

# As Introduced

**128th General Assembly  
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**Representatives Dyer, Coley**

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

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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
1301.14, 1301.15, 1302.01, 1302.05, 1302.23,	4
1302.36, 1302.42, 1302.44, 1302.47, 1302.49,	5
1302.50, 1302.53, 1302.63, 1302.79, 1303.01,	6
1304.01, 1304.20, 1304.51, 1304.53, 1304.59,	7
1305.02, 1306.02, 1306.15, 1307.01, 1307.02,	8
1307.04, 1307.06, 1307.07, 1307.08, 1307.09,	9
1307.10, 1307.11, 1307.12, 1307.13, 1307.14,	10
1307.15, 1307.16, 1307.17, 1307.18, 1307.19,	11
1307.20, 1307.21, 1307.22, 1307.23, 1307.24,	12
1307.25, 1307.26, 1307.27, 1307.28, 1307.29,	13
1307.30, 1307.31, 1307.32, 1307.33, 1307.34,	14
1307.35, 1307.36, 1307.37, 1307.38, 1307.39,	15
1307.40, 1308.01, 1308.02, 1309.102, 1309.203,	16
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, 1311.55,	20
1311.57, 1333.23, 1743.08, 2307.39, 2923.17,	21
2981.01, 3719.14, 3767.29, 4517.01, 4729.51, and	22

5322.01; to amend, for the purpose of adopting new 23  
section numbers as indicated in parentheses, 24  
sections 1301.01 (1301.201), 1301.02 (1301.103), 25  
1301.04 (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  
1302.53, 1302.63, 1302.79, 1303.01, 1304.01, 1304.20, 1304.51, 67  
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, 1311.55, 1311.57, 1333.23, 77  
1743.08, 2307.39, 2923.17, 2981.01, 3719.14, 3767.29, 4517.01, 78  
4729.51, and 5322.01 be amended; sections 1301.01 (1301.201), 79  
1301.02 (1301.103), 1301.04 (1301.104), 1301.05 (1301.301), 80  
1301.06 (1301.305), 1301.07 (1301.306), 1301.08 (1301.307), 81  
1301.09 (1301.304), 1301.10 (1301.205), 1301.11 (1301.303), 82  
1301.13 (1301.308), 1301.14 (1301.309), 1301.15 (1301.311), 83  
1301.16 (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 177

under ~~him~~ the depositor asserts a claim or title to the 178  
agricultural commodity and the licensed handler has information of 179  
the claim, the handler shall be excused from liability for 180  
refusing to deliver the commodity to the depositor, to the person 181  
claiming under ~~him~~ the depositor, or to the adverse claimant until 182  
the handler has had reasonable time to ascertain the validity of 183  
the adverse claim or to bring legal proceedings compelling all 184  
claimants to arrive at a settlement. 185

**Sec. 926.26.** (A) If an agricultural commodity is delivered to 186  
a licensed handler by the owner or by a person whose act in 187  
conveying the title to the purchaser in good faith for value would 188  
bind the owner, and a negotiable receipt is issued for it, the 189  
commodity cannot, while in the possession of the handler, be 190  
attached by garnishment or otherwise or be levied under an 191  
execution unless the receipt is first surrendered to the handler 192  
or its negotiation is enjoined. The handler shall in no case be 193  
compelled to deliver the actual possession of the commodity until 194  
the receipt is surrendered to ~~him~~ the handler or impounded by the 195  
court. A handler's claim for a lien that has arisen under section 196  
~~1307.14~~ 1307.209 of the Revised Code and that has come due shall 197  
be satisfied as follows: 198

(1) The handler shall give a written notice to the person on 199  
whose account the commodity is held and to any other person known 200  
by the handler to claim an interest in the commodity. The notice 201  
shall be delivered in person or by certified mail addressed to the 202  
last known place of business or residence of the person to be 203  
notified. The notice shall contain: 204

(a) An itemized statement of the handler's claim showing the 205  
sum due at the time of the notice and the date that it became due; 206

(b) A brief description of the commodity against which the 207  
lien exists; 208

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

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

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

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



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  
supplemental principles of law [UCC 1-103] 301

(A) Chapters 1301., 1302., 1303., 1304, 1305., 1307., 1308., 1309., and 1310. of the Revised Code ~~shall~~ must be liberally construed and applied to promote their underlying purposes and policies.

~~(B) Underlying purposes and policies of those chapters which are the following:~~

(1) To simplify, clarify, and modernize the law governing commercial transactions;

(2) To permit the continued expansion of commercial practices through custom, usage, and agreement of the parties;

(3) To make uniform the law among the various jurisdictions.

