2406
include a description of the goods, the name of the person on 2407
whose account they are being held, and the time and place of the 2408
sale. The sale must take place at least fifteen days after the 2409
first publication. If there is no newspaper of general circulation 2410
where the sale is to be held, the advertisement must be posted at 2411
least ten days before the sale in not ~~less~~ fewer than six 2412
conspicuous places in the neighborhood of the proposed sale. 2413

(C) Before any sale pursuant to this section, any person 2414
claiming a right in the goods may pay the amount necessary to 2415
satisfy the lien and the reasonable expenses incurred ~~under~~ in 2416
complying with this section. In that event, the goods ~~must~~ may not 2417
be sold, but must be retained by the ~~warehouseman~~ warehouse 2418
subject to the terms of the receipt and sections ~~1307.01~~ 1307.101 2419
to ~~1307.40, inclusive,~~ 1307.603 of the Revised Code. 2420

(D) ~~The warehouseman~~ A warehouse may buy at any public sale 2421
held pursuant to this section. 2422

(E) A purchaser in good faith of goods sold to enforce a 2423
~~warehouseman's~~ warehouse's lien takes the goods free of any rights 2424
of persons against ~~whom~~ which the lien was valid, despite the 2425
warehouse's noncompliance ~~by the warehouseman~~ with the 2426
~~requirements of~~ this section. 2427

(F) ~~The warehouseman~~ A warehouse may satisfy ~~his~~ its lien 2428
from the proceeds of any sale pursuant to this section but ~~must~~ 2429
shall hold the balance, if any, for delivery on demand to any 2430
person to ~~whom he~~ which the warehouse would have been bound to 2431
deliver the goods. 2432

(G) The rights provided by this section ~~shall be~~ are in 2433
addition to all other rights allowed by law to a creditor against 2434

his a debtor. 2435

(H) ~~Where~~ If a lien is on goods stored by a merchant in the 2436
course of ~~his~~ its business, the lien may be enforced in accordance 2437
with ~~either~~ division (A) or (B) of this section. 2438

(I) ~~The warehouseman~~ A warehouse is liable for damages caused 2439
by failure to comply with the requirements for sale under this 2440
section and, in case of willful violation, is liable for 2441
conversion. 2442

Sec. ~~1307.16~~ 1307.301. (A) Liability for nonreceipt or 2443
misdescription; "said to contain"; "shipper's weight, load, and 2444
count"; improper handling [UCC 7-301] 2445

(A) A consignee of a ~~non-negotiable~~ nonnegotiable bill ~~who~~ of 2446
lading which has given value in good faith, or a holder to ~~whom~~ 2447
which a negotiable bill has been duly negotiated, relying ~~in~~ 2448
~~either case~~ upon the description ~~therein~~ of the goods, in the bill 2449
or upon the date ~~therein~~ shown in the bill, may recover from the 2450
issuer damages caused by the misdating of the bill or the 2451
~~non-receipt~~ nonreceipt or misdescription of the goods, except to 2452
the extent that the ~~document~~ bill indicates that the issuer does 2453
not know whether any part or all of the goods in fact were 2454
received or conform to the description, such as where in a case in 2455
which the description is in terms of marks or labels or kind, 2456
quantity, or condition or the receipt or description is qualified 2457
by "contents or condition of contents of packages unknown", "said 2458
to contain", "shipper's weight, load and count," or ~~the like~~ words 2459
of similar import, if ~~such that~~ that indication ~~be~~ is true. 2460

(B) ~~When~~ If goods are loaded by ~~an~~ the issuer ~~who is~~ of a 2461
~~common carrier, the~~ bill of lading: 2462

(1) The issuer ~~must~~ shall count the packages of goods if 2463
~~package freight~~ shipped in packages and ascertain the kind and 2464

quantity if shipped in bulk freight. In such cases; and 2465

(2) Words such as "shipper's weight, load and count," or 2466
other words of similar import indicating that the description was 2467
made by the shipper are ineffective except as to freight goods 2468
concealed by in packages. 2469

(C) ~~When~~ If ~~bulk freight is goods are~~ loaded by a shipper ~~who~~ 2470
that makes available to the issuer of a bill of lading adequate 2471
facilities for weighing ~~such freight those goods, an~~ the issuer 2472
~~who is a common carrier must~~ shall ascertain the kind and quantity 2473
within a reasonable time after receiving the ~~written~~ shipper's 2474
~~request of the shipper in a record~~ to do so. In ~~such cases that~~ 2475
case, "shipper's weight" or other words of ~~like purport similar~~ 2476
import are ineffective. 2477

(D) The issuer ~~may~~ of a bill of lading, by ~~inserting~~ 2478
including in the bill the words "shipper's weight, load and 2479
count," or other words of ~~like purport similar import,~~ may 2480
indicate that the goods were loaded by the shipper~~;~~ and, if ~~such~~ 2481
that statement ~~be is~~ true, the issuer ~~shall is~~ not ~~be~~ liable for 2482
damages caused by the improper loading. ~~But their~~ However, 2483
omission of such words does not imply liability for ~~such~~ damages 2484
caused by improper loading. 2485

(E) ~~The~~ A shipper ~~shall be deemed to have guaranteed~~ 2486
guarantees to ~~the~~ an issuer the accuracy at the time of shipment 2487
of the description, marks, labels, number, kind, quantity, 2488
condition, and weight, as furnished by ~~him;~~ the shipper, and the 2489
shipper shall indemnify the issuer against damage caused by 2490
inaccuracies in ~~such~~ those particulars. ~~The~~ This right of ~~the~~ 2491
~~issuer to such~~ indemnity ~~shall in no way~~ does not limit ~~his~~ the 2492
issuer's responsibility ~~and or~~ liability under the contract of 2493
carriage to any person other than the shipper. 2494

Sec. ~~1307.17~~ 1307.302. (A) Through bills of lading and 2495

similar documents of title [UCC 7-302] 2496

(A) The issuer of a through bill of lading, or other document 2497
of title embodying an undertaking to be performed in part by 2498
~~persons~~ a person acting as its ~~agents~~ agent or by ~~connecting~~ 2499
~~carriers~~ a performing carrier, is liable to ~~anyone~~ any person 2500
entitled to recover on the bill or other document for any breach 2501
by ~~such~~ the other ~~persons~~ person or ~~by a connecting~~ the performing 2502
carrier of its obligation under the bill or other document ~~but~~, 2503
However, to the extent that the bill or other document covers an 2504
undertaking to be performed overseas or in territory not 2505
contiguous to the continental United States or an undertaking 2506
including matters other than transportation, this liability for 2507
breach by the other person or the performing carrier may be varied 2508
by agreement of the parties. 2509

(B) ~~Where~~ If goods covered by a through bill of lading or 2510
other document of title embodying an undertaking to be performed 2511
in part by ~~persons~~ a person other than the issuer are received by 2512
~~any such persons~~ that person, ~~he~~ the person is subject, with 2513
respect to ~~his~~ its own performance while the goods are in ~~his~~ its 2514
possession, to the obligation of the issuer. ~~His~~ The person's 2515
obligation is discharged by delivery of the goods to another ~~such~~ 2516
person pursuant to the bill or other document, and does not 2517
include liability for breach by any other ~~such persons~~ person or 2518
by the issuer. 2519

(C) The issuer of ~~such~~ a through bill of lading or other 2520
document ~~shall be~~ of title described in division (A) of this 2521
section is entitled to recover from the ~~connecting~~ performing 2522
carrier, or ~~such~~ other person in possession of the goods when the 2523
breach of the obligation under the bill or other document 2524
occurred, ~~the~~; 2525

(1) The amount it may be required to pay to ~~anyone~~ any person 2526
entitled to recover on the bill or other document ~~therefor~~ for the 2527

breach, as may be evidenced by any receipt, judgment, or 2528
transcript thereof, of judgment; and the 2529

(2) The amount of any expense reasonably incurred by ~~it~~ the 2530
issuer in defending any action ~~brought~~ commenced by ~~anyone~~ any 2531
person entitled to recover on the bill or other document ~~therefor~~ 2532
for the breach. 2533

Sec. ~~1307.18~~ 1307.303. ~~(A)~~ Diversion; reconsignment; change 2534
of instructions [UCC 7-303] 2535

(A) Unless the bill of lading otherwise provides, ~~the~~ a 2536
carrier may deliver the goods to a person or destination other 2537
than that stated in the bill or may otherwise dispose of the 2538
goods, without liability for misdelivery, on instructions from: 2539

(1) the holder of a negotiable bill; ~~or~~ 2540

(2) the consignor on a ~~non-negotiable~~ nonnegotiable bill 2541
notwithstanding, even if the consignee has given contrary 2542
instructions ~~from the consignee~~; ~~or~~ 2543

(3) the consignee on a ~~non-negotiable~~ nonnegotiable bill in 2544
the absence of contrary instructions from the consignor, if the 2545
goods have arrived at the billed destination or if the consignee 2546
is in possession of the tangible bill or in control of the 2547
electronic bill; or 2548

(4) the consignee ~~of~~ on a ~~non-negotiable~~ nonnegotiable bill 2549
if ~~he~~ the consignee is entitled as against the consignor to 2550
dispose of ~~them~~ the goods. 2551

(B) Unless ~~such~~ instructions described in division (A) of 2552
this section are ~~noted on~~ included in a negotiable bill of lading, 2553
a person to ~~whom~~ which the bill is duly negotiated ~~can~~ may hold 2554
the bailee according to the original terms. 2555

Sec. ~~1307.19~~ 1307.304. ~~(A)~~ Tangible bills of lading in a set 2556

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| [UCC 7-304] | 2557 |
| (A) Except where <u>as</u> customary in overseas <u>international</u> transportation, a <u>tangible</u> bill of lading must <u>may</u> not be issued in a set of parts. The issuer is liable for damages caused by violation of this division. | 2558 2559 2560 2561 |
| (B) Where <u>If</u> a <u>tangible</u> bill of lading is lawfully drawn <u>issued</u> in a set of parts, each of which is numbered <u>contains an identification code</u> and <u>is</u> expressed to be valid only if the goods have not been delivered against any other part, the whole of the parts constitute <u>constitutes</u> one bill. | 2562 2563 2564 2565 2566 |
| (C) Where <u>If</u> a <u>tangible negotiable</u> bill of lading is lawfully issued in a set of parts and different parts are negotiated to different persons, the title of the holder to whom <u>which</u> the first due negotiation is made prevails as to both the document <u>of title</u> and the goods even though <u>if</u> any later holder may have received the goods from the carrier in good faith and discharged the carrier's obligation by surrender of his <u>surrendering its</u> part. | 2567 2568 2569 2570 2571 2572 2573 |
| (D) Any <u>A</u> person who <u>that</u> negotiates or transfers a single part of a <u>tangible</u> bill of lading drawn <u>issued</u> in a set is liable to holders of that part as if it were the whole set. | 2574 2575 2576 |
| (E) The bailee is obliged to <u>shall</u> deliver in accordance with sections 1307.25 <u>1307.401</u> to 1307.28, inclusive, <u>1307.404</u> of the Revised Code, against the first presented part of a <u>tangible</u> bill of lading lawfully drawn <u>issued</u> in a set. Such delivery <u>Delivery</u> <u>in this manner</u> discharges the bailee's obligation on the whole bill. | 2577 2578 2579 2580 2581 2582 |
| Sec. 1307.20 <u>1307.305</u>. (A) <u>Destination bills</u> [UCC 7-305] | 2583 |
| (A) Instead of issuing a bill of lading to the consignor at the place of shipment, a carrier may, at the request of the consignor, <u>may</u> procure the bill to be issued at destination or at | 2584 2585 2586 |

any other place designated in the request. 2587

(B) Upon request of ~~anyone~~ any person entitled as against the 2588
carrier to control the goods while in transit and on surrender of 2589
possession or control of any outstanding bill of lading or other 2590
receipt covering ~~such~~ the goods, the issuer, subject to section 2591
1307.105 of the Revised Code, may procure a substitute bill to be 2592
issued at any place designated in the request. 2593

Sec. ~~1307.21~~ 1307.306. ~~An~~ Altered bills of lading [UCC 7-306] 2594
2595

An unauthorized alteration or filling in of a blank in a bill 2596
of lading leaves the bill enforceable according to its original 2597
tenor. 2598

Sec. ~~1307.22~~ 1307.307. ~~(A)~~ Lien of carrier [UCC 7-307] 2599

(A) A carrier has a lien on the goods covered by a bill of 2600
lading or on the proceeds thereof in its possession for charges 2601
~~subsequent to~~ after the date of ~~its~~ the carrier's receipt of the 2602
goods for storage or transportation, including demurrage and 2603
terminal charges, and for expenses necessary for preservation of 2604
the goods incident to their transportation or reasonably incurred 2605
in their sale pursuant to ~~section 1307.23 of the Revised Code~~ law. 2606
~~But~~ However, against a purchaser for value of a negotiable bill of 2607
lading, a carrier's lien is limited to charges stated in the bill 2608
or the applicable tariffs, ~~or~~ if no charges are stated ~~then to~~ a 2609
reasonable charge. 2610

(B) A lien for charges and expenses under division (A) of 2611
this section on goods ~~which~~ that the carrier was required by law 2612
to receive for transportation is effective against the consignor 2613
or any person entitled to the goods unless the carrier had notice 2614
that the consignor lacked authority to subject the goods to ~~such~~ 2615
those charges and expenses. Any other lien under division (A) of 2616

this section is effective against the consignor and any person ~~who~~ 2617
~~that~~ permitted the bailor to have control or possession of the 2618
goods unless the carrier had notice that the bailor lacked ~~such~~ 2619
authority. 2620

(C) A carrier loses ~~his~~ its lien on any goods ~~which he~~ that 2621
it voluntarily delivers or ~~which he~~ unjustifiably refuses to 2622
deliver. 2623

Sec. ~~1307.23~~ 1307.308. ~~(A)~~ Enforcement of carrier's lien [UCC 2624
7-308] 2625

(A) A carrier's lien on goods may be enforced by public or 2626
private sale of the goods, in ~~bulk~~ bulk or in ~~parcels~~ packages, at 2627
any time or place, and on any terms ~~which~~ that are commercially 2628
reasonable, after notifying all persons known to claim an interest 2629
in the goods. ~~Such~~ The notification must include a statement of 2630
the amount due, the nature of the proposed sale, and the time and 2631
place of any public sale. The fact that a better price could have 2632
been obtained by a sale at a different time or in a ~~different~~ 2633
method different from that selected by the carrier is not of 2634
itself sufficient to establish that the sale was not made in a 2635
commercially reasonable manner. ~~If the~~ The carrier ~~either~~ sells 2636
goods in a commercially reasonable manner if the carrier sells the 2637
goods in the usual manner in any recognized market therefor ~~or if~~ 2638
he, sells at the price current in ~~such~~ that market at the time of 2639
~~his~~ the sale, ~~or if he has otherwise sold~~ sells in conformity with 2640
commercially reasonable practices among dealers in the type of 2641
goods sold, ~~he has sold in a commercially reasonable manner~~. A 2642
sale of more goods than apparently necessary to be offered to 2643
ensure satisfaction of the obligation is not commercially 2644
reasonable, except in cases covered by the preceding sentence. 2645

(B) Before any sale pursuant to this section, any person 2646
claiming a right in the goods may pay the amount necessary to 2647

satisfy the lien and the reasonable expenses incurred ~~under in~~ 2648
complying with this section. In that event, the goods ~~must~~ may not 2649
be sold, but must be retained by the carrier, subject to the terms 2650
of the bill of lading and sections ~~1307.01~~ 1307.101 to ~~1307.40,~~ 2651
~~inclusive,~~ 1307.603 of the Revised Code. 2652

(C) ~~The~~ A carrier may buy at any public sale pursuant to this 2653
section. 2654

(D) A purchaser in good faith of goods sold to enforce a 2655
carrier's lien takes the goods free of any rights of persons 2656
against ~~whom~~ which the lien was valid, despite the carrier's 2657
noncompliance ~~by the carrier~~ with ~~the requirements of~~ this 2658
section. 2659

(E) ~~The~~ A carrier may satisfy ~~his~~ its lien from the proceeds 2660
of any sale pursuant to this section but ~~must~~ shall hold the 2661
balance, if any, for delivery on demand to any person to ~~whom he~~ 2662
which the carrier would have been bound to deliver the goods. 2663

(F) The rights provided by this section ~~shall be~~ are in 2664
addition to all other rights allowed by law to a creditor against 2665
~~his~~ a debtor. 2666

(G) A carrier's lien may be enforced ~~in accordance with~~ 2667
pursuant to either division ~~(B)~~ (A) of this section or the 2668
procedure set forth in division (B) of section ~~1307.15~~ 1307.210 of 2669
the Revised Code. 2670

(H) ~~The~~ A carrier is liable for damages caused by failure to 2671
comply with the requirements for sale under this section and, in 2672
case of willful violation, is liable for conversion. 2673

Sec. ~~1307.24~~ 1307.309. ~~(A)~~ Duty of care; contractual 2674
limitation of carrier's liability [UCC 7-309] 2675

(A) A carrier ~~who~~ that issues a bill of lading, whether 2676
negotiable or ~~non-negotiable~~ nonnegotiable, shall exercise 2677

the degree of care in relation to the goods which a reasonably 2678
careful ~~man~~ person would exercise under ~~like~~ similar 2679
circumstances. This division does not ~~repeal or change~~ affect any 2680
~~law~~ statute, regulation, or rule of law ~~which that~~ imposes 2681
liability upon a common carrier for damages not caused by its 2682
negligence. 2683

(B) Damages may be limited by a ~~provision~~ term in the bill of 2684
lading or in a transportation agreement that the carrier's 2685
liability ~~shall~~ may not exceed a value stated in the ~~document~~ bill 2686
or transportation agreement if the carrier's rates are dependent 2687
upon value and the consignor ~~by the carrier's tariff~~ is afforded 2688
an opportunity to declare a higher value ~~or a value as lawfully~~ 2689
~~provided in and~~ the tariff, or where no tariff is filed he 2690
consignor is ~~otherwise~~ advised of ~~such the~~ opportunity; ~~but no.~~ 2691
However, such a limitation is not effective with respect to the 2692
carrier's liability for conversion to its own use. 2693

(C) Reasonable provisions as to the time and manner of 2694
presenting claims and ~~instituting~~ commencing actions based on the 2695
shipment may be included in a bill of lading or ~~tariff~~ a 2696
transportation agreement. 2697

Sec. ~~1307.25~~ 1307.401. The Irregularities in issue of receipt 2698
or bill or conduct of issuer [UCC 7-401] 2699

The obligations imposed by sections ~~1307.01~~ 1307.101 to 2700
~~1307.40, inclusive,~~ 1307.603 of the Revised Code on an issuer 2701
apply to a document of title ~~regardless of the fact that~~ even if: 2702

(1) ~~the~~ The document ~~may~~ does not comply with the 2703
requirements of sections ~~1307.01~~ 1307.101 to ~~1307.40, inclusive,~~ 2704
1307.603 of the Revised Code or of any other ~~law~~ statute, rule, or 2705
regulation regarding its ~~issue~~ issuance, form, or content; ~~or~~ 2706

(2) ~~the~~ The issuer ~~may have~~ violated laws regulating the 2707

conduct of ~~his~~ its business; ~~or~~ 2708

(3) ~~the~~ The goods covered by the document were owned by the 2709
bailee ~~at the time~~ when the document was issued; or 2710

(4) ~~the~~ The person issuing the document ~~does not come within~~ 2711
is not a warehouse but the definition of warehouseman if it 2712
document purports to be a warehouse receipt. 2713

Sec. ~~1307.26~~ 1307.402. ~~Neither a Duplicate document of title;~~ 2714
overissue [UCC 7-402] 2715

A duplicate ~~nor~~ or any other document of title purporting to 2716
cover goods already represented by an outstanding document of the 2717
same issuer ~~confers~~ does not confer any right in the goods, except 2718
as provided in the case of tangible bills of lading in a set of 2719
parts, overissue of documents for fungible goods, ~~and~~ substitutes 2720
for lost, stolen, or destroyed documents , or substitute documents 2721
issued pursuant to section 1307.105 of the Revised Code. ~~But the~~ 2722
The issuer is liable for damages caused by ~~his~~ its overissue or 2723
failure to identify a duplicate document ~~as such~~ by a conspicuous 2724
notation ~~on its face.~~ 2725

Sec. ~~1307.27~~ 1307.403. ~~(A) The~~ Obligation of bailee to 2726
deliver; excuse [UCC 7-403] 2727

(A) A bailee ~~must~~ shall deliver the goods to a person 2728
entitled under ~~the~~ a document ~~who~~ of title if the person complies 2729
with divisions (B) and (C) of this section, unless and to the 2730
extent that the bailee establishes any of the following: 2731

(1) delivery of the goods to a person whose receipt was 2732
rightful as against the claimant; 2733

(2) damage to or delay, loss, or destruction of the goods for 2734
which the bailee is not liable, ~~but the burden of establishing~~ 2735
~~negligence in such cases is on the person entitled under the~~ 2736

| | |
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| document; | 2737 |
| (3) previous sale or other disposition of the goods in lawful enforcement of a lien or on warehouseman's <u>a warehouse's</u> lawful termination of storage; | 2738 2739 2740 |
| (4) the exercise by a seller of his <u>its</u> right to stop delivery pursuant to the provisions of section 1302.79 of the Revised Code <u>or by a lessor of its right to stop delivery pursuant to section 1310.72 of the Revised Code;</u> | 2741 2742 2743 2744 |
| (5) a diversion, reconsignment, or other disposition pursuant to the provisions of section 1307.18 <u>1307.303</u> of the Revised Code or tariff regulating such right; | 2745 2746 2747 |
| (6) release, satisfaction, or any other fact affording a personal defense against the claimant; <u>or</u> | 2748 2749 |
| (7) any other lawful excuse. | 2750 |
| (B) A person claiming goods covered by a document of title must <u>shall</u> satisfy the bailee's lien where <u>if</u> the bailee so requests or where <u>if</u> the bailee is prohibited by law from delivering the goods until the charges are paid. | 2751 2752 2753 2754 |
| (C) Unless the person claiming <u>the goods</u> is one <u>a person</u> against whom <u>which</u> the document confers no <u>of title does not confer a</u> right under division (A) of section 1307.31 <u>1307.503</u> of the Revised Code, he must; | 2755 2756 2757 2758 |
| <u>(1) The person claiming under a document shall</u> surrender for cancellation <u>possession</u> or notation <u>control</u> of partial deliveries any outstanding negotiable document covering the goods, <u>for cancellation or indication of partial deliveries;</u> and the | 2759 2760 2761 2762 |
| <u>(2) The bailee must</u> shall cancel the document or conspicuously note <u>indicate in the document</u> the partial delivery thereon or be <u>the bailee is</u> liable to any person to whom <u>which</u> the document is duly negotiated. | 2763 2764 2765 2766 |

~~(D) "Person entitled under the document" means holder in the
ease of a negotiable document, or the person to whom delivery is
to be made by the terms of or pursuant to written instructions
under a non negotiable document.~~

Sec. ~~1307.28~~ 1307.404. A No liability for good-faith delivery
pursuant to document of title [UCC 7-404]

A bailee who that in good faith, ~~including observance of
reasonable commercial standards~~ has received goods and delivered
or otherwise disposed of ~~them~~ the goods according to the terms of
~~the a~~ document of title or pursuant to sections ~~1307.01~~ 1307.101
to ~~1307.40, inclusive,~~ 1307.603 of the Revised Code, is not liable
therefor. This rule applies for the goods even though the if:

(A) The person from whom he which the bailee received the
goods ~~had no~~ did not have authority to procure the document or to
dispose of the goods ~~and even though the;~~ or

(B) The person to whom he which the bailee delivered the
goods ~~had no~~ did not have authority to receive ~~them~~ the goods.

Sec. ~~1307.29~~ 1307.501. ~~(A) A~~ Form of negotiation and
requirements of due negotiation [UCC 7-501]

(A) The following rules apply to a negotiable tangible
document of title running:

(1) If the document's original terms run to the order of a
named person, the document is negotiated by ~~his~~ the named person's
indorsement and delivery. After ~~his~~ the named person's indorsement
in blank or to bearer, any person ~~can~~ may negotiate ~~it~~ the
document by delivery alone.

~~(B)(1) A negotiable document of title~~ (2) If the document's
original terms run to bearer, it is also negotiated by delivery
alone ~~when by its original terms it runs to bearer.~~

~~(2) When a document running~~ (3) If the document's original 2796
terms run to the order of a named person and it is delivered to 2797
~~him~~ the named person, the effect is the same as if the document 2798
had been negotiated. 2799

~~(C)(4)~~ Negotiation of a negotiable ~~the~~ document ~~of title~~ 2800
after it has been indorsed to a ~~specified~~ named person requires 2801
indorsement by the ~~special indorsee as well as~~ named person and 2802
delivery. 2803

~~(D)(5)~~ A negotiable document of title is "duly negotiated" 2804
~~when~~ if it is negotiated in the manner stated in this ~~section~~ 2805
division to a holder ~~who~~ that purchases it in good faith, without 2806
notice of any defense against or claim to it on the part of any 2807
person, and for value, unless it is established that the 2808
negotiation is not in the regular course of business or financing 2809
or involves receiving the document in settlement or payment of a 2810
~~money~~ monetary obligation. 2811

~~(E)(B)~~ The following rules apply to a negotiable electronic 2812
document of title: 2813

(1) If the document's original terms run to the order of a 2814
named person or to bearer, the document is negotiated by delivery 2815
of the document to another person. Indorsement by the named person 2816
is not required to negotiate the document. 2817

(2) If the document's original terms run to the order of a 2818
named person and the named person has control of the document, the 2819
effect is the same as if the document had been negotiated. 2820

(3) A document is duly negotiated if it is negotiated in the 2821
manner stated in this division to a holder that purchases it in 2822
good faith, without notice of any defense against or claim to it 2823
on the part of any person, and for value, unless it is established 2824
that the negotiation is not in the regular course of business or 2825
financing or involves taking delivery of the document in 2826

settlement or payment of a monetary obligation. 2827

(C) Indorsement of a ~~non-negotiable~~ nonnegotiable document of 2828
title neither makes it negotiable nor adds to the transferee's 2829
rights. 2830

~~(F)~~(D) The naming in a negotiable bill of lading of a person 2831
to be notified of the arrival of the goods does not limit the 2832
negotiability of the bill ~~nor~~ or constitute notice to a purchaser 2833
~~thereof~~ of the bill of any interest of ~~such~~ that person in the 2834
goods. 2835

Sec. ~~1307.30~~ 1307.502. (A) Rights acquired by due negotiation 2836
[UCC 7-502] 2837

(A) Subject to sections ~~1307.31~~ 1307.205 and ~~1307.10~~ 1307.503 2838
of the Revised Code ~~on fungible goods~~, a holder to ~~whom~~ which a 2839
negotiable document of title has been duly negotiated acquires 2840
thereby: 2841

(1) title to the document; 2842

(2) title to the goods; 2843

(3) all rights accruing under the law of agency or estoppel, 2844
including rights to goods delivered to the bailee after the 2845
document was issued; and 2846

(4) the direct obligation of the issuer to hold or deliver 2847
the goods according to the terms of the document free of any 2848
defense or claim by ~~him~~ the issuer except those arising under the 2849
terms of the document or under sections ~~1307.01~~ 1307.101 to 2850
~~1307.40, inclusive,~~ 1307.603 of the Revised Code. ~~In,~~ but in the 2851
case of a delivery order, the bailee's obligation accrues only 2852
upon the bailee's acceptance of the delivery order and the 2853
obligation acquired by the holder is that the issuer and any 2854
indorser will procure the acceptance of the bailee. 2855

(B) Subject to section ~~1307.31~~ 1307.503 of the Revised Code, 2856

title and rights ~~so~~ acquired by due negotiation are not defeated 2857
by any stoppage of the goods represented by the document of title 2858
or by surrender of ~~such~~ the goods by the bailee, and are not 2859
impaired even ~~though the~~ if: 2860

(1) The due negotiation or any prior due negotiation 2861
constituted a breach of duty ~~or even though any~~; 2862

(2) Any person has been deprived of possession of ~~the a~~ 2863
negotiable tangible document or control of a negotiable electronic 2864
document by misrepresentation, fraud, accident, mistake, duress, 2865
loss, theft, or conversion, i or ~~even though a~~ 2866

(3) A previous sale or other transfer of the goods or 2867
document has been made to a third person. 2868

Sec. ~~1307.31~~ 1307.503. (A) Document of title to goods 2869
defeated in certain cases [UCC 7-503] 2870

(A) A document of title confers no right in goods against a 2871
person ~~who~~ that before issuance of the document had a legal 2872
interest or a perfected security interest in ~~them~~ the goods and 2873
~~who neither~~ that did not: 2874

(1) ~~delivered or entrusted them~~ Deliver or entrust the goods 2875
or any document of title covering ~~them~~ the goods to the bailor or 2876
the bailor's nominee with actual: 2877

(a) Actual or apparent authority to ship, store, or sell ~~or~~ 2878
~~with power~~; 2879

(b) Power to obtain delivery under section ~~1307.27~~ 1307.403 2880
of the Revised Code; ~~or with power~~ 2881

(c) Power of disposition under ~~sections~~ division (C) of 2882
section 1309.321 or section 1302.44 and, 1309.320, 1310.32, or 2883
1310.33 of the Revised Code, or other ~~statue~~ statute or rule of 2884
law; ~~nor~~ or 2885

(2) ~~acquiesced~~ Acquiesce in the procurement by the bailor or 2886
the bailor's its nominee of any document ~~of title~~. 2887

(B) Title to goods based upon an unaccepted delivery order is 2888
subject to the rights of ~~anyone~~ any person to ~~whom~~ which a 2889
negotiable warehouse receipt or bill of lading covering the goods 2890
has been duly negotiated. ~~Such a~~ That title may be defeated under 2891
section ~~1307.32~~ 1307.504 of the Revised Code to the same extent as 2892
the rights of the issuer or a transferee from the issuer. 2893

(C) Title to goods based upon a bill of lading issued to a 2894
freight forwarder is subject to the rights of ~~anyone~~ any person to 2895
~~whom~~ which a bill issued by the freight forwarder is duly 2896
negotiated; ~~but~~. However, delivery by the carrier in accordance 2897
with sections ~~1307.25~~ 1307.401 to ~~1307.28~~ 1307.404 of the Revised 2898
Code, pursuant to its own bill of lading discharges the carrier's 2899
obligation to deliver. 2900

Sec. ~~1307.32~~ 1307.504. (A) Rights acquired in absence of due 2901
negotiation; effect of diversion; stoppage of delivery [UCC 7-504] 2902

(A) A transferee of a document of title, whether negotiable 2903
or ~~non-negotiable~~ nonnegotiable, to ~~whom~~ which the document has 2904
been delivered but not duly negotiated, acquires the title and 2905
rights ~~which his~~ that its transferor had or had actual authority 2906
to convey. 2907

(B) In the case of a ~~non-negotiable~~ transfer of a 2908
nonnegotiable document of title, until but not after the bailee 2909
receives ~~notification~~ notice of the transfer, the rights of the 2910
transferee may be defeated: 2911

(1) ~~by~~ By those creditors of the transferor ~~who~~ which could 2912
treat the ~~sale~~ transfer as void under section 1302.43 or 1310.36 2913
of the Revised Code; ~~or~~ 2914

(2) ~~by~~ By a buyer from the transferor in ordinary course of 2915

business if the bailee has delivered the goods to the buyer or 2916
received notification of ~~his~~ the buyer's rights; ~~or~~ 2917

(3) ~~as~~ By a lessee from the transferor in ordinary course of 2918
business if the bailee has delivered the goods to the lessee or 2919
received notification of the lessee's rights; or 2920

(4) As against the bailee, by ~~good-faith~~ good-faith dealings 2921
of the bailee with the transferor. 2922

(C) A diversion or other change of shipping instructions by 2923
the consignor in a ~~non-negotiable~~ nonnegotiable bill of lading 2924
which causes the bailee not to deliver the goods to the consignee 2925
defeats the consignee's title to the goods if ~~they~~ the goods have 2926
been delivered to a buyer in ordinary course of business or a 2927
lessee in ordinary course of business and, in any event, defeats 2928
the consignee's rights against the bailee. 2929

(D) Delivery of the goods pursuant to a ~~non-negotiable~~ 2930
nonnegotiable document of title may be stopped by a seller 2931
~~pursuant to~~ under section 1302.79 of the Revised Code ~~and or a~~ 2932
lessor under section 1310.72 of the Revised Code, subject to the 2933
~~requirement~~ requirements of due notification ~~there provided in~~ 2934
those sections. A bailee ~~honoring~~ that honors the seller's or 2935
lessor's instructions is entitled to be indemnified by the seller 2936
or lessor against any resulting loss or expense. 2937

Sec. ~~1307.33~~ 1307.505. The Indorser not guarantor for other 2938
parties [UCC 7-505] 2939

The indorsement of a tangible document of title issued by a 2940
bailee does not make the indorser liable for any default by the 2941
bailee or ~~by~~ previous indorsers. 2942

Sec. ~~1307.34~~ 1307.506. The Delivery without indorsement: 2943
right to compel indorsement [UCC 7-506] 2944

The transferee of a negotiable tangible document of title has 2945
a specifically enforceable right to have ~~his~~ its transferor supply 2946
any necessary indorsement, but the transfer becomes a negotiation 2947
only as of the time the indorsement is supplied. 2948

Sec. ~~1307.35~~ 1307.507. ~~Where~~ Warranties on negotiation or 2949
delivery of document of title [UCC 7-507] 2950

If a person negotiates or ~~transfers~~ delivers a document of 2951
title for value, otherwise than as a mere intermediary under 2952
section ~~1307.36~~ 1307.508 of the Revised Code, ~~then~~ unless 2953
otherwise agreed ~~he warrants to his immediate purchaser only,~~ the 2954
transferor, in addition to any warranty made in selling or leasing 2955
the goods, warrants to its immediate purchaser only that: 2956

(A) ~~that the~~ The document is genuine; ~~and~~ 2957

(B) ~~that he has no~~ The transferor does not have knowledge of 2958
any fact ~~which~~ that would impair ~~its~~ the document's validity or 2959
worth; and 2960

(C) ~~that his~~ The negotiation or ~~transfer~~ delivery is rightful 2961
and fully effective with respect to the title to the document and 2962
the goods it represents. 2963

Sec. ~~1307.36~~ 1307.508. A Warranties of collecting bank as to 2964
documents of title [UCC 7-508] 2965

A collecting bank or other intermediary known to be entrusted 2966
with documents of title on behalf of another or with collection of 2967
a draft or other claim against delivery of documents warrants by 2968
~~such~~ the delivery of the documents only its own good faith and 2969
authority. ~~This rule applies even though~~ if the collecting bank or 2970
other intermediary has purchased or made advances against the 2971
claim or draft to be collected. 2972

Sec. ~~1307.37~~ 1307.509. ~~The question whether~~ Adequate 2973

compliance with commercial contract [UCC 7-509] 2974

Whether a document of title is adequate to fulfill the 2975
obligations of a contract for sale, a contract for lease, or the 2976
conditions of a letter of credit is ~~governed~~ determined by 2977
sections 1302.01 to 1302.98, ~~inclusive~~, and 1305.01 to 1305.16, 2978
~~inclusive~~, and 1310.01 to 1310.78 of the Revised Code. 2979

Sec. ~~1307.38~~ 1307.601. (A) Lost, stolen, or destroyed 2980
documents of title [UCC 7-601] 2981

(A) If a document ~~has been~~ of title is lost, stolen, or 2982
destroyed, a court may order delivery of the goods or issuance of 2983
a substitute document and the bailee may without liability to any 2984
person comply with ~~such~~ the order. If the document was negotiable, 2985
a court may not order delivery of the goods or issuance of a 2986
substitute document without the claimant must post claimant's 2987
posting security approved by the court to indemnify unless it 2988
finds that any person who that may suffer loss as a result of 2989
~~non-surrender~~ nonsurrender of possession or control of the 2990
document is adequately protected against the loss. If the document 2991
was ~~not negotiable~~ nonnegotiable, ~~such~~ the court may require 2992
security ~~may be required at the discretion of the court~~. The court 2993
may also ~~in its discretion~~ order payment of the bailee's 2994
reasonable costs and ~~counsel~~ attorney's fees in any action under 2995
this division. 2996

(B) A bailee ~~who that~~, without a court order, delivers goods 2997
to a person claiming under a missing negotiable document of title 2998
is liable to any person injured thereby, ~~and if~~. If the delivery 2999
is not in good faith ~~becomes~~, the bailee is liable for conversion. 3000
Delivery in good faith is not conversion ~~if made in accordance~~ 3001
~~with a filed classification or tariff or, where no classification~~ 3002
~~or tariff is filed~~, if the claimant posts security with the bailee 3003
in an amount at least double the value of the goods at the time of 3004

posting to indemnify any person injured by the delivery ~~who~~ which 3005
files a notice of claim within one year after the delivery. 3006

Sec. ~~1307.39~~ 1307.602. ~~Except where the~~ Judicial process 3007
against goods covered by negotiable document of title [UCC 7-602] 3008

Unless a document of title was originally issued upon 3009
delivery of the goods by a person ~~who had no~~ that did not have 3010
power to dispose of them, ~~no a lien attaches~~ does not attach by 3011
virtue of any judicial process to goods in the possession of a 3012
bailee for which a negotiable document of title is outstanding 3013
unless possession or control of the document ~~be~~ is first 3014
surrendered to the bailee or ~~its~~ the document's negotiation is 3015
enjoined, ~~and the.~~ The bailee ~~shall~~ may not be compelled to 3016
deliver the goods pursuant to process until possession or control 3017
of the document is surrendered to ~~him~~ the bailee or ~~impounded by~~ 3018
to the court. ~~One who purchases~~ A purchaser of the document for 3019
value without notice of the process or injunction takes free of 3020
the lien imposed by judicial process. 3021

Sec. ~~1307.40~~ 1307.603. ~~If~~ Conflicting claims; interpleader 3022
[UCC 7-603] 3023

If more than one person claims title to or possession of the 3024
goods, the bailee is excused from delivery until ~~he~~ the bailee has 3025
~~had~~ a reasonable time to ascertain the validity of the adverse 3026
claims or to ~~bring~~ commence an action ~~to compel all claimants to~~ 3027
~~interplead and may compel such~~ for interpleader~~7~~. The bailee may 3028
assert an interpleader either in defending an action for 3029
~~non-delivery~~ nondelivery of the goods~~7~~ or by original action~~7~~ 3030
~~whichever is appropriate.~~ 3031

Sec. 1307.703. Applicability [UCC 7-703] 3032

Sections 1307.101 to 1307.603 of the Revised Code apply to a 3033

document of title that is issued or a bailment that arises on or 3034
after the effective date of this section. Sections 1307.101 to 3035
1307.603 of the Revised Code do not apply to a document of title 3036
that is issued or a bailment that arises before the effective date 3037
of this section even if the document of title or bailment would be 3038
subject to those sections if the document of title had been issued 3039
or bailment had arisen after the effective date of this section. 3040
These sections do not apply to a right of action that has accrued 3041
before the effective date of this section. 3042

Sec. 1307.704. Savings clause [UCC 7-704] 3043

A document of title issued or a bailment that arises before 3044
the effective date of sections 1307.101 to 1307.603 of the Revised 3045
Code and the rights, obligations, and interests flowing from that 3046
document or bailment are governed by any statute or other rule 3047
amended or repealed by H.B. 490 of the 128th general assembly as 3048
if amendment or repeal had not occurred and may be terminated, 3049
completed, consummated, or enforced under that statute or other 3050
rule. 3051

Sec. 1308.01. (A) In this chapter: 3052

(1) "Adverse claim" means a claim that a claimant has a 3053
property interest in a financial asset and that it is a violation 3054
of the rights of the claimant for another person to hold, 3055
transfer, or deal with the financial asset. 3056

(2) "Bearer form," as applied to a certificated security, 3057
means a form in which the security is payable to the bearer of the 3058
security certificate according to its terms but not by reason of 3059
an indorsement. 3060

(3) "Broker" means a person defined as a broker or dealer 3061
under the federal securities laws, but without excluding a bank 3062
acting in that capacity. 3063

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| (4) "Certificated security" means a security that is represented by a certificate. | 3064 3065 |
| (5) "Clearing corporation" means: | 3066 |
| (a) A person that is registered as a "clearing agency" under the federal securities laws; | 3067 3068 |
| (b) A federal reserve bank; or | 3069 |
| (c) Any other person that provides clearance or settlement services with respect to financial assets that would require it to register as a clearing agency under the federal securities laws but for an exclusion or exemption from the registration requirement, if its activities as a clearing corporation, including promulgation of rules, are subject to regulation by a federal or state governmental authority. | 3070 3071 3072 3073 3074 3075 3076 |
| (6) "Communicate" means to: | 3077 |
| (a) Send a signed writing; or | 3078 |
| (b) Transmit information by any mechanism agreed upon by the persons transmitting and receiving the information. | 3079 3080 |
| (7) "Entitlement holder" means a person identified in the records of a securities intermediary as the person having a security entitlement against the securities intermediary. If a person acquires a security entitlement by virtue of division (B)(2) or (3) of section 1308.51 of the Revised Code, that person is the entitlement holder. | 3081 3082 3083 3084 3085 3086 |
| (8) "Entitlement order" means a notification communicated to a securities intermediary directing transfer or redemption of a financial asset to which the entitlement holder has a security entitlement. | 3087 3088 3089 3090 |
| (9) "Financial asset," except as otherwise provided in section 1308.02 of the Revised Code, means: | 3091 3092 |
| (a) A security; | 3093 |

(b) An obligation of a person or a share, participation, or
other interest in a person or in property or an enterprise of a
person, which is, or is of a type, dealt in or traded on financial
markets, or which is recognized in any area in which it is issued
or dealt in as a medium for investment; or

(c) Any property that is held by a securities intermediary
for another person in a securities account if the securities
intermediary has expressly agreed with the other person that the
property is to be treated as a financial asset under this chapter.