~~(C) The effect of 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.~~

~~(D) The presence in certain, the principals 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, or 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.~~

**Sec. ~~1301.04~~ 1301.104.** Chapters Construction against implied

repeal [UCC 1-104] 332

Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code being intended as a unified coverage of its subject matter, no part of it shall be impliedly repealed by subsequent legislation if that construction can reasonably be avoided. 333  
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**Sec. 1301.105. Severability [UCC 1-105]** 338

If any provision or clause of Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the Revised Code or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the Revised Code which can be given effect without the invalid provision or application, and to this end the provisions of Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the Revised Code are severable. 339  
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**Sec. 1301.106. Use of singular and plural; gender [UCC 1-106]** 348

In Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code, unless the statutory context otherwise requires: 349  
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(A) Words in the singular number include the plural, and those in the plural include the singular; and 353  
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(B) Words of any gender also refer to any other gender. 355

**Sec. 1301.107. Section captions [UCC 1-107]** 356

Section captions are part of Chapters 1301. and 1307. of the Revised Code. 357  
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Sec. 1301.108. Relation to Electronic Signatures in Global and National Commerce Act [UCC 1-108] 359  
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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. 361  
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Sec. ~~1301.01~~ 1301.201. As used in Chapters General definitions [UCC 1-201] 367  
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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 those chapters, have the meanings stated. 369  
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(B) Subject to additional definitions contained in those chapters Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the Revised Code, that apply to particular chapters or sections therein: 375  
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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. 379  
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(B)(2) "Aggrieved party" means a party entitled to resort to pursue a remedy. 382  
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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 384  
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~~1301.303~~ of the Revised Code. ~~Whether an agreement has legal~~ 389  
~~consequences is determined by Chapters 1301., 1302., 1303., 1304.,~~ 390  
~~1305., 1307., 1308., 1309., and 1310. of the Revised Code, if~~ 391  
~~applicable; otherwise by the law of contracts.~~ 392

~~(D)~~(4) "Bank" means ~~any~~ a person engaged in the business of 393  
banking and includes a savings bank, savings and loan association, 394  
credit union, and trust company. 395

~~(E)~~(5) "Bearer" means ~~the~~ a person in control of a negotiable 396  
electronic document of title or a person in possession of an 397  
instrument, negotiable tangible document of title, or certificated 398  
security payable to bearer or endorsed in blank. 399

~~(F)~~(6) "Bill of lading" means a document of title evidencing 400  
the receipt of goods for shipment issued by a person engaged in 401  
the business of directly or indirectly transporting or forwarding 402  
goods, ~~and includes an airbill. "Airbill" means a document serving~~ 403  
~~for air transportation as a bill of lading~~ The term does for 404  
~~marine or rail transportation, and includes an air consignment~~ 405  
~~note or air waybill~~ not include a warehouse receipt. 406

~~(G)~~(7) "Branch" includes a separately incorporated foreign 407  
branch of a bank. 408

~~(H)~~(8) "Burden of establishing" a fact means the burden of 409  
persuading the ~~triers~~ trier of fact that the existence of the fact 410  
is more probable than its nonexistence. 411

~~(I)~~(9) "Buyer in ordinary course of business" means a person 412  
~~who~~ that buys goods in good faith, without knowledge that the sale 413  
violates the rights of another person in the goods, and in the 414  
ordinary course from a person, other than a pawnbroker, in the 415  
business of selling goods of that kind. A person buys goods in the 416  
ordinary course if the sale to the person comports with the usual 417  
or customary practices in the kind of business in which the seller 418  
is engaged or with the seller's own usual or customary practices. 419

A person ~~who~~ that sells oil, gas, or other minerals at the 420  
wellhead or minehead is a person in the business of selling goods 421  
of that kind. A buyer in ~~the~~ ordinary course of business may buy 422  
for cash, by exchange of other property, or on secured or 423  
unsecured credit, and may acquire goods or documents of title 424  
under a preexisting contract for sale. Only a buyer that takes 425  
possession of the goods or has a right to recover the goods from 426  
the seller under Chapter 1302. of the Revised Code may be a buyer 427  
in ordinary course of business. A "Buyer in ordinary course of 428  
business" does not include a person who that acquires goods in a 429  
transfer in bulk or as security for or in total or partial 430  
satisfaction of a money debt ~~is not a buyer in the ordinary course~~ 431  
~~of business.~~ 432

~~(J) A term or clause is "conspicuous" when it is (10)~~ 433  
"Conspicuous", with reference to a term, means so written, 434  
displayed, or presented that a reasonable person against ~~whom~~ 435  
which it is to operate ought to have noticed it. ~~A printed heading~~ 436  
~~in capitals (as: NONNEGOTIABLE BILL OF LADING) is "conspicuous."~~ 437  
~~Language in the body of a form is "conspicuous" if it is in larger~~ 438  
~~or other contrasting type or color. In a telegram, any stated term~~ 439  
~~is "conspicuous."~~ Whether a term or clause is "conspicuous" or not 440  
is for decision by the court. Conspicuous terms include the 441  
following: 442

(a) A heading in capitals equal to or greater in size than 443  
the surrounding text, or in contrasting type, font, or color to 444  
the surrounding text of the same or lesser size; and 445

(b) Language in the body of a record or display in larger 446  
type than the surrounding text, or in contrasting type, font, or 447  
color to the surrounding text of the same size, or set off from 448  
surrounding text of the same size by symbols or other marks that 449  
call attention to the language. 450