As context requires, the term means either the interest
itself or the means by which a person's claim to it is evidenced,
including a certificated or uncertificated security, a security
certificate, or a security entitlement.

(10) "~~Good faith~~" ~~for purposes of the obligation of good
faith in the performance or enforcement of contracts or duties
within this chapter, means honesty in fact and the observance of
reasonable commercial standards of fair dealing~~ has the same
meaning as in section 1301.201 of the Revised Code.

(11) "Indorsement" means a signature that alone or
accompanied by other words is made on a security certificate in
registered form or on a separate document for the purpose of
assigning, transferring, or redeeming the security or granting a
power to assign, transfer, or redeem it.

(12) "Instruction" means a notification communicated to the
issuer of an uncertificated security which directs that the
transfer of the security be registered or that the security be
redeemed.

(13) "Registered form," as applied to a certificated
security, means a form in which:

(a) The security certificate specifies a person entitled to
the security; and

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| (b) A transfer of the security may be registered upon books maintained for that purpose by or on behalf of the issuer, or the security certificate so states. | 3125 3126 3127 |
| (14) "Securities intermediary" means: | 3128 |
| (a) A clearing corporation; or | 3129 |
| (b) A person, including a bank or broker, that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity. | 3130 3131 3132 |
| (15) "Security," except as otherwise provided in section 1308.02 of the Revised Code, means an obligation of an issuer or a share, participation, or other interest in an issuer or in property or an enterprise of an issuer: | 3133 3134 3135 3136 |
| (a) Which is represented by a security certificate in bearer or registered form, or the transfer of which may be registered upon books maintained for that purpose by or on behalf of the issuer; | 3137 3138 3139 3140 |
| (b) Which is one of a class or series or by its terms is divisible into a class or series of shares, participations, interests, or obligations; and | 3141 3142 3143 |
| (c) Which: | 3144 |
| (i) Is, or is of a type, dealt in or traded on securities exchanges or securities markets; or | 3145 3146 |
| (ii) Is a medium for investment and by its terms expressly provides that it is a security governed by this chapter. | 3147 3148 |
| (16) "Security certificate" means a certificate representing a security. | 3149 3150 |
| (17) "Security entitlement" means the rights and property interest of an entitlement holder with respect to a financial asset specified in sections 1308.51 to 1308.61 of the Revised Code. | 3151 3152 3153 3154 |

(18) "Uncertificated security" means a security that is not represented by a certificate. 3155
3156

(B) Other definitions applying to this chapter and the sections in which they appear are: 3157
3158

(1) "Appropriate person," as defined in section 1308.23 of the Revised Code. 3159
3160

(2) "Control," as defined in section 1308.24 of the Revised Code. 3161
3162

(3) "Delivery," as defined in section 1308.27 of the Revised Code. 3163
3164

(4) "Investment company security," as defined in section 1308.02 of the Revised Code. 3165
3166

(5) "Issuer," as defined in section 1308.08 of the Revised Code. 3167
3168

(6) "Overissue," as defined in section 1308.03 of the Revised Code. 3169
3170

(7) "Protected purchaser," as defined in section 1308.17 of the Revised Code. 3171
3172

(8) "Securities account," as defined in section 1308.51 of the Revised Code. 3173
3174

(C) In addition, Chapter 1301. of the Revised Code contains general definitions and principles of construction and interpretation applicable throughout this chapter. 3175
3176
3177

(D) The characterization of a person, business, or transaction for purposes of this chapter does not determine the characterization of the person, business, or transaction for purposes of any other law, regulation, or rule. 3178
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Sec. 1308.02. (A) A share or similar equity interest issued by a corporation, business trust, joint stock company, or similar 3182
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entity is a security. 3184

(B) An "investment company security" is a security. 3185
"Investment company security" means a share or similar equity 3186
interest issued by an entity that is registered as an investment 3187
company under the federal investment company laws, an interest in 3188
a unit investment trust that is so registered, or a face-amount 3189
certificate issued by a face-amount certificate company that is so 3190
registered. Investment company security does not include an 3191
insurance policy or endowment policy or annuity contract issued by 3192
an insurance company. 3193

(C) An interest in a partnership or limited liability company 3194
is not a security unless it is dealt in or traded on securities 3195
exchanges or in securities markets, its terms expressly provide 3196
that it is a security governed by this chapter, or it is an 3197
investment company security. However, an interest in a partnership 3198
or limited liability company is a financial asset if it is held in 3199
a securities account. 3200

(D) A writing that is a security certificate is governed by 3201
this chapter and not by Chapter 1303. of the Revised Code, even 3202
though it also meets the requirements of that chapter. However, a 3203
negotiable instrument governed by Chapter 1303. of the Revised 3204
Code is a financial asset if it is held in a securities account. 3205

(E) An option or similar obligation issued by a clearing 3206
corporation to its participants is not a security, but is a 3207
financial asset. 3208

(F) A commodity contract, as defined in division (A)(15) of 3209
section 1309.102 of the Revised Code, is not a security or a 3210
financial asset. 3211

(G) A document of title is not a financial asset unless 3212
division (A)(9)(c) of section 1308.01 of the Revised Code applies. 3213

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| Sec. 1309.102. (A) As used in this chapter, unless the | 3214 |
| context requires otherwise: | 3215 |
| (1) "Accession" means goods that are physically united with | 3216 |
| other goods in such a manner that the identity of the original | 3217 |
| goods is not lost. | 3218 |
| (2)(a) "Account," except as used in "account for," means a | 3219 |
| right to payment of a monetary obligation, whether or not earned | 3220 |
| by performance, (i) for property that has been or is to be sold, | 3221 |
| leased, licensed, assigned, or otherwise disposed of, (ii) for | 3222 |
| services rendered or to be rendered, (iii) for a policy of | 3223 |
| insurance issued or to be issued, (iv) for a secondary obligation | 3224 |
| incurred or to be incurred, (v) for energy provided or to be | 3225 |
| provided, (vi) for the use or hire of a vessel under a charter or | 3226 |
| other contract, (vii) arising out of the use of a credit or charge | 3227 |
| card or information contained on or for use with the card, or | 3228 |
| (viii) as winnings in a lottery or other game of chance operated | 3229 |
| or sponsored by a state, governmental unit of a state, or person | 3230 |
| licensed or authorized to operate the game by a state or | 3231 |
| governmental unit of a state. | 3232 |
| (b) "Account" includes health-care insurance receivables. | 3233 |
| (c) "Account" does not include (i) rights to payment | 3234 |
| evidenced by chattel paper or an instrument, (ii) commercial tort | 3235 |
| claims, (iii) deposit accounts, (iv) investment property, (v) | 3236 |
| letter-of-credit rights or letters of credit, or (vi) rights to | 3237 |
| payment for money or funds advanced or sold, other than rights | 3238 |
| arising out of the use of a credit or charge card or information | 3239 |
| contained on or for use with the card. | 3240 |
| (3) "Account debtor" means a person who is obligated on an | 3241 |
| account, chattel paper, or general intangible. "Account debtor" | 3242 |
| does not include a person who is obligated to pay a negotiable | 3243 |
| instrument, even if the instrument constitutes part of chattel | 3244 |

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| paper. | 3245 |
| (4) "Accounting," except as used in "accounting for," means a record: | 3246 |
| (a) Authenticated by a secured party; | 3247 |
| (b) Indicating the aggregate unpaid secured obligations as of a date not more than thirty-five days earlier or thirty-five days later than the date of the record; and | 3248 |
| (c) Identifying the components of the obligations in reasonable detail. | 3249 |
| (5) "Agricultural lien" means an interest, other than a security interest, in farm products: | 3250 |
| (a) That secures payment or performance of an obligation for: | 3251 |
| (i) Goods or services furnished in connection with a debtor's farming operation; or | 3252 |
| (ii) Rent on real property leased by a debtor in connection with its farming operation. | 3253 |
| (b) That is created by statute in favor of a person who: | 3254 |
| (i) In the ordinary course of business, furnished goods or services to a debtor in connection with the debtor's farming operation; or | 3255 |
| (ii) Leased real property to a debtor in connection with the debtor's farming operation; and | 3256 |
| (c) Whose effectiveness does not depend on the person's possession of the personal property. | 3257 |
| (6) "As-extracted collateral" means: | 3258 |
| (a) Oil, gas, or other minerals that are subject to a security interest that: | 3259 |
| (i) Is created by a debtor having an interest in the minerals | 3260 |

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| before extraction; and | 3273 |
| (ii) Attaches to the minerals as extracted; or | 3274 |
| (b) Accounts arising out of the sale at the wellhead or minehead of oil, gas, or other minerals in which the debtor had an interest before extraction. | 3275 3276 3277 |
| (7) "Authenticate" means: | 3278 |
| (a) To sign; or | 3279 |
| (b) To execute or otherwise adopt a symbol, or encrypt or similarly process a record in whole or in part, with the present intent of the authenticating person to identify the person and adopt or accept a record. | 3280 3281 3282 3283 |
| (8) "Bank" means an organization that is engaged in the business of banking. "Bank" includes savings banks, savings and loan associations, credit unions, and trust companies. | 3284 3285 3286 |
| (9) "Cash proceeds" means proceeds that are money, checks, deposit accounts, or the like. | 3287 3288 |
| (10) "Certificate of title" means a certificate of title with respect to which a statute provides for the security interest in question to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral. | 3289 3290 3291 3292 3293 |
| (11)(a) "Chattel paper" means a record that evidences both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. | 3294 3295 3296 3297 3298 3299 |
| As used in division (A)(11)(a) of this section, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation | 3300 3301 3302 |

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| with respect to software used in the goods. | 3303 |
| (b) If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper. | 3304 3305 3306 |
| (c) "Chattel paper" does not include (i) charters or other contracts involving the use or hire of a vessel or (ii) records that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card. | 3307 3308 3309 3310 3311 |
| (12) "Collateral" means the property subject to a security interest or agricultural lien, including: | 3312 3313 |
| (a) Proceeds to which a security interest attaches; | 3314 |
| (b) Accounts, chattel paper, payment intangibles, and promissory notes that have been sold; and | 3315 3316 |
| (c) Goods that are the subject of a consignment. | 3317 |
| (13) "Commercial tort claim" means a claim arising in tort with respect to which: | 3318 3319 |
| (a) The claimant is an organization; or | 3320 |
| (b) The claimant is an individual, and the claim: | 3321 |
| (i) Arose in the course of the claimant's business or profession; and | 3322 3323 |
| (ii) Does not include damages arising out of personal injury to or the death of an individual. | 3324 3325 |
| (14) "Commodity account" means an account maintained by a commodity intermediary in which a commodity contract is carried for a commodity customer. | 3326 3327 3328 |
| (15) "Commodity contract" means a commodity futures contract, an option on a commodity futures contract, a commodity option, or another contract if the contract or option is: | 3329 3330 3331 |

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| (a) Traded on or subject to the rules of a board of trade | 3332 |
| that has been designated as a contract market for such a contract | 3333 |
| pursuant to the federal commodities laws; or | 3334 |
| (b) Traded on a foreign commodity board of trade, exchange, | 3335 |
| or market and is carried on the books of a commodity intermediary | 3336 |
| for a commodity customer. | 3337 |
| (16) "Commodity customer" means a person for whom a commodity | 3338 |
| intermediary carries a commodity contract on its books. | 3339 |
| (17) "Commodity intermediary" means a person that: | 3340 |
| (a) Is registered as a futures commission merchant under the | 3341 |
| federal commodities laws; or | 3342 |
| (b) In the ordinary course of its business provides clearance | 3343 |
| or settlement services for a board of trade that has been | 3344 |
| designated as a contract market pursuant to the federal | 3345 |
| commodities laws. | 3346 |
| (18) "Communicate" means: | 3347 |
| (a) To send a written or other tangible record; | 3348 |
| (b) To transmit a record by any means agreed upon by the | 3349 |
| persons sending and receiving the record; or | 3350 |
| (c) In the case of transmission of a record to or by a filing | 3351 |
| office, to transmit a record by any means prescribed by | 3352 |
| filing-office rule. | 3353 |
| (19) "Consignee" means a merchant to whom goods are delivered | 3354 |
| in a consignment. | 3355 |
| (20) "Consignment" means a transaction, regardless of its | 3356 |
| form, in which a person delivers goods to a merchant for the | 3357 |
| purpose of sale and: | 3358 |
| (a) The merchant: | 3359 |
| (i) Deals in goods of that kind under a name other than the | 3360 |

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| name of the person making delivery; | 3361 |
| (ii) Is not an auctioneer; and | 3362 |
| (iii) Is not generally known by its creditors to be | 3363 |
| substantially engaged in selling the goods of others; | 3364 |
| (b) With respect to each delivery, the aggregate value of the | 3365 |
| goods is one thousand dollars or more at the time of delivery. | 3366 |
| (c) The goods are not consumer goods immediately before | 3367 |
| delivery; and | 3368 |
| (d) The transaction does not create a security interest that | 3369 |
| secures an obligation. | 3370 |
| (21) "Consignor" means a person that delivers goods to a | 3371 |
| consignee in a consignment. | 3372 |
| (22) "Consumer debtor" means a debtor in a consumer | 3373 |
| transaction. | 3374 |
| (23) "Consumer goods" means goods that are used or bought for | 3375 |
| use primarily for personal, family, or household purposes. | 3376 |
| (24) "Consumer-goods transaction" means a consumer | 3377 |
| transaction in which: | 3378 |
| (a) An individual incurs an obligation primarily for | 3379 |
| personal, family, or household purposes; and | 3380 |
| (b) A security interest in consumer goods secures the | 3381 |
| obligation. | 3382 |
| (25) "Consumer obligor" means an obligor who is an individual | 3383 |
| and who incurred the obligation as part of a transaction entered | 3384 |
| into primarily for personal, family, or household purposes. | 3385 |
| (26) "Consumer transaction" means a transaction in which: (a) | 3386 |
| an individual incurs an obligation primarily for personal, family, | 3387 |
| or household purposes, (b) a security interest secures the | 3388 |
| obligation, and (c) the collateral is held or acquired primarily | 3389 |

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| for personal, family, or household purposes. "Consumer | 3390 |
| transaction" includes consumer-goods transactions. | 3391 |
| (27) "Continuation statement" means an amendment of a | 3392 |
| financing statement that: | 3393 |
| (a) Identifies, by its file number, the initial financing | 3394 |
| statement to which it relates; and | 3395 |
| (b) Indicates that it is a continuation statement for, or | 3396 |
| that it is filed to continue the effectiveness of, the identified | 3397 |
| financing statement. | 3398 |
| (28) "Debtor" means: | 3399 |
| (a) A person having an interest, other than a security | 3400 |
| interest or other lien, in the collateral, whether or not the | 3401 |
| person is an obligor; | 3402 |
| (b) A seller of accounts, chattel paper, payment intangibles, | 3403 |
| or promissory notes; or | 3404 |
| (c) A consignee. | 3405 |
| (29) "Deposit account" means a demand, time, savings, | 3406 |
| passbook, or similar account maintained with a bank but does not | 3407 |
| include investment property or accounts evidenced by an | 3408 |
| instrument. | 3409 |
| (30) "Document" means a document of title or a receipt of the | 3410 |
| type described in division (B) of section 1307.06 <u>1307.201</u> of the | 3411 |
| Revised Code. | 3412 |
| (31) "Electronic chattel paper" means chattel paper evidenced | 3413 |
| by a record consisting of information stored in an electronic | 3414 |
| medium. | 3415 |
| (32) "Encumbrance" means a right, other than an ownership | 3416 |
| interest, in real property. "Encumbrance" includes mortgages and | 3417 |
| other liens on real property. | 3418 |

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| (33) "Equipment" means goods other than inventory, farm products, or consumer goods. | 3419 3420 |
| (34) "Farm products" means goods, other than standing timber, with respect to which the debtor is engaged in a farming operation and that are: | 3421 3422 3423 |
| (a) Crops grown, growing, or to be grown, including: | 3424 |
| (i) Crops produced on trees, vines, and bushes; and | 3425 |
| (ii) Aquatic goods produced in aquacultural operations; | 3426 |
| (b) Livestock, born or unborn, including aquatic goods produced in aquacultural operations; | 3427 3428 |
| (c) Supplies used or produced in a farming operation; or | 3429 |
| (d) Products of crops or livestock in their unmanufactured states. | 3430 3431 |
| (35) "Farming operation" means raising, cultivating, propagating, fattening, grazing, or any other farming, livestock, or aquacultural operation. | 3432 3433 3434 |
| (36) "File number" means the number assigned to an initial financing statement under division (A) of section 1309.519 of the Revised Code. | 3435 3436 3437 |
| (37) "Filing office" means an office designated in section 1309.501 of the Revised Code as the place to file a financing statement. | 3438 3439 3440 |
| (38) "Filing-office rule" means a rule adopted under section 1309.526 of the Revised Code. | 3441 3442 |
| (39) "Financing statement" means a record composed of an initial financing statement and any filed record or records relating to the initial financing statement. For the purposes of this chapter, financing statements filed for recording with the secretary of state shall not be required to include social | 3443 3444 3445 3446 3447 |

security or employer identification numbers. 3448

(40) "Fixture filing" means the filing of a financing 3449
statement covering goods that are or are to become fixtures and 3450
satisfying divisions (A) and (B) of section 1309.502 of the 3451
Revised Code. "Fixture filing" includes the filing of a financing 3452
statement covering goods of a transmitting utility that are or are 3453
to become fixtures. 3454

(41) "Fixtures" means goods that have become so related to 3455
particular real property that an interest in them arises under 3456
real property law. 3457

(42) "General intangible" means any personal property, 3458
including things in action, other than accounts, chattel paper, 3459
commercial tort claims, deposit accounts, documents, goods, 3460
instruments, investment property, letter-of-credit rights, letters 3461
of credit, money, and oil, gas, or other minerals before 3462
extraction. "General intangible" includes payment intangibles and 3463
software. 3464

(43) "Good faith" ~~means honesty in fact and the observance of~~ 3465
~~reasonable commercial standards of fair dealing~~ has the same 3466
meaning as in section 1301.201 of the Revised Code. 3467

(44)(a) "Goods" means all things that are movable when a 3468
security interest attaches. "Goods" includes (i) fixtures, (ii) 3469
standing timber that is to be cut and removed under a conveyance 3470
or contract for sale, (iii) the unborn young of animals, (iv) 3471
crops grown, growing, or to be grown, even if the crops are 3472
produced on trees, vines, or bushes, and (v) manufactured homes. 3473

(b) "Goods" also includes a computer program embedded in 3474
goods and any supporting information provided in connection with a 3475
transaction relating to the program if (i) the program is 3476
associated with the goods in such a manner that it customarily is 3477
considered part of the goods, or (ii) by becoming the owner of the 3478

goods, a person acquires a right to use the program in connection 3479
with the goods. 3480

(c) "Goods" does not include a computer program embedded in 3481
goods that consist solely of the medium in which the program is 3482
embedded. "Goods" does not include accounts, chattel paper, 3483
commercial tort claims, deposit accounts, documents, general 3484
intangibles, instruments, investment property, letter-of-credit 3485
rights, letters of credit, money, or oil, gas, or other minerals 3486
before extraction. 3487

(45) "Governmental unit" means a subdivision, agency, 3488
department, county, parish, municipal corporation, or other unit 3489
of the government of the United States, a state, or a foreign 3490
country. "Governmental unit" includes an organization having a 3491
separate corporate existence if the organization is eligible to 3492
issue debt on which interest is exempt from income taxation under 3493
the laws of the United States. 3494

(46) "Health-care-insurance receivable" means an interest in 3495
or claim under a policy of insurance that is a right to payment of 3496
a monetary obligation for health-care goods or services provided. 3497

(47)(a) "Instrument" means a negotiable instrument or any 3498
other writing that evidences a right to the payment of a monetary 3499
obligation, is not itself a security agreement or lease, and is of 3500
a type that in ordinary course of business is transferred by 3501
delivery with any necessary indorsement or assignment. 3502

(b) "Instrument" does not include (i) investment property, 3503
(ii) letters of credit, or (iii) writings that evidence a right to 3504
payment arising out of the use of a credit or charge card or 3505
information contained on or for use with the card. 3506

(48) "Inventory" means goods, other than farm products, that: 3507

(a) Are leased by a person as lessor; 3508

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| (b) Are held by a person for sale or lease or to be furnished under a contract of service; | 3509 3510 |
| (c) Are furnished by a person under a contract of service; or | 3511 |
| (d) Consist of raw materials, work in process, or materials used or consumed in a business. | 3512 3513 |
| (49) "Investment property" means a security, whether certificated or uncertificated, a security entitlement, a securities account, a commodity contract, or a commodity account. | 3514 3515 3516 |
| (50) "Jurisdiction of organization," with respect to a registered organization, means the jurisdiction under whose law the organization is organized. | 3517 3518 3519 |
| (51) "Letter-of-credit right" means a right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance. "Letter-of-credit right" does not include the right of a beneficiary to demand payment or performance under a letter of credit. | 3520 3521 3522 3523 3524 3525 |
| (52) "Lien creditor" means: | 3526 |
| (a) A creditor who has acquired a lien on the property involved by attachment, levy or the like; | 3527 3528 |
| (b) An assignee for benefit of creditors from the time of assignment; | 3529 3530 |
| (c) A trustee in bankruptcy from the date of the filing of the petition; or | 3531 3532 |
| (d) A receiver in equity from the time of appointment. | 3533 |
| (53) "Manufactured home" means a structure, transportable in one or more sections, that, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and that is built on a permanent chassis and designed to be used | 3534 3535 3536 3537 3538 |

as a dwelling with or without a permanent foundation when 3539
connected to the required utilities, and includes the plumbing, 3540
heating, air conditioning, and electrical systems contained in the 3541
structure. "Manufactured home" includes any structure that meets 3542
all of the requirements of this paragraph except the size 3543
requirements and with respect to which the manufacturer 3544
voluntarily files a certification required by the United States 3545
secretary of housing and urban development and complies with the 3546
standards established under Title 42 of the United States Code. 3547

(54) "Manufactured-home transaction" means a secured 3548
transaction: 3549

(a) That creates a purchase-money security interest in a 3550
manufactured home, other than a manufactured home held as 3551
inventory; or 3552

(b) In which a manufactured home, other than a manufactured 3553
home held as inventory, is the primary collateral. 3554

(55) "Mortgage" means a consensual interest in real property, 3555
including fixtures, that secures payment or performance of an 3556
obligation. 3557

(56) "New debtor" means a person that becomes bound as debtor 3558
under division (D) of section 1309.203 of the Revised Code by a 3559
security agreement previously entered into by another person. 3560

(57)(a) "New value" means (i) money, (ii) money's worth in 3561
property, services, or new credit, or (iii) release by a 3562
transferee of an interest in property previously transferred to 3563
the transferee. 3564

(b) "New value" does not include an obligation substituted 3565
for another obligation. 3566

(58) "Noncash proceeds" means proceeds other than cash 3567
proceeds. 3568

(59)(a) "Obligor" means a person who, with respect to an obligation secured by a security interest in or an agricultural lien on the collateral, (i) owes payment or other performance of the obligation, (ii) has provided property other than the collateral to secure payment or other performance of the obligation, or (iii) is otherwise accountable in whole or in part for payment or other performance of the obligation.

(b) "Obligor" does not include issuers or nominated persons under a letter of credit.

(60) "Original debtor," except as used in division (C) of section 1309.310 of the Revised Code, means a person who, as debtor, entered into a security agreement to which a new debtor has become bound under division (D) of section 1309.203 of the Revised Code.

(61) "Payment intangible" means a general intangible under which the account debtor's principal obligation is a monetary obligation.

(62) "Person related to," with respect to an individual, means:

(a) The spouse of the individual;

(b) A brother, brother-in-law, sister, or sister-in-law of the individual;

(c) An ancestor or lineal descendant of the individual or the individual's spouse; or

(d) Any other relative, by blood or marriage, of the individual or the individual's spouse who shares the same home with the individual.

(63) "Person related to," with respect to an organization, means:

(a) A person directly or indirectly controlling, controlled

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| by, or under common control with the organization; | 3599 |
| (b) An officer or director of, or a person performing similar functions with respect to, the organization; | 3600 3601 |
| (c) An officer or director of, or a person performing similar functions with respect to, a person described in division (A)(63)(a) of this section; | 3602 3603 3604 |
| (d) The spouse of an individual described in division (A)(63)(a), (b), or (c) of this section; or | 3605 3606 |
| (e) An individual who is related by blood or marriage to an individual described in division (A)(63)(a), (b), (c), or (d) of this section and shares the same home with the individual. | 3607 3608 3609 |
| (64) "Proceeds," except as used in division (B) of section 1309.609 of the Revised Code, means the following property: | 3610 3611 |
| (a) Whatever is acquired upon the sale, lease, license, exchange, or other disposition of collateral; | 3612 3613 |
| (b) Whatever is collected on, or distributed on account of, collateral; | 3614 3615 |
| (c) Rights arising out of collateral; | 3616 |
| (d) To the extent of the value of collateral, claims arising out of the loss, nonconformity, or interference with the use of, defects or infringement of rights in, or damage to the collateral; or | 3617 3618 3619 3620 |
| (e) To the extent of the value of collateral and to the extent payable to the debtor or the secured party, insurance payable by reason of the loss or nonconformity of, defects or infringement of rights in, or damage to the collateral. | 3621 3622 3623 3624 |
| (65) "Promissory note" means an instrument that evidences a promise to pay a monetary obligation, does not evidence an order to pay, and does not contain an acknowledgment by a bank that the bank has received for deposit a sum of money or funds. | 3625 3626 3627 3628 |

(66) "Proposal" means a record authenticated by a secured party that includes the terms on which the secured party is willing to accept collateral in full or partial satisfaction of the obligation it secures pursuant to sections 1309.620, 1309.621, and 1309.622 of the Revised Code.

(67) "Public-finance transaction" means a secured transaction in connection with which:

(a) Debt securities are issued;

(b) All or a portion of the securities issued have an initial stated maturity of at least twenty years; and

(c) The debtor, obligor, secured party, account debtor or other person obligated on collateral, assignor or assignee of a secured obligation, or assignor or assignee of a security interest is a state or a governmental unit of a state.

(68) "Pursuant to commitment," with respect to an advance made or other value given by a secured party, means pursuant to the secured party's obligation, whether or not a subsequent event of default or other event not within the secured party's control has relieved or may relieve the secured party from its obligation.

(69) "Record," except as used in "for record," "of record," "record or legal title," and "record owner," means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(70) "Registered organization" means an organization organized solely under the law of a single state or the United States and as to which the state or the United States must maintain a public record showing the organization to have been organized.

(71) "Secondary obligor" means an obligor to the extent that:

(a) The obligor's obligation is secondary; or

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| (b) The obligor has a right of recourse with respect to an obligation secured by collateral against the debtor, another obligor, or property of either. | 3659 3660 3661 |
| (72) "Secured party" means: | 3662 |
| (a) A person in whose favor a security interest is created or provided for under a security agreement, whether or not any obligation to be secured is outstanding; | 3663 3664 3665 |
| (b) A person that holds an agricultural lien; | 3666 |
| (c) A consignor; | 3667 |
| (d) A person to whom accounts, chattel paper, payment intangibles, or promissory notes have been sold; | 3668 3669 |
| (e) A trustee, indenture trustee, agent, collateral agent, or other representative in whose favor a security interest or agricultural lien is created or provided for; or | 3670 3671 3672 |
| (f) A person who holds a security interest arising under section 1302.42, 1302.49, 1302.85, 1304.20, 1305.18, or 1310.54 of the Revised Code. | 3673 3674 3675 |
| (73) "Security agreement" means an agreement that creates or provides for a security interest. | 3676 3677 |
| (74) "Send," in connection with a record or notification, means: | 3678 3679 |
| (a) To deposit in the mail, deliver for transmission, or transmit by any other usual means of communication, with postage or cost of transmission provided for, addressed to any address reasonable under the circumstances; or | 3680 3681 3682 3683 |
| (b) To cause the record or notification to be received within the time that it would have been received if properly sent under division (A)(74)(a) of this section. | 3684 3685 3686 |
| (75) "Software" means a computer program and any supporting | 3687 |

information provided in connection with a transaction relating to 3688
the program. "Software" does not include a computer program that 3689
is included in the definition of goods. 3690

(76) "State" means a state of the United States, the District 3691
of Columbia, Puerto Rico, the United States Virgin Islands, or any 3692
territory or insular possession subject to the jurisdiction of the 3693
United States. 3694

(77) "Supporting obligation" means a letter-of-credit right 3695
or secondary obligation that supports the payment or performance 3696
of an account, chattel paper, a document, a general intangible, an 3697
instrument, or investment property. 3698

(78) "Tangible chattel paper" means chattel paper evidenced 3699
by a record consisting of information that is inscribed on a 3700
tangible medium. 3701

(79) "Termination statement" means an amendment of a 3702
financing statement that: 3703

(a) Identifies, by its file number, the initial financing 3704
statement to which it relates; and 3705

(b) Indicates either that it is a termination statement or 3706
that the identified financing statement is no longer effective. 3707

(80) "Transmitting utility" means a person primarily engaged 3708
in the business of: 3709

(a) Operating a railroad, subway, street railway, or trolley 3710
bus; 3711

(b) Transmitting communications electrically, 3712
electromagnetically, or by light; 3713

(c) Transmitting goods by pipeline or sewer; or 3714

(d) Transmitting or producing and transmitting electricity, 3715
steam, gas, or water. 3716

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| (B) Other definitions applying to this chapter are: | 3717 |
| (1) "Applicant" has the same meaning as in section 1305.01 of the Revised Code. | 3718 3719 |
| (2) "Beneficiary" has the same meaning as in section 1305.01 of the Revised Code. | 3720 3721 |
| (3) "Broker" has the same meaning as in section 1308.01 of the Revised Code. | 3722 3723 |
| (4) "Certificated security" has the same meaning as in section 1308.01 of the Revised Code. | 3724 3725 |
| (5) "Check" has the same meaning as in section 1303.03 of the Revised Code. | 3726 3727 |
| (6) "Clearing corporation" has the same meaning as in section 1308.01 of the Revised Code. | 3728 3729 |
| (7) "Contract for sale" has the same meaning as in section 1302.01 of the Revised Code. | 3730 3731 |
| (8) <u>"Control" with respect to a document of title, has the same meaning as in section 1307.106 of the Revised Code.</u> | 3732 3733 |
| <u>(9)</u> "Customer" has the same meaning as in section 1304.01 of the Revised Code. | 3734 3735 |
| (9) <u>(10)</u> "Entitlement holder" has the same meaning as in section 1308.01 of the Revised Code. | 3736 3737 |
| (10) <u>(11)</u> "Financial asset" has the same meaning as in section 1308.01 of the Revised Code. | 3738 3739 |
| (11) <u>(12)</u> "Holder in due course" has the same meaning as in section 1303.32 of the Revised Code. | 3740 3741 |
| (12) <u>(13)</u> "Issuer," with respect to a letter of credit or letter-of-credit right, has the same meaning as in section 1305.01 of the Revised Code. | 3742 3743 3744 |
| (13) <u>(14)</u> "Issuer," with respect to a security, has the same | 3745 |

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| meaning as in section 1308.08 of the Revised Code. | 3746 |
| (14) <u>(15)</u> "Issuer," with respect to a document of title, has <u>the same meaning as in section 1307.102 of the Revised Code.</u> | 3747 3748 |
| <u>(16)</u> "Lease," "lease agreement," "lease contract," "leasehold interest," "lessee," "lessee in ordinary course of business," "lessor," and "lessor's residual interest" have the same meanings as in section 1310.01 of the Revised Code. | 3749 3750 3751 3752 |
| (15) <u>(17)</u> "Letter of credit" has the same meaning as in section 1305.01 of the Revised Code. | 3753 3754 |
| (16) <u>(18)</u> "Merchant" has the same meaning as in section 1302.01 of the Revised Code. | 3755 3756 |
| (17) <u>(19)</u> "Negotiable instrument" has the same meaning as in section 1303.03 of the Revised Code. | 3757 3758 |
| (18) <u>(20)</u> "Nominated person" has the same meaning as in section 1305.01 of the Revised Code. | 3759 3760 |
| (19) <u>(21)</u> "Note" has the same meaning as in section 1303.03 of the Revised Code. | 3761 3762 |
| (20) <u>(22)</u> "Proceeds of a letter of credit" has the same meaning as in section 1305.13 of the Revised Code. | 3763 3764 |
| (21) <u>(23)</u> "Prove" has the same meaning as in section 1303.01 of the Revised Code. | 3765 3766 |
| (22) <u>(24)</u> "Sale" has the same meaning as in division (A)(11) of section 1302.01 of the Revised Code. | 3767 3768 |
| (23) <u>(25)</u> "Securities account" has the same meaning as in section 1308.51 of the Revised Code. | 3769 3770 |
| (24) <u>(26)</u> "Securities intermediary," "security," "security certificate," "security entitlement," and "uncertificated security" have the same meanings as in section 1308.01 of the Revised Code. | 3771 3772 3773 3774 |

(C) ~~The terms~~ In addition, Chapter 1301. of the Revised Code 3775
contains general definitions and principles of construction and 3776
interpretations set forth in sections 1301.01 to 1301.14 of the 3777
Revised Code are applicable ~~to~~ throughout this chapter. 3778

Sec. 1309.203. (A) A security interest attaches to collateral 3779
when it becomes enforceable against the debtor with respect to the 3780
collateral, unless an agreement expressly postpones the time of 3781
attachment. 3782

(B) Except as otherwise provided in divisions (C) to (I) of 3783
this section, a security interest is enforceable against the 3784
debtor and third parties with respect to the collateral only if: 3785

(1) Value has been given; 3786

(2) The debtor has rights in the collateral or the power to 3787
transfer rights in the collateral to a secured party; and 3788

(3) One of the following conditions is met: 3789

(a) The debtor has authenticated a security agreement that 3790
provides a description of the collateral and, if the security 3791
interest covers timber to be cut, a description of the land 3792
concerned; 3793

(b) The collateral is not a certificated security and is in 3794
the possession of the secured party under section 1309.313 of the 3795
Revised Code pursuant to the debtor's security agreement; 3796

(c) The collateral is a certificated security in registered 3797
form and the security certificate has been delivered to the 3798
secured party under section 1308.27 of the Revised Code pursuant 3799
to the debtor's security agreement; or 3800

(d) The collateral is deposit accounts, electronic chattel 3801
paper, investment property, ~~or~~ letter-of-credit rights, or 3802
electronic documents, and the secured party has control under 3803
section 1307.106, 1309.104, 1309.105, 1309.106, or 1309.107 of the 3804

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| Revised Code pursuant to the debtor's security agreement. | 3805 |
| (C) Division (B) of this section is subject to section | 3806 |
| 1304.20 of the Revised Code on the security interest of a | 3807 |
| collecting bank, section 1305.18 of the Revised Code on the | 3808 |
| security interest of a letter-of-credit issuer or nominated | 3809 |
| person, section 1309.110 of the Revised Code on a security | 3810 |
| interest arising under Chapter 1302. or 1310. of the Revised Code, | 3811 |
| and section 1309.206 of the Revised Code on security interests in | 3812 |
| investment property. | 3813 |
| (D) A person becomes bound as debtor by a security agreement | 3814 |
| entered into by another person if, by operation of law other than | 3815 |
| this article or by contract: | 3816 |
| (1) The security agreement becomes effective to create a | 3817 |
| security interest in the person's property; or | 3818 |
| (2) The person becomes generally obligated for the | 3819 |
| obligations of the other person, including the obligation secured | 3820 |
| under the security agreement, and acquires or succeeds to all or | 3821 |
| substantially all of the assets of the other person. | 3822 |
| (E) If a new debtor becomes bound as debtor by a security | 3823 |
| agreement entered into by another person: | 3824 |
| (1) The agreement satisfies division (B)(3) of this section | 3825 |
| with respect to existing or after-acquired property of the new | 3826 |
| debtor to the extent the property is described in the agreement; | 3827 |
| and | 3828 |
| (2) Another agreement is not necessary to make a security | 3829 |
| interest in the property enforceable. | 3830 |
| (F) The attachment of a security interest in collateral gives | 3831 |
| the secured party the rights to proceeds provided by section | 3832 |
| 1309.315 of the Revised Code and is also attachment of a security | 3833 |
| interest in a supporting obligation for the collateral. | 3834 |

(G) The attachment of a security interest in a right to 3835
payment or performance secured by a security interest or other 3836
lien on personal or real property is also attachment of a security 3837
interest in the security interest, mortgage, or other lien. 3838

(H) The attachment of a security interest in a securities 3839
account is also attachment of a security interest in the security 3840
entitlements carried in the securities account. 3841

(I) The attachment of a security interest in a commodity 3842
account is also attachment of a security interest in the commodity 3843
contracts carried in the commodity account. 3844

Sec. 1309.207. (A) Except as otherwise provided in division 3845
(D) of this section, a secured party shall use reasonable care in 3846
the custody and preservation of collateral in the secured party's 3847
possession. In the case of an instrument or chattel paper, 3848
reasonable care includes taking necessary steps to preserve rights 3849
against prior parties unless otherwise agreed. 3850

(B) Except as otherwise provided in division (D) of this 3851
section, if a secured party has possession of collateral: 3852

(1) Reasonable expenses, including the cost of insurance and 3853
payment of taxes or other charges, incurred in the custody, 3854
preservation, use, or operation of the collateral are chargeable 3855
to the debtor and are secured by the collateral; 3856

(2) The risk of accidental loss or damage is on the debtor to 3857
the extent of a deficiency in any effective insurance coverage; 3858

(3) The secured party shall keep the collateral identifiable 3859
but fungible collateral may be commingled; and 3860

(4) The secured party may use or operate the collateral: 3861

(a) For the purpose of preserving the collateral or its 3862
value; 3863

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| (b) As permitted by an order of a court having competent jurisdiction; or | 3864 3865 |
| (c) Except in the case of consumer goods, in the manner and to the extent agreed by the debtor. | 3866 3867 |
| (C) Except as otherwise provided in division (D) of this section, a secured party having possession of collateral or control of collateral under section <u>1307.106</u> , 1309.104, 1309.105, 1309.106, or 1309.107 of the Revised Code: | 3868 3869 3870 3871 |
| (1) May hold as additional security any proceeds, except money or funds, received from the collateral; | 3872 3873 |
| (2) Shall apply money or funds received from the collateral to reduce the secured obligation, unless remitted to the debtor; and | 3874 3875 3876 |
| (3) May create a security interest in the collateral. | 3877 |
| (D) If the secured party is a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor: | 3878 3879 |
| (1) Division (A) of this section does not apply unless the secured party is entitled under an agreement: | 3880 3881 |
| (a) To charge back uncollected collateral; or | 3882 |
| (b) Otherwise to full or limited recourse against the debtor or a secondary obligor based on the nonpayment or other default of an account debtor or other obligor on the collateral; and | 3883 3884 3885 |
| (2) Divisions (B) and (C) of this section do not apply. | 3886 |
| Sec. 1309.208. (A) This section applies to cases in which there is no outstanding secured obligation and the secured party is not committed to make advances, incur obligations, or otherwise give value. | 3887 3888 3889 3890 |
| (B) Within ten days after receiving an authenticated demand by the debtor: | 3891 3892 |

(1) A secured party having control of a deposit account under 3893
division (A)(2) of section 1309.104 of the Revised Code shall send 3894
to the bank with which the deposit account is maintained an 3895
authenticated statement that releases the bank from any further 3896
obligation to comply with instructions originated by the secured 3897
party. 3898

(2) A secured party having control of a deposit account under 3899
division (A)(3) of section 1309.104 of the Revised Code shall: 3900

(a) Pay the debtor the balance on deposit in the deposit 3901
account; or 3902

(b) Transfer the balance on deposit into a deposit account in 3903
the debtor's name. 3904

(3) A secured party, other than a buyer, having control of 3905
electronic chattel paper under section 1309.105 of the Revised 3906
Code shall: 3907

(a) Communicate the authoritative copy of the electronic 3908
chattel paper to the debtor or its designated custodian; 3909

(b) If the debtor designates a custodian that is the 3910
designated custodian with which the authoritative copy of the 3911
electronic chattel paper is maintained for the secured party, 3912
communicate to the custodian an authenticated record releasing the 3913
designated custodian from any further obligation to comply with 3914
instructions originated by the secured party and instructing the 3915
custodian to comply with instructions originated by the debtor; 3916
and 3917

(c) Take appropriate action to enable the debtor or its 3918
designated custodian to make copies of or revisions to the 3919
authoritative copy that add or change an identified assignee of 3920
the authoritative copy without the consent of the secured party. 3921

(4) A secured party having control of investment property 3922

under division (D)(2) of section 1308.24 or division (B) of 3923
section 1309.106 of the Revised Code shall send to the securities 3924
intermediary or commodity intermediary with which the security 3925
entitlement or commodity contract is maintained an authenticated 3926
record that releases the securities intermediary or commodity 3927
intermediary from any further obligation to comply with 3928
entitlement orders or directions originated by the secured party; 3929
and 3930

(5) A secured party having control of a letter-of-credit 3931
right under section 1309.107 of the Revised Code shall send to 3932
each person having an unfulfilled obligation to pay or deliver 3933
proceeds of the letter of credit to the secured party an 3934
authenticated release from any further obligation to pay or 3935
deliver proceeds of the letter of credit to the secured party. 3936

(6) A secured party having control of an electronic document 3937
shall: 3938

(a) Give control of the electronic document to the debtor or 3939
its designated custodian; 3940

(b) If the debtor designates a custodian that is the 3941
designated custodian with which the authoritative copy of the 3942
electronic document is maintained for the secured party, 3943
communicate to the custodian an authenticated record releasing the 3944
designated custodian from any further obligation to comply with 3945
instructions originated by the secured party and instructing the 3946
custodian to comply with instructions originated by the debtor; 3947
and 3948

(c) Take appropriate action to enable the debtor or its 3949
designated custodian to make copies of or revisions to the 3950
authoritative copy which add or change an identified assignee of 3951
the authoritative copy without the consent of the secured party. 3952

Sec. 1309.301. Except as otherwise provided in sections 3953
1309.303 to 1309.306 of the Revised Code, the following rules 3954
determine the law governing perfection, the effect of perfection 3955
or nonperfection, and the priority of a security interest in 3956
collateral: 3957

(A) Except as otherwise provided in this section, while a 3958
debtor is located in a jurisdiction, the local law of that 3959
jurisdiction governs perfection, the effect of perfection or 3960
nonperfection, and the priority of a security interest in 3961
collateral. 3962

(B) While collateral is located in a jurisdiction, the local 3963
law of that jurisdiction governs perfection, the effect of 3964
perfection or nonperfection, and the priority of a possessory 3965
security interest in that collateral. 3966

(C) Except as otherwise provided in division (D) of this 3967
section, while tangible negotiable documents, goods, instruments, 3968
money, or tangible chattel paper is located in a jurisdiction, the 3969
local law of that jurisdiction governs: 3970

(1) Perfection of a security interest in the goods by filing 3971
a fixture filing; 3972

(2) Perfection of a security interest in timber to be cut; 3973
and 3974

(3) The effect of perfection or nonperfection and the 3975
priority of a nonpossessory security interest in the collateral. 3976

(D) The local law of the jurisdiction in which the wellhead 3977
or minehead is located governs perfection, the effect of 3978
perfection or nonperfection, and the priority of a security 3979
interest in as-extracted collateral. 3980

Sec. 1309.310. (A) Except as otherwise provided in division 3981

(B) of this section and division (B) of section 1309.312 of the Revised Code, a financing statement must be filed to perfect all security interests and agricultural liens.

(B) The filing of a financing statement is not necessary to perfect a security interest:

(1) That is perfected under division (D), (E), (F), or (G) of section 1309.308 of the Revised Code;

(2) That is perfected under section 1309.309 of the Revised Code when it attaches;

(3) In property subject to a statute, regulation, or treaty described in division (A) of section 1309.311 of the Revised Code;

(4) In goods in possession of a bailee which is perfected under division (D)(1) or (2) of section 1309.312 of the Revised Code;

(5) In certificated securities, documents, goods, or instruments which is perfected without filing, control, or possession under division (E), (F), or (G) of section 1309.312 of the Revised Code;

(6) In collateral in the secured party's possession under section 1309.313 of the Revised Code;

(7) In a certificated security perfected by delivery of the security certificate to the secured party under section 1309.313 of the Revised Code;

(8) In deposit accounts, electronic chattel paper, electronic documents, investment property, or letter-of-credit rights perfected by control under section 1309.314 of the Revised Code;

(9) In proceeds which is perfected under section 1309.315 of the Revised Code; or

(10) That is perfected under section 1309.316 of the Revised

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| Code. | 4011 |
| (C) If a secured party assigns a perfected security interest | 4012 |
| or agricultural lien, a filing under this chapter is not required | 4013 |
| to continue the perfected status of the security interest against | 4014 |
| creditors of and transferees from the original debtor. | 4015 |
| Sec. 1309.312. (A) A security interest in chattel paper, | 4016 |
| negotiable documents, instruments, or investment property may be | 4017 |
| perfected by filing. | 4018 |
| (B) Except as otherwise provided in divisions (C) and (D) of | 4019 |
| section 1309.315 of the Revised Code for proceeds: | 4020 |
| (1) A security interest in a deposit account may be perfected | 4021 |
| only by control under section 1309.314 of the Revised Code; | 4022 |
| (2) And except as otherwise provided in division (D) of | 4023 |
| section 1309.308 of the Revised Code, a security interest in a | 4024 |
| letter-of-credit right may be perfected only by control under | 4025 |
| section 1309.314 of the Revised Code; and | 4026 |
| (3) A security interest in money may be perfected only by the | 4027 |
| secured party's taking possession under section 1309.313 of the | 4028 |
| Revised Code. | 4029 |
| (C) While goods are in the possession of a bailee that has | 4030 |
| issued a negotiable document covering the goods: | 4031 |
| (1) A security interest in the goods may be perfected by | 4032 |
| perfecting a security interest in the document; and | 4033 |
| (2) A security interest perfected in the document has | 4034 |
| priority over any security interest that becomes perfected in the | 4035 |
| goods by another method during that time. | 4036 |
| (D) While goods are in the possession of a bailee that has | 4037 |
| issued a non-negotiable document covering the goods, a security | 4038 |
| interest in the goods may be perfected by: | 4039 |

| | |
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| (1) Issuance of a document in the name of the secured party; | 4040 |
| (2) The bailee's receipt of notification of the secured party's interest; or | 4041 4042 |
| (3) Filing as to the goods. | 4043 |
| (E) A security interest in certificated securities, or negotiable documents, or instruments is perfected without filing or the taking of possession <u>or control</u> for a period of twenty days from the time it attaches to the extent that it arises for new value given under an authenticated security agreement. | 4044 4045 4046 4047 4048 |
| (F) A perfected security interest in a negotiable document or goods in possession of a bailee, other than one that has issued a negotiable document for the goods, remains perfected for a period of twenty days without filing if the secured party makes available to the debtor the goods or documents representing the goods for the purpose of: | 4049 4050 4051 4052 4053 4054 |
| (1) Ultimate sale or exchange; or | 4055 |
| (2) Loading, unloading, storing, shipping, trans-shipping, manufacturing, processing, or otherwise dealing with them in a manner preliminary to their sale or exchange. | 4056 4057 4058 |
| (G) A perfected security interest in an instrument or certificated security remains perfected for twenty days without filing if the secured party delivers the security certificate or instrument to the debtor for the purpose of: | 4059 4060 4061 4062 |
| (1) Ultimate sale or exchange; or | 4063 |
| (2) Presentation, collection, enforcement, renewal, or registration of transfer. | 4064 4065 |
| (H) After the twenty-day period specified in divisions (E), (F), or (G) of this section expires, perfection depends upon compliance with this chapter. | 4066 4067 4068 |

Sec. 1309.313. (A) Except as otherwise provided in division 4069
(B) of this section, a secured party may perfect a security 4070
interest in tangible negotiable documents, goods, instruments, 4071
money, or tangible chattel paper by taking possession of the 4072
collateral. A secured party may perfect a security interest in 4073
certificated securities by taking delivery of the certificated 4074
securities under section 1308.27 of the Revised Code. 4075

(B) With respect to goods covered by a certificate of title 4076
issued by this state, a secured party may perfect a security 4077
interest in the goods by taking possession of the goods only in 4078
the circumstances described in division (D) of section 1309.316 of 4079
the Revised Code. 4080

(C) With respect to collateral other than certificated 4081
securities and goods covered by a document, a secured party takes 4082
possession of collateral in the possession of a person other than 4083
the debtor, the secured party, or a lessee of the collateral from 4084
the debtor in the ordinary course of the debtor's business, when: 4085

(1) The person in possession authenticates a record 4086
acknowledging that the person holds possession of the collateral 4087
for the secured party's benefit; or 4088

(2) The person takes possession of the collateral after 4089
having authenticated a record acknowledging that the person will 4090
hold possession of collateral for the secured party's benefit. 4091

(D) If perfection of a security interest depends upon 4092
possession of the collateral by a secured party, perfection occurs 4093
no earlier than the time the secured party takes possession and 4094
continues only while the secured party retains possession. 4095

(E) A security interest in a certificated security in 4096
registered form is perfected by delivery when delivery of the 4097
certificated security occurs under section 1308.27 of the Revised 4098

Code and remains perfected by delivery until the debtor obtains possession of the security certificate.

(F) A person in possession of collateral is not required to acknowledge that the person holds possession for a secured party's benefit.

(G) If a person acknowledges that the person holds possession for the secured party's benefit:

(1) The acknowledgment is effective under division (C) of this section or division (A) of section 1308.27 of the Revised Code, even if the acknowledgment violates the rights of a debtor; and

(2) Unless the person otherwise agrees or law other than this chapter otherwise provides, the person does not owe any duty to the secured party and is not required to confirm the acknowledgment to another person.

(H) A secured party having possession of collateral does not relinquish possession by delivering the collateral to a person other than the debtor or a lessee of the collateral from the debtor in the ordinary course of the debtor's business if the person was instructed before the delivery or is instructed contemporaneously with the delivery:

(1) To hold possession of the collateral for the secured party's benefit; or

(2) To redeliver the collateral to the secured party.

(I) A secured party does not relinquish possession, even if a delivery under division (H) of this section violates the rights of a debtor. A person to whom collateral is delivered under division (H) of this section does not owe any duty to the secured party and is not required to confirm the delivery to another person unless the person otherwise agrees or law other than this chapter

otherwise provides. 4129

Sec. 1309.314. (A) A security interest in investment 4130
property, deposit accounts, letter-of-credit rights, ~~or~~ electronic 4131
chattel paper, or electronic documents may be perfected by control 4132
of the collateral under section 1307.106, 1309.104, 1309.105, 4133
1309.106, or 1309.107 of the Revised Code. 4134

(B) A security interest in deposit accounts, electronic 4135
chattel paper, ~~or~~ letter-of-credit rights, or electronic documents 4136
is perfected by control under section 1307.106, 1309.104, 4137
1309.105, or 1309.107 of the Revised Code when the secured party 4138
obtains control and remains perfected by control only while the 4139
secured party retains control. 4140

(C) A security interest in investment property is perfected 4141
by control under ~~Section~~ section 1309.106 of the Revised Code from 4142
the time the secured party obtains control and remains perfected 4143
by control until: 4144

(1) The secured party does not have control; and 4145

(2) One of the following occurs: 4146

(a) If the collateral is a certificated security, the debtor 4147
has or acquires possession of the security certificate; 4148

(b) If the collateral is an uncertificated security, the 4149
issuer has registered or registers the debtor as the registered 4150
owner; or 4151

(c) If the collateral is a security entitlement, the debtor 4152
is or becomes the entitlement holder. 4153

Sec. 1309.317. (A) A security interest or agricultural lien 4154
is subordinate to the rights of: 4155

(1) A person entitled to priority under section 1309.322 of 4156
the Revised Code; and 4157

(2) Except as otherwise provided in division (E) of this section, a person who becomes a lien creditor before the earlier of the time:

(a) The security interest or agricultural lien is perfected;
or

(b) One of the conditions specified in division (B)(3) of section 1309.203 of the Revised Code is met and a financing statement covering the collateral is filed.

(B) Except as otherwise provided in division (E) of this section, a buyer, other than a secured party, of tangible chattel paper, tangible documents, goods, instruments, or a security certificate takes free of a security interest or agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

(C) Except as otherwise provided in division (E) of this section, a lessee of goods takes free of a security interest or agricultural lien if the lessee gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

(D) A licensee of a general intangible or a buyer, other than a secured party, of accounts, electronic chattel paper, electronic documents, general intangibles, or investment property other than a certificated security takes free of a security interest if the licensee or buyer gives value without knowledge of the security interest and before it is perfected.

(E) Except as otherwise provided in sections 1309.320 and 1309.321 of the Revised Code, if a person files a financing statement with respect to a purchase money security interest before or within twenty days after the debtor receives delivery of the collateral, the security interest takes priority over the

rights of a buyer, lessee, or lien creditor that arise between the 4189
time the security interest attaches and the time of filing. 4190

Sec. 1309.331. (A) This chapter does not limit the rights of 4191
a holder in due course of a negotiable instrument, as defined in 4192
section 1303.32 of the Revised Code, or a holder to whom a 4193
negotiable document of title has been duly negotiated under 4194
section ~~1307.29~~ 1307.501 of the Revised Code, or a protected 4195
purchaser of a security under section 1308.17 of the Revised Code. 4196
These holders or purchasers take priority over an earlier security 4197
interest, even though perfected, to the extent provided in 4198
Chapters 1303., 1307., and 1308. of the Revised Code. 4199

(B) This chapter does not limit the rights of or impose 4200
liability on a person to the extent that the person is protected 4201
against the assertion of a claim under Chapter 1308. of the 4202
Revised Code. 4203

(C) Filing under this chapter does not constitute notice of a 4204
claim or defense to the holders, purchasers, or persons described 4205
in divisions (A) and (B) of this section. 4206

Sec. 1309.338. If a security interest or agricultural lien is 4207
perfected by a filed financing statement providing information 4208
described in division (B)(5) of section 1309.516 of the Revised 4209
Code that is incorrect at the time the financing statement is 4210
filed: 4211

(A) The security interest or agricultural lien is subordinate 4212
to a conflicting perfected security interest in the collateral to 4213
the extent that the holder of the conflicting security interest 4214
gives value in reasonable reliance upon the incorrect information; 4215
and 4216

(B) A purchaser, other than a secured party, of the 4217
collateral takes free of the security interest or agricultural 4218

lien to the extent that, in reasonable reliance upon the incorrect 4219
information, the purchaser gives value and, in the case of 4220
tangible chattel paper, tangible documents, goods, instruments, or 4221
a security certificate, receives delivery of the collateral. 4222

Sec. 1309.601. (A) After default, a secured party has the 4223
rights provided in sections 1309.601 to 1309.628 of the Revised 4224
Code and, except as otherwise provided in section 1309.602 of the 4225
Revised Code, those provided by agreement of the parties. A 4226
secured party: 4227

(1) May reduce a claim to judgment, foreclose, or otherwise 4228
enforce the claim, security interest, or agricultural lien by any 4229
available judicial procedure; and 4230

(2) If the collateral is documents, proceed either as to the 4231
documents or as to the goods they cover. 4232

(B) A secured party in possession of collateral or control of 4233
collateral under section 1307.106, 1309.104, 1309.105, 1309.106, 4234
or 1309.107 of the Revised Code has the rights and duties provided 4235
in section 1309.207 of the Revised Code. 4236

(C) The rights under divisions (A) and (B) of this section 4237
are cumulative and may be exercised simultaneously. 4238

(D) Except as otherwise provided in division (G) of this 4239
section and section 1309.605 of the Revised Code, after default, a 4240
debtor and an obligor have the rights provided in sections 4241
1309.601 to 1309.628 of the Revised Code and by agreement of the 4242
parties. 4243

(E) If a secured party has reduced its claim to judgment, the 4244
lien of any levy that may be made upon the collateral by virtue of 4245
an execution based upon the judgment relates back to the earliest 4246
of: 4247

(1) The date of perfection of the security interest or 4248

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| agricultural lien in the collateral; | 4249 |
| (2) The date of filing a financing statement covering the collateral; or | 4250 4251 |
| (3) Any date specified in a statute under which the agricultural lien was created. | 4252 4253 |
| (F) A sale pursuant to an execution is a foreclosure of the security interest or agricultural lien by judicial procedure within the meaning of this section. A secured party may purchase at the sale and after the sale may hold the collateral free of any other requirements of this chapter. | 4254 4255 4256 4257 4258 |
| (G) Except as provided in division (C) of section 1309.607 of the Revised Code, sections 1309.601 to 1309.628 of the Revised Code do not impose any duties upon a secured party who is a consignor or a buyer of accounts, chattel paper, payment intangibles, or promissory notes. | 4259 4260 4261 4262 4263 |
| Sec. 1310.01. (A) As used in sections 1310.01 to 1310.78 of the Revised Code, unless the context otherwise requires: | 4264 4265 |
| (1) "Buyer in ordinary course of business" means a person who in good faith and without knowledge that the sale to the person is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods buys in ordinary course from a person in the business of selling goods of that kind. "Buyer in ordinary course of business" does not include a pawnbroker. "Buying" may be for cash, by exchange of other property, or on secured or unsecured credit and includes receiving <u>acquiring</u> goods or documents of title under a preexisting contract for sale. "Buying" does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt. | 4266 4267 4268 4269 4270 4271 4272 4273 4274 4275 4276 |
| (2) "Cancellation" occurs when either party puts an end to the lease contract for default by the other party. | 4277 4278 |

(3) "Commercial unit" means a unit of goods that by 4279
commercial usage is a single whole for purposes of lease and 4280
division of which materially impairs its character or value on the 4281
market or in use. A "commercial unit" may be a single article, 4282
including a machine; a set of articles, including a suite of 4283
furniture or a line of machinery; a quantity, including a gross or 4284
carload; or any other unit treated in use or in the relevant 4285
market as a single whole. 4286

(4) "Conforming" goods or performance under a lease contract 4287
means goods or performance that are in accordance with the 4288
obligations under the lease contract. 4289

(5) "Consumer lease" means a lease that a lessor regularly 4290
engaged in the business of leasing or selling makes to a lessee 4291
who is an individual and who takes under the lease primarily for a 4292
personal, family, or household purpose. 4293

(6) "Fault" means wrongful act, omission, breach, or default. 4294

(7) "Finance lease" means a lease with respect to which all 4295
of the following apply: 4296

(a) The lessor does not select, manufacture, or supply the 4297
goods; 4298

(b) The lessor acquires the goods or the right to possession 4299
and use of the goods in connection with the lease; 4300

(c) One of the following occurs: 4301

(i) The lessee receives a copy of the contract by which the 4302
lessor acquired the goods or the right to possession and use of 4303
the goods before signing the lease contract; 4304

(ii) The lessee's approval of the contract by which the 4305
lessor acquired the goods or the right to possession and use of 4306
the goods is a condition to effectiveness of the lease contract; 4307

(iii) Before signing the lease contract, the lessee receives 4308

an accurate and complete statement designating the promises and 4309
warranties, disclaimers of warranties, limitations or 4310
modifications of remedies, or liquidated damages of the 4311
manufacturer of the goods and of any other third party that were 4312
provided to the lessor by the person supplying the goods in 4313
connection with or as part of the contract by which the lessor 4314
acquired the goods or the right to possession and use of the 4315
goods; 4316

(iv) If the lease is not a consumer lease, before the lessee 4317
signs the lease contract, the lessor informs the lessee in writing 4318
of the identity of the person supplying the goods to the lessor, 4319
unless the lessee has selected that person and directed the lessor 4320
to acquire the goods or the right to possession and use of the 4321
goods from that person; that the lessee is entitled under sections 4322
1310.01 to 1310.78 of the Revised Code to the promises and 4323
warranties, including those of any third party, provided to the 4324
lessor by the person supplying the goods in connection with or as 4325
part of the contract by which the lessor acquired the goods or the 4326
right to possession and use of the goods; and that the lessee may 4327
communicate with the person supplying the goods to the lessor and 4328
receive an accurate and complete statement of those promises and 4329
warranties, including any disclaimers and limitations of them or 4330
of remedies. 4331

(8) "Goods" means all things that are movable at the time of 4332
identification to the lease contract or that are fixtures, as 4333
defined in section 1310.37 of the Revised Code. "Goods" does not 4334
include money, documents, instruments, accounts, chattel paper, 4335
general intangibles, or minerals or the like, including oil and 4336
gas, before extraction. "Goods" includes the unborn young of 4337
animals. 4338

(9) "Installment lease contract" means a lease contract that 4339
authorizes or requires the delivery of goods in separate lots to 4340

be separately accepted, even though the lease contract contains a 4341
clause "each delivery is a separate lease" or its equivalent. 4342

(10) "Lease" means a transfer of the right to possession and 4343
use of goods for a term in return for consideration. A sale, 4344
including a sale on approval or a sale or return, or retention or 4345
creation of a security interest, is not a lease. Unless the 4346
context clearly indicates otherwise, "lease" includes a sublease. 4347

(11) "Lease agreement" means the bargain, with respect to the 4348
lease, of the lessor and the lessee in fact as found in their 4349
language or by implication from other circumstances, including 4350
course of dealing, usage of trade, or course of performance as 4351
provided in sections 1310.01 to 1310.78 of the Revised Code. 4352
Unless the context clearly indicates otherwise, "lease agreement" 4353
includes a sublease agreement. 4354

(12) "Lease contract" means the total legal obligation that 4355
results from the lease agreement as affected by sections 1310.01 4356
to 1310.78 of the Revised Code and any other applicable rules of 4357
law. Unless the context clearly indicates otherwise, "lease 4358
contract" includes a sublease contract. 4359

(13) "Leasehold interest" means the interest of the lessor or 4360
the lessee under a lease contract. 4361

(14) "Lessee" means a person who acquires the right to 4362
possession and use of goods under a lease. Unless the context 4363
clearly indicates otherwise, "lessee" includes a sublessee. 4364

(15) "Lessee in ordinary course of business" means a person 4365
who in good faith and without knowledge that the lease to the 4366
person is in violation of the ownership rights or security 4367
interest or leasehold interest of a third party in the goods 4368
leases in ordinary course from a person in the business of selling 4369
or leasing goods of that kind. "Lessee in ordinary course of 4370
business" does not include a pawnbroker. "Leasing" may be for 4371

cash, by exchange of other property, or on secured or unsecured 4372
credit and includes ~~receiving~~ acquiring goods or documents of 4373
title under a preexisting lease contract. "Leasing" does not 4374
include a transfer in bulk or as security for or in total or 4375
partial satisfaction of a money debt. 4376

(16) "Lessor" means a person who transfers the right to 4377
possession and use of goods under a lease. Unless the context 4378
clearly indicates otherwise, "lessor" includes a sublessor. 4379

(17) "Lessor's residual interest" means the lessor's interest 4380
in the goods after expiration, termination, or cancellation of the 4381
lease contract. 4382

(18) "Lien" means a charge against or interest in goods to 4383
secure payment of a debt or performance of an obligation but does 4384
not include a security interest. 4385

(19) "Lot" means a parcel or a single article that is the 4386
subject matter of a separate lease or delivery, whether or not it 4387
is sufficient to perform the lease contract. 4388

(20) "Merchant lessee" means a lessee that is a merchant with 4389
respect to goods of the kind subject to the lease. 4390

(21) "Present value" means the amount as of a date certain of 4391
one or more sums payable in the future, discounted to the date 4392
certain. The discount is determined by the interest rate specified 4393
by the parties if the rate was not manifestly unreasonable at the 4394
time the parties entered into the transaction. The discount 4395
otherwise is determined by a commercially reasonable rate that 4396
takes into account the facts and circumstances of each case at the 4397
time the parties entered into the transaction. 4398

(22) "Purchase" includes taking by sale, lease, mortgage, 4399
security interest, pledge, gift, or any other voluntary 4400
transaction creating an interest in goods. 4401

(23) "Sublease" means a lease of goods the right to possession and use of which was acquired by the lessor as a lessee under an existing lease.

(24) "Supplier" means a person from whom a lessor buys or leases goods to be leased under a finance lease.

(25) "Supply contract" means a contract under which a lessor buys or leases goods to be leased.

(26) "Termination" occurs when either party pursuant to a power created by agreement or law puts an end to the lease contract otherwise than for default.

(B) The following definitions also apply to sections 1310.01 to 1310.78 of the Revised Code:

(1) "Accessions," as defined in section 1310.38 of the Revised Code;

(2) "Construction mortgage," "encumbrance," "fixtures," "fixture filing," and "purchase money lease" as defined in section 1310.37 of the Revised Code.

(C) As used in sections 1310.01 to 1310.78 of the Revised Code:

(1) "Account," "chattel paper," "document," "general intangible," "instrument," "mortgage," and "pursuant to commitment" have the same meanings as in section 1309.102 of the Revised Code.

(2) "Between merchants," "buyer," ~~"good faith,"~~ "merchant," "receipt," "sale," and "seller" have the same meanings as in section 1302.01 of the Revised Code.

(3) "Consumer goods" has the same meaning as in section 1309.07 of the Revised Code.

(4) "Entrusting" has the same meaning as in section 1302.44 of the Revised Code.

(5) "Good faith" has the same meaning as in section 1301.201 4432
of the Revised Code. 4433

(6) "Sale on approval" and "sale or return" have the same 4434
meanings as in section 1302.39 of the Revised Code. 4435

(D) The terms In addition, Chapter 1301. of the Revised Code 4436
contains general definitions and principles of construction and 4437
interpretation set forth in sections 1301.01 to 1301.14 of the 4438
Revised Code are applicable to sections 1310.01 to 1310.78 of the 4439
Revised Code throughout this chapter. 4440

Sec. 1310.47. (A) Whether the lessor or the lessee is in 4441
default under a lease contract is determined by the lease 4442
agreement and sections 1310.01 to 1310.78 of the Revised Code. 4443

(B) If the lessor or the lessee is in default under the lease 4444
contract, the party seeking enforcement has rights and remedies as 4445
provided in sections 1310.01 to 1310.78 of the Revised Code and, 4446
except as limited by those sections, as provided in the lease 4447
agreement. 4448

(C) If the lessor or the lessee is in default under the lease 4449
contract, the party seeking enforcement may reduce the party's 4450
claim to judgment or otherwise enforce the lease contract by 4451
self-help or any available judicial procedure or nonjudicial 4452
procedure, including an administrative proceeding, arbitration, or 4453
the like, in accordance with sections 1310.01 to 1310.78 of the 4454
Revised Code. 4455

(D) Except as otherwise provided in division (A) of section 4456
~~1301.06~~ 1301.305 or sections 1310.01 to 1310.78 of the Revised 4457
Code or the lease agreement, the rights and remedies referred to 4458
in divisions (B) and (C) of this section are cumulative. 4459

(E) If the lease agreement covers both real property and 4460
goods, the party seeking enforcement may proceed under sections 4461

1310.47 to 1310.78 of the Revised Code as to the goods or under 4462
other applicable law as to both the real property and the goods in 4463
accordance with that party's rights and remedies in respect of the 4464
real property, in which case sections 1310.47 to 1310.78 of the 4465
Revised Code does not apply. 4466

Sec. 1310.60. (A) In rejecting goods, a lessee's failure to 4467
state a particular defect that is ascertainable by reasonable 4468
inspection precludes the lessee from relying on the defect to 4469
justify rejection or to establish default if either of the 4470
following applies: 4471

(1) The lessor or supplier could have cured the defect as 4472
provided in section 1310.59 of the Revised Code if the defect had 4473
been stated seasonably; 4474

(2) Between merchants, the lessor or supplier, after the 4475
rejection of the goods, made a request in writing for a full and 4476
final written statement of all defects on which the lessee 4477
proposes to rely. 4478

(B) A lessee's failure to reserve rights when paying rent or 4479
other consideration against documents precludes recovery of the 4480
payment for defects apparent ~~on the face of~~ in the documents. 4481

Sec. 1310.64. (A) After a default of the type described in 4482
division (A) of section 1310.54 of the Revised Code by a lessor 4483
under a lease contract, the lessee may cover by making any 4484
purchase or lease of or contract to purchase or lease goods in 4485
substitution for those due from the lessor. 4486

(B) Except as otherwise provided in section 1310.50 of the 4487
Revised Code with respect to damages liquidated in the lease 4488
agreement or otherwise determined pursuant to agreement of the 4489
parties as provided in ~~division (C) of section 1301.02~~ 1301.302 4490
and in section 1310.49 of the Revised Code, if a lessee's cover is 4491

by a lease agreement substantially similar to the original lease 4492
agreement and the new lease agreement is made in good faith and in 4493
a commercially reasonable manner, the lessee may recover from the 4494
lessor as damages both of the following: 4495

(1) The present value, as of the date of the commencement of 4496
the term of the new lease agreement, of the rent under the new 4497
lease agreement applicable to that period of the new lease term 4498
that is comparable to the then remaining term of the original 4499
lease agreement minus the present value, as of the same date, of 4500
the total rent for the then remaining lease term of the original 4501
lease agreement; 4502

(2) Any incidental or consequential damages, less expenses 4503
saved in consequence of the lessor's default. 4504

(C) If a lessee's cover is by a lease agreement that for any 4505
reason does not qualify for treatment under division (B) of this 4506
section or is by purchase or otherwise, the lessee may recover 4507
from the lessor as if the lessee had elected not to cover and 4508
section 1310.65 of the Revised Code governs. 4509

Sec. 1310.65. (A) Except as otherwise provided in section 4510
1310.50 of the Revised Code with respect to damages liquidated in 4511
the lease agreement or as otherwise determined pursuant to the 4512
agreement of the parties as provided in ~~division (C) of~~ section 4513
~~1301.02~~ 1301.302 and section 1310.49 of the Revised Code, if a 4514
lessee elects not to cover or a lessee elects to cover and the 4515
cover is by lease agreement that for any reason does not qualify 4516
for treatment under division (B) of section 1310.64 of the Revised 4517
Code or is by purchase or otherwise, the measure of damages for 4518
nondelivery or repudiation by the lessor or for rejection or 4519
revocation of acceptance by the lessee is the present value, as of 4520
the date of the default, of the then market rent minus the present 4521
value, as of the same date, of the original rent, computed for the 4522

remaining lease term of the original lease agreement, together 4523
with incidental and consequential damages, less expenses saved in 4524
consequence of the lessor's default. 4525

(B) Market rent is to be determined as of the place for 4526
tender or, in cases of rejection after arrival or revocation of 4527
acceptance, as of the place of arrival. 4528

(C) Except as otherwise agreed, if the lessee has accepted 4529
goods and given notification as provided in division (C) of 4530
section 1310.62 of the Revised Code, the measure of damages for 4531
nonconforming tender or delivery or other default by a lessor is 4532
the loss resulting in the ordinary course of events from the 4533
lessor's default as determined in any manner that is reasonable, 4534
together with incidental and consequential damages, less expenses 4535
saved in consequence of the lessor's default. 4536

(D) Except as otherwise agreed, the measure of damages for 4537
breach of warranty is the present value, at the time and place of 4538
acceptance, of the difference between the value of the use of the 4539
goods accepted and that value if they had been as warranted for 4540
the lease term, unless special circumstances show proximate 4541
damages of a different amount, together with incidental and 4542
consequential damages, less expenses saved in consequence of the 4543
lessor's default or breach of warranty. 4544

Sec. 1310.72. (A) A lessor may stop delivery of goods in the 4545
possession of a carrier or other bailee if the lessor discovers 4546
the lessee to be insolvent and may stop delivery of carload, 4547
truckload, planeload, or larger shipments of express or freight if 4548
the lessee repudiates or fails to make a payment due before 4549
delivery, whether for rent, security, or otherwise under the lease 4550
contract, or for any other reason the lessor has a right to 4551
withhold or take possession of the goods. 4552

(B) In pursuing its remedies under division (A) of this 4553

section, the lessor may stop delivery until one of the following 4554
occurs: 4555

(1) Receipt of the goods by the lessee; 4556

(2) Acknowledgment to the lessee by any bailee of the goods, 4557
except a carrier, that the bailee holds the goods for the lessee; 4558

(3) Such an acknowledgment to the lessee by a carrier via 4559
reshipment or as ~~warehouseman~~ warehouse. 4560

(C)(1) To stop delivery, a lessor shall so notify as to 4561
enable the bailee by reasonable diligence to prevent delivery of 4562
the goods. 4563

(2) After notification, the bailee shall hold and deliver the 4564
goods according to the directions of the lessor, but the lessor is 4565
liable to the bailee for any ensuing charges or damages. 4566

(3) A carrier who has issued a nonnegotiable bill of lading 4567
is not obliged to obey a notification to stop that is received 4568
from a person other than the consignor. 4569

Sec. 1310.73. (A) After a default of the type described in 4570
division (A) or (C)(1) of section 1310.69 of the Revised Code by a 4571
lessee under the lease contract, after the lessor refuses to 4572
deliver or takes possession of goods as provided in section 4573
1310.71 or 1310.72 of the Revised Code, or, if agreed, after other 4574
default by a lessee, the lessor may dispose of the goods concerned 4575
or the undelivered balance of the goods concerned by lease, sale, 4576
or otherwise. 4577

(B) Except as otherwise provided with respect to damages 4578
liquidated in the lease agreement pursuant to section 1310.50 of 4579
the Revised Code or otherwise determined pursuant to agreement of 4580
the parties as provided in ~~division (C) of section 1301.02~~ 4581
1301.302 and section 1310.49 of the Revised Code, if the 4582
disposition is by lease agreement substantially similar to the 4583

original lease agreement and the new lease agreement is made in 4584
good faith and in a commercially reasonable manner, the lessor may 4585
recover from the lessee as damages all of the following: 4586

(1) Accrued and unpaid rent as of the date of the 4587
commencement of the term of the new lease agreement; 4588

(2) The present value, as of the same date, of the total rent 4589
for the then remaining lease term of the original lease agreement 4590
minus the present value, as of the same date, of the rent under 4591
the new lease agreement applicable to that period of the new lease 4592
term that is comparable to the then remaining term of the original 4593
lease agreement; 4594

(3) Any incidental damages allowed under section 1310.76 of 4595
the Revised Code, less expenses saved in consequence of the 4596
lessee's default. 4597

(C) If the lessor's disposition of the goods is by a lease 4598
agreement that for any reason does not qualify for treatment under 4599
division (B) of this section, or is by sale or otherwise, the 4600
lessor may recover from the lessee as if the lessor had elected 4601
not to dispose of the goods, and section 1310.74 of the Revised 4602
Code governs. 4603

(D) A subsequent buyer or lessee who buys or leases from the 4604
lessor in good faith for value as a result of a disposition of 4605
goods under this section takes the goods free of the original 4606
lease contract and any rights of the original lessee even though 4607
the lessor fails to comply with one or more of the requirements of 4608
sections 1310.01 to 1310.78 of the Revised Code. 4609

(E) The lessor is not accountable to the lessee for any 4610
profit made on any disposition. A lessee who has rightfully 4611
rejected or justifiably revoked acceptance and has proceeded in 4612
accordance with division (E) of section 1310.54 of the Revised 4613
Code shall account to the lessor for any excess over the amount of 4614

the lessee's security interest. 4615

Sec. 1310.74. (A) Except as otherwise provided with respect 4616
to damages liquidated in the lease agreement pursuant to section 4617
1310.50 of the Revised Code or otherwise determined pursuant to 4618
the agreement of the parties as provided in ~~division (C) of~~ 4619
section ~~1301.02~~ 1301.302 and section 1310.49 of the Revised Code, 4620
if a lessor elects to retain the goods or a lessor elects to 4621
dispose of the goods and the disposition is by lease agreement 4622
that for any reason does not qualify for treatment under division 4623
(B) of section 1310.73 of the Revised Code or is by sale or 4624
otherwise, the lessor may recover from the lessee as damages for a 4625
default of the type described in division (A) or (C)(1) of section 4626
1310.69 of the Revised Code or, if agreed, for other default of 4627
the lessee all of the following: 4628

(1) Accrued and unpaid rent as of the date of default, if the 4629
lessee has never taken possession of the goods or, if the lessee 4630
has taken possession of the goods, as of the date the lessor 4631
repossesses the goods or an earlier date on which the lessee makes 4632
a tender of the goods to the lessor; 4633

(2) The present value as of the date determined under 4634
division (A)(1) of this section of the total rent for the then 4635
remaining lease term of the original lease agreement minus the 4636
present value as of the same date of the market rent at the place 4637
where the goods are located computed for the same lease term; 4638

(3) Any incidental damages allowed under section 1310.76 of 4639
the Revised Code, less expenses saved in consequence of the 4640
lessee's default. 4641

(B) If the measure of damages provided in division (A) of 4642
this section is inadequate to put a lessor in as good a position 4643
as performance would have, the measure of damages is the present 4644
value of the profit, including reasonable overhead, the lessor 4645

would have made from full performance by the lessee, together with 4646
any incidental damages allowed under section 1310.76 of the 4647
Revised Code, due allowance for costs reasonably incurred, and due 4648
credit for payments or proceeds of disposition. 4649

Sec. 1311.57. (A) An agricultural producer or handler who 4650
perfects ~~his~~ a lien within sixty days after the date of delivery, 4651
or first delivery if there was a series of deliveries under the 4652
contract, of the agricultural product has priority over all liens, 4653
claims, or encumbrances except wage and salary claims of workers 4654
who have no ownership interest in the business of the agricultural 4655
product handler, ~~warehouseman's~~ warehouse's liens as provided in 4656
section ~~1307.14~~ 1307.209 of the Revised Code, and amounts owed by 4657
the lienholder to the handler that are subject to setoff, and 4658
except that secured creditors who have security interests under 4659
Chapter 1309. of the Revised Code have priority over liens 4660
perfected by agricultural handlers pursuant to section 1311.56 of 4661
the Revised Code. If several liens are obtained by several persons 4662
on the same agricultural product, the person who perfects ~~his~~ such 4663
a lien first has priority over all other agricultural product 4664
lienholders. 4665

A producer or handler who does not perfect ~~his~~ such a lien 4666
within the time period defined in this division has the status of 4667
an unsecured general creditor. 4668

(B) The agricultural product lien remains in effect for two 4669
years after an affidavit is recorded in the office of the county 4670
recorder under section 1311.56 of the Revised Code, and within 4671
that time, until one of the following occurs: 4672

(1) The lienholder or ~~his~~ the lienholder's secured creditor 4673
receives full payment from the agricultural product handler; 4674

(2) At the option of the lienholder or ~~his~~ the lienholder's 4675
secured creditor, less than full payment is received pursuant to a 4676

written agreement with the handler; 4677

(3) A final judgment is entered by a court having 4678
jurisdiction in an action adjudicating the status of the 4679
agricultural product lien. 4680

(C) Notwithstanding division (B) of this section, an 4681
agricultural product lien shall remain in effect throughout any 4682
insolvency proceedings involving the agricultural product handler 4683
named in the affidavit. 4684

(D) After the amount of ~~his~~ the lienholder's lien has been 4685
satisfied, a lienholder shall cause the lien to be released within 4686
thirty days. 4687

Sec. ~~1301.21~~ 1319.02. (A) As used in this section: 4688

(1) "Contract of indebtedness" means a note, bond, mortgage, 4689
conditional sale contract, retail installment contract, lease, 4690
security agreement, or other written evidence of indebtedness, 4691
other than indebtedness incurred for purposes that are primarily 4692
personal, family, or household. 4693

(2) "Commitment to pay attorneys' fees" means an obligation 4694
to pay attorneys' fees that arises in connection with the 4695
enforcement of a contract of indebtedness. 4696

(3) "Maturity of the debt" includes maturity upon default or 4697
otherwise. 4698

(B) If a contract of indebtedness includes a commitment to 4699
pay attorneys' fees, and if the contract is enforced through 4700
judicial proceedings or otherwise after maturity of the debt, a 4701
person that has the right to recover attorneys' fees under the 4702
commitment, at the option of that person, may recover attorneys' 4703
fees in accordance with the commitment, to the extent that the 4704
commitment is enforceable under divisions (C) and (D) of this 4705
section. 4706

(C) A commitment to pay attorneys' fees is enforceable under 4707
this section only if the total amount owed on the contract of 4708
indebtedness at the time the contract was entered into exceeds one 4709
hundred thousand dollars. 4710

(D) A commitment to pay attorneys' fees is enforceable only 4711
to the extent that it obligates payment of a reasonable amount. In 4712
determining the amount of attorneys' fees that is reasonable, all 4713
relevant factors shall be considered, including but not limited 4714
to, the nature of the services rendered, the time expended in 4715
rendering the services, the amount of money and the value of the 4716
property affected, and the professional skill and expertise of the 4717
attorney or attorneys rendering the services. Unless a court has 4718
been requested to make a determination of the amount of attorneys' 4719
fees that is reasonable and finds to the contrary by a 4720
preponderance of the evidence, the following are deemed reasonable 4721
amounts: 4722

(1) If the commitment to pay attorneys' fees is based upon a 4723
specific percentage of the total principal, interest, and other 4724
charges owed on the contract of indebtedness, the percentage of 4725
the total so owed as specified in the contract of indebtedness; 4726

(2) If the commitment to pay attorneys' fees is not based 4727
upon a specific percentage of the total principal, interest, and 4728
other charges owed on the contract of indebtedness, an amount 4729
equal to the attorneys' fees customarily charged by the attorney 4730
or attorneys rendering the services. 4731

Sec. 1333.23. Any garment, clothing, wearing apparel, or 4732
household goods that are placed in storage and that remain in the 4733
possession of a person without the reasonable or agreed charges 4734
for the storage having been paid for twelve months, and any 4735
garment, clothing, wearing apparel, or household goods on which 4736
any of the services or labor described in section 1333.22 of the 4737

Revised Code have been performed, that subsequently have been 4738
placed in storage by agreement and that remain in the possession 4739
of a person without the reasonable or agreed charges for the 4740
services, labor, and storage having been paid for twelve months 4741
may be sold by that person to pay those charges and the costs of 4742
notifying the owner of the garment, clothing, wearing apparel, or 4743
household goods as described in this section and in section 4744
1333.24 of the Revised Code or may be given away or otherwise 4745
disposed of by that person if ~~he~~ the person cannot sell the 4746
garment, clothing, wearing apparel, or household goods. The person 4747
to whom the charges are owed shall notify the owner of the 4748
garment, clothing, wearing apparel, or household goods of the time 4749
and place of the proposed sale or other disposition of it in 4750
accordance with section 1333.24 of the Revised Code. This section 4751
does not apply to ~~persons~~ a person operating as ~~warehouses or~~ 4752
~~warehousemen~~ a warehouse as defined in section 1307.102 of the 4753
Revised Code. 4754

Sec. ~~1301.16~~ 1333.72. No person shall sell, offer for sale, 4755
or install for use any new grain-drying equipment unless the 4756
equipment is labeled or accompanied by an operator's manual to 4757
indicate its energy usage to the prospective purchaser of the 4758
equipment. Whoever violates this section is guilty of a minor 4759
misdemeanor. 4760

Sec. ~~1301.18~~ 1333.73. No person shall sell, offer for sale, 4761
or install for use any new central air conditioner, refrigerator, 4762
refrigerator-freezer, freezer, kitchen range or oven, dishwasher, 4763
clothes washer, clothes dryer, furnace, water heater, room air 4764
conditioner, television set, humidifier, home heating equipment 4765
other than furnaces, or other consumer product subject to an 4766
energy efficiency standard promulgated under section 325 of the 4767
"Energy Policy and Conservation Act," 89 Stat. 923, 42 U.S.C.A. 4768

6295, as amended, that is not in compliance with applicable 4769
standards promulgated under that section. This section does not 4770
apply to the sale, offering for sale, or installation of any such 4771
category of consumer product for which no applicable energy 4772
efficiency standard has been promulgated pursuant to such federal 4773
act. Whoever violates this section is guilty of a minor 4774
misdemeanor on a first offense, and on subsequent offenses is 4775
guilty of a misdemeanor of the first degree. 4776

Sec. 1743.08. A company or association organized as an 4777
elevator company may purchase and hold real and personal estate; 4778
may erect, purchase, and own the necessary buildings, offices, and 4779
machinery for carrying on the business of receiving, storing, 4780
delivering, and forwarding grain of all kinds; and may add to and 4781
connect with this the business of a general storage warehousemen 4782
~~and warehouse or~~ forwarders of all kinds of produce and 4783
merchandise. It shall not deal as buyer or seller on its own 4784
account or for others. In the prosecution of its business it shall 4785
be governed by the same laws, not inconsistent with this section, 4786
as govern individuals in such employment. 4787

When such company erects or owns an elevator building, and 4788
uses it for the purpose of receiving or delivering grain from or 4789
to any railroad company, as freight carried or to be carried over 4790
any part of its railroads, such railroad company may subscribe to 4791
or purchase shares in the elevator company's capital stock, to an 4792
amount not exceeding one third of the entire capital stock of the 4793
elevator company, in the name of an officer of the railroad 4794
company, and hold it as trustee. The railroad company is liable 4795
upon such stock, in its corporate capacity, to the same extent and 4796
in the manner a natural person buying it would be. 4797

Sec. 2307.39. (A) Except as provided in division (C) of this 4798
section, any person may bring a civil action in a court of this 4799

state against an individual, corporation, or other person who is a 4800
resident of, incorporated under the laws of, or otherwise engaged 4801
in the conduct of business in a foreign nation or a province, 4802
territory, or other political subdivision of a foreign nation, 4803
against a foreign nation, or against a province, territory, or 4804
other political subdivision of a foreign nation upon a cause of 4805
action that arises out of or relates to a contingent or other 4806
contract, agreement, or undertaking, whether or not it bears a 4807
reasonable relation to this state, if the contract, agreement, or 4808
undertaking contains both of the following provisions: 4809

(1) An agreement by the parties to be governed in their 4810
rights and duties under the contract, agreement, or undertaking, 4811
in whole or in part, by the law of this state; 4812

(2) An agreement by the parties to submit to the jurisdiction 4813
of the courts of this state. 4814

(B) The court shall not stay or dismiss a civil action 4815
brought in accordance with division (A) of this section on the 4816
ground of inconvenient forum. In the civil action, the court shall 4817
apply the law of this state as agreed upon by the parties. 4818

(C) This section applies to a transaction covered by section 4819
~~1301.05~~ 1301.301 of the Revised Code unless the transaction is 4820
subject to a limitation on choice of law specified in division (B) 4821
of that section. This section does not apply to a contract, 4822
agreement, or undertaking for labor or personal services or for a 4823
consumer transaction, as defined by section 1345.01 of the Revised 4824
Code. 4825

(D) This section does not limit or deny, and shall not be 4826
construed as limiting or denying the enforcement of a provision 4827
respecting choice of law or choice of forum in a contract, 4828
agreement, or undertaking to which this section does not apply. 4829

Sec. 2923.17. (A) No person shall knowingly acquire, have, 4830
carry, or use any dangerous ordnance. 4831

(B) No person shall manufacture or process an explosive at 4832
any location in this state unless the person first has been issued 4833
a license, certificate of registration, or permit to do so from a 4834
fire official of a political subdivision of this state or from the 4835
office of the fire marshal. 4836

(C) Division (A) of this section does not apply to: 4837

(1) Officers, agents, or employees of this or any other state 4838
or the United States, members of the armed forces of the United 4839
States or the organized militia of this or any other state, and 4840
law enforcement officers, to the extent that any such person is 4841
authorized to acquire, have, carry, or use dangerous ordnance and 4842
is acting within the scope of the person's duties; 4843

(2) Importers, manufacturers, dealers, and users of 4844
explosives, having a license or user permit issued and in effect 4845
pursuant to the "Organized Crime Control Act of 1970," 84 Stat. 4846
952, 18 U.S.C. 843, and any amendments or additions thereto or 4847
reenactments thereof, with respect to explosives and explosive 4848
devices lawfully acquired, possessed, carried, or used under the 4849
laws of this state and applicable federal law; 4850

(3) Importers, manufacturers, and dealers having a license to 4851
deal in destructive devices or their ammunition, issued and in 4852
effect pursuant to the "Gun Control Act of 1968," 82 Stat. 1213, 4853
18 U.S.C. 923, and any amendments or additions thereto or 4854
reenactments thereof, with respect to dangerous ordnance lawfully 4855
acquired, possessed, carried, or used under the laws of this state 4856
and applicable federal law; 4857

(4) Persons to whom surplus ordnance has been sold, loaned, 4858
or given by the secretary of the army pursuant to 70A Stat. 262 4859

and 263, 10 U.S.C. 4684, 4685, and 4686, and any amendments or 4860
additions thereto or reenactments thereof, with respect to 4861
dangerous ordnance when lawfully possessed and used for the 4862
purposes specified in such section; 4863

(5) Owners of dangerous ordnance registered in the national 4864
firearms registration and transfer record pursuant to the act of 4865
October 22, 1968, 82 Stat. 1229, 26 U.S.C. 5841, and any 4866
amendments or additions thereto or reenactments thereof, and 4867
regulations issued thereunder. 4868

(6) Carriers, ~~warehousemen~~ warehouses, and others engaged in 4869
the business of transporting or storing goods for hire, with 4870
respect to dangerous ordnance lawfully transported or stored in 4871
the usual course of their business and in compliance with the laws 4872
of this state and applicable federal law; 4873

(7) The holders of a license or temporary permit issued and 4874
in effect pursuant to section 2923.18 of the Revised Code, with 4875
respect to dangerous ordnance lawfully acquired, possessed, 4876
carried, or used for the purposes and in the manner specified in 4877
such license or permit. 4878

(D) Whoever violates division (A) of this section is guilty 4879
of unlawful possession of dangerous ordnance, a felony of the 4880
fifth degree. 4881

(E) Whoever violates division (B) of this section is guilty 4882
of illegally manufacturing or processing explosives, a felony of 4883
the second degree. 4884

Sec. 2981.01. (A) Forfeitures under this chapter shall be 4885
governed by all of the following purposes: 4886

(1) To provide economic disincentives and remedies to deter 4887
and offset the economic effect of offenses by seizing and 4888
forfeiting contraband, proceeds, and certain instrumentalities; 4889

| | |
|--------------------------------------------------------------------|------|
| (2) To ensure that seizures and forfeitures of | 4890 |
| instrumentalities are proportionate to the offense committed; | 4891 |
| (3) To protect third parties from wrongful forfeiture of | 4892 |
| their property; | 4893 |
| (4) To prioritize restitution for victims of offenses. | 4894 |
| (B) As used in this chapter: | 4895 |
| (1) "Aircraft" has the same meaning as in section 4561.01 of | 4896 |
| the Revised Code. | 4897 |
| (2) "Computers," "computer networks," "computer systems," | 4898 |
| "computer software," and "telecommunications device" have the same | 4899 |
| meanings as in section 2913.01 of the Revised Code. | 4900 |
| (3) "Financial institution" means a bank, credit union, | 4901 |
| savings and loan association, or a licensee or registrant under | 4902 |
| Chapter 1321. of the Revised Code. | 4903 |
| (4) "Firearm" and "dangerous ordnance" have the same meanings | 4904 |
| as in section 2923.11 of the Revised Code. | 4905 |
| (5) "Innocent person" includes any bona fide purchaser of | 4906 |
| property that is subject to forfeiture, including any person who | 4907 |
| establishes a valid claim to or interest in the property in | 4908 |
| accordance with section 2923.04 of the Revised Code, and any | 4909 |
| victim of an alleged offense. | 4910 |
| (6) "Instrumentality" means property otherwise lawful to | 4911 |
| possess that is used in or intended to be used in an offense. An | 4912 |
| "instrumentality" may include, but is not limited to, a firearm, a | 4913 |
| mobile instrumentality, a computer, a computer network, a computer | 4914 |
| system, computer software, a telecommunications device, money, and | 4915 |
| any other means of exchange. | 4916 |
| (7) "Law enforcement agency" includes, but is not limited to, | 4917 |
| the state board of pharmacy, the enforcement division of the | 4918 |
| department of taxation, and the office of the prosecutor. | 4919 |

(8) "Mobile instrumentality" means an instrumentality that is 4920
inherently mobile and used in the routine transport of persons. 4921
"Mobile instrumentality" includes, but is not limited to, any 4922
vehicle, any watercraft, and any aircraft. 4923

(9) "Money" has the same meaning as in section ~~1301.01~~ 4924
1301.201 of the Revised Code. 4925

(10) "Offense" means any act or omission that could be 4926
charged as a criminal offense or a delinquent act, whether or not 4927
a formal criminal prosecution or delinquent child proceeding began 4928
at the time the forfeiture is initiated. Except as otherwise 4929
specified, an offense for which property may be forfeited includes 4930
any felony and any misdemeanor. The commission of an "offense" 4931
includes the commission of a delinquent act. 4932

(11) "Proceeds" means both of the following: 4933

(a) In cases involving unlawful goods, services, or 4934
activities, "proceeds" means any property derived directly or 4935
indirectly from an offense. "Proceeds" may include, but is not 4936
limited to, money or any other means of exchange. "Proceeds" is 4937
not limited to the net gain or profit realized from the offense. 4938

(b) In cases involving lawful goods or services that are sold 4939
or provided in an unlawful manner, "proceeds" means the amount of 4940
money or other means of exchange acquired through the illegal 4941
transactions resulting in the forfeiture, less the direct costs 4942
lawfully incurred in providing the goods or services. The lawful 4943
costs deduction does not include any part of the overhead expenses 4944
of, or income taxes paid by, the entity providing the goods or 4945
services. The alleged offender or delinquent child has the burden 4946
to prove that any costs are lawfully incurred. 4947

(12) "Property" means "property" as defined in section 4948
2901.01 of the Revised Code and any benefit, privilege, claim, 4949
position, interest in an enterprise, or right derived, directly or 4950

indirectly, from the offense. 4951

(13) "Property subject to forfeiture" includes contraband and 4952
proceeds and may include instrumentalities as provided in this 4953
chapter. 4954

(14) "Prosecutor" has the same meaning as in section 2935.01 4955
of the Revised Code. When relevant, "prosecutor" also includes the 4956
attorney general. 4957

(15) "Vehicle" has the same meaning as in section 4501.01 of 4958
the Revised Code. 4959

(16) "Watercraft" has the same meaning as in section 1547.01 4960
of the Revised Code. 4961

(C) The penalties and procedures under Chapters 2923., 2925., 4962
and 2933. of the Revised Code remain in effect to the extent that 4963
they do not conflict with this chapter. 4964

Sec. 3719.14. (A) A common carrier or ~~warehouse~~ warehouse 4965
while engaged in lawfully transporting or storing any controlled 4966
substance or an employee of a common carrier or ~~warehouse~~ 4967
warehouse of that nature who is acting within the scope of the 4968
employee's employment may control and possess any controlled 4969
substance. 4970

(B) Any law enforcement official may purchase, collect, or 4971
possess any controlled substance or may offer to sell any 4972
controlled substance, or any counterfeit controlled substance as 4973
defined in section 2925.01 of the Revised Code, when the purchase, 4974
collection, possession, or offer to sell is necessary to do so in 4975
the performance of the official's official duties. This division 4976
does not permit a law enforcement official to sell any controlled 4977
substance in the performance of the official's official duties. A 4978
peace officer, as defined in section 3719.141 of the Revised Code, 4979
may sell a controlled substance in the performance of the 4980

officer's official duties only as provided in that section. 4981

(C) Any employee or agent of a person who is entitled to 4982
possession of a controlled substance or whose possession of a 4983
controlled substance is for the purpose of aiding any law 4984
enforcement official in the official's official duties temporarily 4985
may possess any controlled substance. 4986

Sec. 3767.29. No person shall abandon, discard, or knowingly 4987
permit to remain on premises under ~~his~~ the person's control, in a 4988
place accessible to children, any abandoned or discarded icebox, 4989
refrigerator, or other airtight or semi-airtight container which 4990
has a capacity of one and one-half cubic feet or more and an 4991
opening of fifty square inches or more and which has a door or lid 4992
equipped with hinge, latch, or other fastening device capable of 4993
securing such door or lid, without rendering said equipment 4994
harmless to human life by removing such hinges, latches, or other 4995
hardware which may cause a person to be confined therein. This 4996
section shall not apply to an icebox, refrigerator, or other 4997
airtight or semi-airtight container located in that part of a 4998
building occupied by a dealer, ~~warehouseman~~ warehouse, or 4999
~~repairman~~ repairer. 5000

Sec. 4517.01. As used in sections 4517.01 to 4517.65 of the 5001
Revised Code: 5002

(A) "Persons" includes individuals, firms, partnerships, 5003
associations, joint stock companies, corporations, and any 5004
combinations of individuals. 5005

(B) "Motor vehicle" means motor vehicle as defined in section 5006
4501.01 of the Revised Code and also includes "all-purpose 5007
vehicle" and "off-highway motorcycle" as those terms are defined 5008
in section 4519.01 of the Revised Code. "Motor vehicle" does not 5009
include a snowmobile as defined in section 4519.01 of the Revised 5010

Code or manufactured and mobile homes. 5011

(C) "New motor vehicle" means a motor vehicle, the legal 5012
title to which has never been transferred by a manufacturer, 5013
remanufacturer, distributor, or dealer to an ultimate purchaser. 5014

(D) "Ultimate purchaser" means, with respect to any new motor 5015
vehicle, the first person, other than a dealer purchasing in the 5016
capacity of a dealer, who in good faith purchases such new motor 5017
vehicle for purposes other than resale. 5018

(E) "Business" includes any activities engaged in by any 5019
person for the object of gain, benefit, or advantage either direct 5020
or indirect. 5021

(F) "Engaging in business" means commencing, conducting, or 5022
continuing in business, or liquidating a business when the 5023
liquidator thereof holds self out to be conducting such business; 5024
making a casual sale or otherwise making transfers in the ordinary 5025
course of business when the transfers are made in connection with 5026
the disposition of all or substantially all of the transferor's 5027
assets is not engaging in business. 5028

(G) "Retail sale" or "sale at retail" means the act or 5029
attempted act of selling, bartering, exchanging, or otherwise 5030
disposing of a motor vehicle to an ultimate purchaser for use as a 5031
consumer. 5032

(H) "Retail installment contract" includes any contract in 5033
the form of a note, chattel mortgage, conditional sales contract, 5034
lease, agreement, or other instrument payable in one or more 5035
installments over a period of time and arising out of the retail 5036
sale of a motor vehicle. 5037

(I) "Farm machinery" means all machines and tools used in the 5038
production, harvesting, and care of farm products. 5039

(J) "Dealer" or "motor vehicle dealer" means any new motor 5040

vehicle dealer, any motor vehicle leasing dealer, and any used 5041
motor vehicle dealer. 5042

(K) "New motor vehicle dealer" means any person engaged in 5043
the business of selling at retail, displaying, offering for sale, 5044
or dealing in new motor vehicles pursuant to a contract or 5045
agreement entered into with the manufacturer, remanufacturer, or 5046
distributor of the motor vehicles. 5047

(L) "Used motor vehicle dealer" means any person engaged in 5048
the business of selling, displaying, offering for sale, or dealing 5049
in used motor vehicles, at retail or wholesale, but does not mean 5050
any new motor vehicle dealer selling, displaying, offering for 5051
sale, or dealing in used motor vehicles incidentally to engaging 5052
in the business of selling, displaying, offering for sale, or 5053
dealing in new motor vehicles, any person engaged in the business 5054
of dismantling, salvaging, or rebuilding motor vehicles by means 5055
of using used parts, or any public officer performing official 5056
duties. 5057

(M) "Motor vehicle leasing dealer" means any person engaged 5058
in the business of regularly making available, offering to make 5059
available, or arranging for another person to use a motor vehicle 5060
pursuant to a bailment, lease, sublease, or other contractual 5061
arrangement under which a charge is made for its use at a periodic 5062
rate for a term of thirty days or more, and title to the motor 5063
vehicle is in and remains in the motor vehicle leasing dealer who 5064
originally leases it, irrespective of whether or not the motor 5065
vehicle is the subject of a later sublease, and not in the user, 5066
but does not mean a manufacturer or its affiliate leasing to its 5067
employees or to dealers. 5068

(N) "Salesperson" means any person employed by a dealer or 5069
manufactured home broker to sell, display, and offer for sale, or 5070
deal in motor vehicles for a commission, compensation, or other 5071
valuable consideration, but does not mean any public officer 5072

performing official duties. 5073

(O) "Casual sale" means any transfer of a motor vehicle by a 5074
person other than a new motor vehicle dealer, used motor vehicle 5075
dealer, motor vehicle salvage dealer, as defined in division (A) 5076
of section 4738.01 of the Revised Code, salesperson, motor vehicle 5077
auction owner, manufacturer, or distributor acting in the capacity 5078
of a dealer, salesperson, auction owner, manufacturer, or 5079
distributor, to a person who purchases the motor vehicle for use 5080
as a consumer. 5081

(P) "Motor vehicle show" means a display of current models of 5082
motor vehicles whereby the primary purpose is the exhibition of 5083
competitive makes and models in order to provide the general 5084
public the opportunity to review and inspect various makes and 5085
models of motor vehicles at a single location. 5086

(Q) "Motor vehicle auction owner" means any person who is 5087
engaged wholly or in part in the business of auctioning motor 5088
vehicles. 5089

(R) "Manufacturer" means a person who manufactures, 5090
assembles, or imports motor vehicles, including motor homes, but 5091
does not mean a person who only assembles or installs a body, 5092
special equipment unit, finishing trim, or accessories on a motor 5093
vehicle chassis supplied by a manufacturer or distributor. 5094

(S) "Tent-type fold-out camping trailer" means any vehicle 5095
intended to be used, when stationary, as a temporary shelter with 5096
living and sleeping facilities, and that is subject to the 5097
following properties and limitations: 5098

(1) A minimum of twenty-five per cent of the fold-out portion 5099
of the top and sidewalls combined must be constructed of canvas, 5100
vinyl, or other fabric, and form an integral part of the shelter. 5101

(2) When folded, the unit must not exceed: 5102

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| (a) Fifteen feet in length, exclusive of bumper and tongue; | 5103 |
| (b) Sixty inches in height from the point of contact with the ground; | 5104 5105 |
| (c) Eight feet in width; | 5106 |
| (d) One ton gross weight at time of sale. | 5107 |
| (T) "Distributor" means any person authorized by a motor vehicle manufacturer to distribute new motor vehicles to licensed new motor vehicle dealers, but does not mean a person who only assembles or installs a body, special equipment unit, finishing trim, or accessories on a motor vehicle chassis supplied by a manufacturer or distributor. | 5108 5109 5110 5111 5112 5113 |
| (U) "Flea market" means a market place, other than a dealer's location licensed under this chapter, where a space or location is provided for a fee or compensation to a seller to exhibit and offer for sale or trade, motor vehicles to the general public. | 5114 5115 5116 5117 |
| (V) "Franchise" means any written agreement, contract, or understanding between any motor vehicle manufacturer or remanufacturer engaged in commerce and any motor vehicle dealer that purports to fix the legal rights and liabilities of the parties to such agreement, contract, or understanding. | 5118 5119 5120 5121 5122 |
| (W) "Franchisee" means a person who receives new motor vehicles from the franchisor under a franchise agreement and who offers, sells, and provides service for such new motor vehicles to the general public. | 5123 5124 5125 5126 |
| (X) "Franchisor" means a new motor vehicle manufacturer, remanufacturer, or distributor who supplies new motor vehicles under a franchise agreement to a franchisee. | 5127 5128 5129 |
| (Y) "Dealer organization" means a state or local trade association the membership of which is comprised predominantly of new motor vehicle dealers. | 5130 5131 5132 |

(Z) "Factory representative" means a representative employed 5133
by a manufacturer, remanufacturer, or by a factory branch 5134
primarily for the purpose of promoting the sale of its motor 5135
vehicles, parts, or accessories to dealers or for supervising or 5136
contacting its dealers or prospective dealers. 5137

(AA) "Administrative or executive management" means those 5138
individuals who are not subject to federal wage and hour laws. 5139

(BB) "Good faith" means honesty in the conduct or transaction 5140
concerned and the observance of reasonable commercial standards of 5141
fair dealing in the trade as is defined in ~~division (S) of~~ section 5142
~~1301.01~~ 1301.201 of the Revised Code, including, but not limited 5143
to, the duty to act in a fair and equitable manner so as to 5144
guarantee freedom from coercion, intimidation, or threats of 5145
coercion or intimidation; provided however, that recommendation, 5146
endorsement, exposition, persuasion, urging, or argument shall not 5147
be considered to constitute a lack of good faith. 5148

(CC) "Coerce" means to compel or attempt to compel by failing 5149
to act in good faith or by threat of economic harm, breach of 5150
contract, or other adverse consequences. Coerce does not mean to 5151
argue, urge, recommend, or persuade. 5152

(DD) "Relevant market area" means any area within a radius of 5153
ten miles from the site of a potential new dealership, except that 5154
for manufactured home or recreational vehicle dealerships the 5155
radius shall be twenty-five miles. The ten-mile radius shall be 5156
measured from the dealer's established place of business that is 5157
used exclusively for the purpose of selling, displaying, offering 5158
for sale, or dealing in motor vehicles. 5159

(EE) "Wholesale" or "at wholesale" means the act or attempted 5160
act of selling, bartering, exchanging, or otherwise disposing of a 5161
motor vehicle to a transferee for the purpose of resale and not 5162
for ultimate consumption by that transferee. 5163

(FF) "Motor vehicle wholesaler" means any person licensed as a dealer under the laws of another state and engaged in the business of selling, displaying, or offering for sale used motor vehicles, at wholesale, but does not mean any motor vehicle dealer as defined in this section.

(GG)(1) "Remanufacturer" means a person who assembles or installs passenger seating, walls, a roof elevation, or a body extension on a conversion van with the motor vehicle chassis supplied by a manufacturer or distributor, a person who modifies a truck chassis supplied by a manufacturer or distributor for use as a public safety or public service vehicle, a person who modifies a motor vehicle chassis supplied by a manufacturer or distributor for use as a limousine or hearse, or a person who modifies an incomplete motor vehicle cab and chassis supplied by a new motor vehicle dealer or distributor for use as a tow truck, but does not mean either of the following:

(a) A person who assembles or installs passenger seating, a roof elevation, or a body extension on a recreational vehicle as defined in division (Q) and referred to in division (B) of section 4501.01 of the Revised Code;

(b) A person who assembles or installs special equipment or accessories for handicapped persons, as defined in section 4503.44 of the Revised Code, upon a motor vehicle chassis supplied by a manufacturer or distributor.

(2) For the purposes of division (GG)(1) of this section, "public safety vehicle or public service vehicle" means a fire truck, ambulance, school bus, street sweeper, garbage packing truck, or cement mixer, or a mobile self-contained facility vehicle.

(3) For the purposes of division (GG)(1) of this section, "limousine" means a motor vehicle, designed only for the purpose

of carrying nine or fewer passengers, that a person modifies by 5195
cutting the original chassis, lengthening the wheelbase by forty 5196
inches or more, and reinforcing the chassis in such a way that all 5197
modifications comply with all applicable federal motor vehicle 5198
safety standards. No person shall qualify as or be deemed to be a 5199
remanufacturer who produces limousines unless the person has a 5200
written agreement with the manufacturer of the chassis the person 5201
utilizes to produce the limousines to complete properly the 5202
remanufacture of the chassis into limousines. 5203

(4) For the purposes of division (GG)(1) of this section, 5204
"hearse" means a motor vehicle, designed only for the purpose of 5205
transporting a single casket, that is equipped with a compartment 5206
designed specifically to carry a single casket that a person 5207
modifies by cutting the original chassis, lengthening the 5208
wheelbase by ten inches or more, and reinforcing the chassis in 5209
such a way that all modifications comply with all applicable 5210
federal motor vehicle safety standards. No person shall qualify as 5211
or be deemed to be a remanufacturer who produces hearses unless 5212
the person has a written agreement with the manufacturer of the 5213
chassis the person utilizes to produce the hearses to complete 5214
properly the remanufacture of the chassis into hearses. 5215

(5) For the purposes of division (GG)(1) of this section, 5216
"mobile self-contained facility vehicle" means a mobile classroom 5217
vehicle, mobile laboratory vehicle, bookmobile, bloodmobile, 5218
testing laboratory, and mobile display vehicle, each of which is 5219
designed for purposes other than for passenger transportation and 5220
other than the transportation or displacement of cargo, freight, 5221
materials, or merchandise. A vehicle is remanufactured into a 5222
mobile self-contained facility vehicle in part by the addition of 5223
insulation to the body shell, and installation of all of the 5224
following: a generator, electrical wiring, plumbing, holding 5225
tanks, doors, windows, cabinets, shelving, and heating, 5226

ventilating, and air conditioning systems. 5227

(6) For the purposes of division (GG)(1) of this section, 5228
"tow truck" means both of the following: 5229

(a) An incomplete cab and chassis that are purchased by a 5230
remanufacturer from a new motor vehicle dealer or distributor of 5231
the cab and chassis and on which the remanufacturer then installs 5232
in a permanent manner a wrecker body it purchases from a 5233
manufacturer or distributor of wrecker bodies, installs an 5234
emergency flashing light pylon and emergency lights upon the mast 5235
of the wrecker body or rooftop, and installs such other related 5236
accessories and equipment, including push bumpers, front grille 5237
guards with pads and other custom-ordered items such as painting, 5238
special lettering, and safety striping so as to create a complete 5239
motor vehicle capable of lifting and towing another motor vehicle. 5240

(b) An incomplete cab and chassis that are purchased by a 5241
remanufacturer from a new motor vehicle dealer or distributor of 5242
the cab and chassis and on which the remanufacturer then installs 5243
in a permanent manner a car carrier body it purchases from a 5244
manufacturer or distributor of car carrier bodies, installs an 5245
emergency flashing light pylon and emergency lights upon the 5246
rooftop, and installs such other related accessories and 5247
equipment, including push bumpers, front grille guards with pads 5248
and other custom-ordered items such as painting, special 5249
lettering, and safety striping. 5250

As used in division (GG)(6)(b) of this section, "car carrier 5251
body" means a mechanical or hydraulic apparatus capable of lifting 5252
and holding a motor vehicle on a flat level surface so that one or 5253
more motor vehicles can be transported, once the car carrier is 5254
permanently installed upon an incomplete cab and chassis. 5255

(HH) "Operating as a new motor vehicle dealership" means 5256
engaging in activities such as displaying, offering for sale, and 5257

selling new motor vehicles at retail, operating a service facility 5258
to perform repairs and maintenance on motor vehicles, offering for 5259
sale and selling motor vehicle parts at retail, and conducting all 5260
other acts that are usual and customary to the operation of a new 5261
motor vehicle dealership. For the purposes of this chapter only, 5262
possession of either a valid new motor vehicle dealer franchise 5263
agreement or a new motor vehicle dealers license, or both of these 5264
items, is not evidence that a person is operating as a new motor 5265
vehicle dealership. 5266

(II) "Outdoor power equipment" means garden and small utility 5267
tractors, walk-behind and riding mowers, chainsaws, and tillers. 5268

(JJ) "Remote service facility" means premises that are 5269
separate from a licensed new motor vehicle dealer's sales facility 5270
by not more than one mile and that are used by the dealer to 5271
perform repairs, warranty work, recall work, and maintenance on 5272
motor vehicles pursuant to a franchise agreement entered into with 5273
a manufacturer of motor vehicles. A remote service facility shall 5274
be deemed to be part of the franchise agreement and is subject to 5275
all the rights, duties, obligations, and requirements of Chapter 5276
4517. of the Revised Code that relate to the performance of motor 5277
vehicle repairs, warranty work, recall work, and maintenance work 5278
by new motor vehicle dealers. 5279

Sec. 4729.51. (A) No person other than a registered wholesale 5280
distributor of dangerous drugs shall possess for sale, sell, 5281
distribute, or deliver, at wholesale, dangerous drugs, except as 5282
follows: 5283

(1) A pharmacist who is a licensed terminal distributor of 5284
dangerous drugs or who is employed by a licensed terminal 5285
distributor of dangerous drugs may make occasional sales of 5286
dangerous drugs at wholesale; 5287

(2) A licensed terminal distributor of dangerous drugs having 5288

more than one establishment or place may transfer or deliver 5289
dangerous drugs from one establishment or place for which a 5290
license has been issued to the terminal distributor to another 5291
establishment or place for which a license has been issued to the 5292
terminal distributor if the license issued for each establishment 5293
or place is in effect at the time of the transfer or delivery. 5294

(B)(1) No registered wholesale distributor of dangerous drugs 5295
shall possess for sale, or sell, at wholesale, dangerous drugs to 5296
any person other than the following: 5297

(a) A licensed health professional authorized to prescribe 5298
drugs; 5299

(b) An optometrist licensed under Chapter 4725. of the 5300
Revised Code who holds a topical ocular pharmaceutical agents 5301
certificate; 5302

(c) A registered wholesale distributor of dangerous drugs; 5303

(d) A manufacturer of dangerous drugs; 5304

(e) A licensed terminal distributor of dangerous drugs, 5305
subject to division (B)(2) of this section; 5306

(f) Carriers or ~~warehouse~~ warehouses for the purpose of 5307
carriage or storage; 5308

(g) Terminal or wholesale distributors of dangerous drugs who 5309
are not engaged in the sale of dangerous drugs within this state; 5310

(h) An individual who holds a current license, certificate, 5311
or registration issued under Title 47 of the Revised Code and has 5312
been certified to conduct diabetes education by a national 5313
certifying body specified in rules adopted by the state board of 5314
pharmacy under section 4729.68 of the Revised Code, but only with 5315
respect to insulin that will be used for the purpose of diabetes 5316
education and only if diabetes education is within the 5317
individual's scope of practice under statutes and rules regulating 5318

the individual's profession; 5319

(i) An individual who holds a valid certificate issued by a 5320
nationally recognized S.C.U.B.A. diving certifying organization 5321
approved by the pharmacy board in rule, but only with respect to 5322
medical oxygen that will be used for the purpose of emergency care 5323
or treatment at the scene of a diving emergency; 5324

(j) A business entity that is a corporation formed under 5325
division (B) of section 1701.03 of the Revised Code, a limited 5326
liability company formed under Chapter 1705. of the Revised Code, 5327
or a professional association formed under Chapter 1785. of the 5328
Revised Code if the entity has a sole shareholder who is a 5329
licensed health professional authorized to prescribe drugs and is 5330
authorized to provide the professional services being offered by 5331
the entity; 5332

(k) A business entity that is a corporation formed under 5333
division (B) of section 1701.03 of the Revised Code, a limited 5334
liability company formed under Chapter 1705. of the Revised Code, 5335
a partnership or a limited liability partnership formed under 5336
Chapter 1775. of the Revised Code, or a professional association 5337
formed under Chapter 1785. of the Revised Code, if, to be a 5338
shareholder, member, or partner, an individual is required to be 5339
licensed, certified, or otherwise legally authorized under Title 5340
XLVII of the Revised Code to perform the professional service 5341
provided by the entity and each such individual is a licensed 5342
health professional authorized to prescribe drugs. 5343

(2) No registered wholesale distributor of dangerous drugs 5344
shall possess dangerous drugs for sale at wholesale, or sell such 5345
drugs at wholesale, to a licensed terminal distributor of 5346
dangerous drugs, except to: 5347

(a) A terminal distributor who has a category I license, only 5348
dangerous drugs described in category I, as defined in division 5349

(A)(1) of section 4729.54 of the Revised Code; 5350

(b) A terminal distributor who has a category II license, 5351
only dangerous drugs described in category I and category II, as 5352
defined in divisions (A)(1) and (2) of section 4729.54 of the 5353
Revised Code; 5354

(c) A terminal distributor who has a category III license, 5355
dangerous drugs described in category I, category II, and category 5356
III, as defined in divisions (A)(1), (2), and (3) of section 5357
4729.54 of the Revised Code; 5358

(d) A terminal distributor who has a limited category I, II, 5359
or III license, only the dangerous drugs specified in the 5360
certificate furnished by the terminal distributor in accordance 5361
with section 4729.60 of the Revised Code. 5362

(C)(1) Except as provided in division (C)(4) of this section, 5363
no person shall sell, at retail, dangerous drugs. 5364

(2) Except as provided in division (C)(4) of this section, no 5365
person shall possess for sale, at retail, dangerous drugs. 5366

(3) Except as provided in division (C)(4) of this section, no 5367
person shall possess dangerous drugs. 5368

(4) Divisions (C)(1), (2), and (3) of this section do not 5369
apply to a registered wholesale distributor of dangerous drugs, a 5370
licensed terminal distributor of dangerous drugs, or a person who 5371
possesses, or possesses for sale or sells, at retail, a dangerous 5372
drug in accordance with Chapters 3719., 4715., 4723., 4725., 5373
4729., 4730., 4731., and 4741. of the Revised Code. 5374

Divisions (C)(1), (2), and (3) of this section do not apply 5375
to an individual who holds a current license, certificate, or 5376
registration issued under Title XLVII of the Revised Code and has 5377
been certified to conduct diabetes education by a national 5378
certifying body specified in rules adopted by the state board of 5379

pharmacy under section 4729.68 of the Revised Code, but only to 5380
the extent that the individual possesses insulin or personally 5381
supplies insulin solely for the purpose of diabetes education and 5382
only if diabetes education is within the individual's scope of 5383
practice under statutes and rules regulating the individual's 5384
profession. 5385

Divisions (C)(1), (2), and (3) of this section do not apply 5386
to an individual who holds a valid certificate issued by a 5387
nationally recognized S.C.U.B.A. diving certifying organization 5388
approved by the pharmacy board in rule, but only to the extent 5389
that the individual possesses medical oxygen or personally 5390
supplies medical oxygen for the purpose of emergency care or 5391
treatment at the scene of a diving emergency. 5392

(D) No licensed terminal distributor of dangerous drugs shall 5393
purchase for the purpose of resale dangerous drugs from any person 5394
other than a registered wholesale distributor of dangerous drugs, 5395
except as follows: 5396

(1) A licensed terminal distributor of dangerous drugs may 5397
make occasional purchases of dangerous drugs for resale from a 5398
pharmacist who is a licensed terminal distributor of dangerous 5399
drugs or who is employed by a licensed terminal distributor of 5400
dangerous drugs; 5401

(2) A licensed terminal distributor of dangerous drugs having 5402
more than one establishment or place may transfer or receive 5403
dangerous drugs from one establishment or place for which a 5404
license has been issued to the terminal distributor to another 5405
establishment or place for which a license has been issued to the 5406
terminal distributor if the license issued for each establishment 5407
or place is in effect at the time of the transfer or receipt. 5408

(E) No licensed terminal distributor of dangerous drugs shall 5409
engage in the sale or other distribution of dangerous drugs at 5410

retail or maintain possession, custody, or control of dangerous 5411
drugs for any purpose other than the distributor's personal use or 5412
consumption, at any establishment or place other than that or 5413
those described in the license issued by the board of pharmacy to 5414
such terminal distributor. 5415

(F) Nothing in this section shall be construed to interfere 5416
with the performance of official duties by any law enforcement 5417
official authorized by municipal, county, state, or federal law to 5418
collect samples of any drug, regardless of its nature or in whose 5419
possession it may be. 5420

Sec. 5322.01. As used in sections 5322.01 to 5322.05 of the 5421
Revised Code: 5422

(A) "Self-service storage facility" means any real property 5423
that is designed and used only for the purpose of renting or 5424
leasing individual storage space in the facility under the 5425
following conditions: 5426

(1) The occupants have access to the storage space only for 5427
the purpose of storing and removing personal property; 5428

(2) The owner does not issue a warehouse receipt, bill of 5429
lading, or other document of title, as defined in ~~division (O)~~ of 5430
section ~~1301.01~~ 1301.201 of the Revised Code, for the personal 5431
property stored in the storage space; 5432

(3) The property has fifty or more individual storage spaces. 5433

"Self-service storage facility" does not include any garage 5434
used principally for parking motor vehicles, an establishment 5435
licensed pursuant to sections 915.14 to 915.24 of the Revised 5436
Code, or any property of a bank or savings and loan association 5437
that contains vaults, safe deposit boxes, or other receptacles for 5438
the uses, purposes, and benefits of the bank's or savings and loan 5439
association's customers. 5440

(B) "Owner" means a person that is either the owner of a self-service storage facility or the lessor of an entire self-service storage facility and that receives rent from an occupant pursuant to a rental agreement that the person enters into with the occupant.

(C) "Occupant" means a person that rents storage space at a self-service storage facility pursuant to a rental agreement that the person enters into with the owner.

(D) "Rental agreement" means any written agreement that is entered into by the owner and the occupant and that establishes the terms and conditions of the occupant's use of storage space at a self-service storage facility.

(E) "Personal property" means money and every animate or inanimate tangible thing that is the subject of ownership, except anything forming part of a parcel of real estate, as defined in section 5701.02 of the Revised Code, and except anything that is an agricultural commodity, as defined in division (A) of section 926.01 of the Revised Code.

(F) "Late fee" means any fee or charge assessed for an occupant's failure to pay rent when due. "Late fee" does not include interest on a debt, reasonable expenses incurred in the collection of unpaid rent, or costs associated with the enforcement of any other remedy provided by statute or contract.

Section 2. That existing sections 1.01, 926.24, 926.26, 1301.01, 1301.02, 1301.04, 1301.05, 1301.06, 1301.07, 1301.08, 1301.09, 1301.10, 1301.11, 1301.13, 1301.14, 1301.15, 1301.16, 1301.18, 1301.21, 1302.01, 1302.05, 1302.23, 1302.36, 1302.42, 1302.44, 1302.47, 1302.49, 1302.50, 1302.53, 1302.63, 1302.79, 1303.01, 1304.01, 1304.20, 1304.51, 1304.53, 1304.59, 1305.02, 1306.02, 1306.15, 1307.01, 1307.02, 1307.04, 1307.06, 1307.07, 1307.08, 1307.09, 1307.10, 1307.11, 1307.12, 1307.13, 1307.14,

1307.15, 1307.16, 1307.17, 1307.18, 1307.19, 1307.20, 1307.21, 5472
1307.22, 1307.23, 1307.24, 1307.25, 1307.26, 1307.27, 1307.28, 5473
1307.29, 1307.30, 1307.31, 1307.32, 1307.33, 1307.34, 1307.35, 5474
1307.36, 1307.37, 1307.38, 1307.39, 1307.40, 1308.01, 1308.02, 5475
1309.102, 1309.203, 1309.207, 1309.208, 1309.301, 1309.310, 5476
1309.312, 1309.313, 1309.314, 1309.317, 1309.331, 1309.338, 5477
1309.601, 1310.01, 1310.47, 1310.60, 1310.64, 1310.65, 1310.72, 5478
1310.73, 1310.74, 1311.57, 1333.23, 1743.08, 2307.39, 2923.17, 5479
2981.01, 3719.14, 3767.29, 4517.01, 4729.51, and 5322.01 and 5480
sections 1301.03, 1301.12, 1302.11, 1307.03, 1307.05, and 1310.14 5481
of the Revised Code are hereby repealed. 5482

Section 3. This act applies to transactions entered into on 5483
or after the effective date of this act. 5484