~~(K)~~ (11) "Consumer" means an individual who enters into a 451

transaction primarily for personal, family, or household purposes. 452

(12) "Contract", as distinguished from "agreement", means the 453  
total legal obligation that results from the parties' agreement as 454  
~~affected~~ determined by Chapters 1301., 1302., 1303., 1304., 1305., 455  
1307., 1308., 1309., and 1310. of the Revised Code, ~~and as~~ 456  
supplemented by any other applicable rules of law laws. 457

~~(L)~~(13) "Creditor" includes a general creditor, a secured 458  
creditor, a lien creditor, and any representative of creditors, 459  
including an assignee for the benefit of creditors, a trustee in 460  
bankruptcy, a receiver in equity, and an executor or administrator 461  
of an insolvent debtor's or assignor's estate. 462

~~(M)~~(14) "Defendant" includes a person in the position of 463  
defendant in ~~cross-action or a~~ counterclaim, cross-claim, or 464  
third-party claim. 465

~~(N)~~(15) "Delivery" with respect to ~~instruments~~ an electronic 466  
document of title means voluntary transfer of control and with 467  
respect to an instrument, documents a tangible document of title, 468  
or chattel paper, or certificated securities means voluntary 469  
transfer of possession. 470

~~(O)~~(16) "Document of title" ~~includes means~~ a bill of lading, 471  
~~dock warrant, dock receipt, warehouse receipt, or order for the~~ 472  
~~delivery of goods, and any other document~~ record (a) that in the 473  
regular course of business or financing is treated as adequately 474  
evidencing that the person in possession or control of ~~it~~ the 475  
record is entitled to receive, control, hold, and dispose of the 476  
~~document record~~ and the goods ~~it~~ the record covers. ~~To be a~~ 477  
~~document of title, a document must purport~~ and (b) that purports 478  
to be issued by or addressed to a bailee and ~~purport~~ to cover 479  
goods in the bailee's possession ~~that~~ which are either identified 480  
or are fungible portions of an identified mass. The term includes 481  
a bill of lading, transport document, dock warrant, dock receipt, 482



warehouse receipt, and order for delivery of goods. An electronic 483  
document of title means a document of title evidenced by a record 484  
consisting of information stored in an electronic medium. A 485  
tangible document of title means a document of title evidenced by 486  
a record consisting of information that is inscribed on a tangible 487  
medium. 488

~~(P)(17)~~ "Fault" means a default, breach, or wrongful act, or 489  
omission, ~~or breach.~~ 490

~~(Q)(18)~~ "Fungible" with respect to goods or securities" means 491  
goods or securities: 492

(a) Goods of which any unit ~~is~~, by nature or usage of trade, 493  
is the equivalent of any other like unit; ~~or~~ 494

(b) Goods that are not fungible are fungible for the purposes 495  
of Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 496  
1309., and 1310. of the Revised Code to the extent that under a 497  
particular by agreement or document unlike units are treated as 498  
equivalents equivalent. 499

~~(R)(19)~~ "Genuine" means free of forgery or counterfeiting. 500

~~(S)(20)~~ "Good faith," except as otherwise provided in Chapter 501  
1305. of the Revised Code, means honesty in fact ~~in the conduct or~~ 502  
~~transaction concerned~~ and the observance of reasonable commercial 503  
standards of fair dealing. 504

~~(T)(1)(21)~~ "Holder" ~~with respect to a negotiable instrument~~ 505  
means ~~either of the following:~~ 506

~~(a) If the instrument is payable to bearer, a~~ The person who 507  
~~is~~ in possession of ~~the~~ a negotiable instrument; 508

~~(b) If the instrument that is payable either to bearer or to~~ 509  
~~an identified person, the identified that is the person when~~ in 510  
possession ~~of the instrument.~~ 511

~~(2)~~ "Holder" ~~with respect to;~~ 512

(b) The person in possession of a negotiable tangible 513  
document of title ~~means the person in possession~~ if the goods are 514  
deliverable either to bearer or to the order of the person in 515  
possession; 516

(c) A person in control of a negotiable electronic document 517  
of title. 518

~~(U) To "honor" is to pay or to accept and pay, or where a~~ 519  
~~creditor so engages to purchase or discount a draft complying with~~ 520  
~~the terms of the credit.~~ 521

~~(V)(22) "Insolvency proceedings proceeding" include any~~ 522  
includes an assignment for the benefit of the creditors or other 523  
~~proceedings proceeding~~ intended to liquidate or rehabilitate the 524  
estate of the person involved. 525

~~(W) A person is (23) "insolvent Insolvent" who either has~~ 526  
means: 527

(a) Having generally ceased to pay ~~the person's~~ debts in the 528  
ordinary course of business ~~or cannot pay the person's~~ other than 529  
as a result of a bona fide dispute; 530

(b) Being unable to pay debts as they become due; ~~or is~~ 531

(c) Being insolvent within the meaning of ~~the~~ federal 532  
bankruptcy law. 533

~~(X)(24) "Money" means a medium of exchange authorized or~~ 534  
~~adopted by a domestic or foreign government and. The term~~ includes 535  
a monetary unit of account established by an intergovernmental 536  
organization or by agreement between two or more ~~nations~~ 537  
countries. 538

~~(Y) A person has "notice" of a fact when any of the following~~ 539  
~~applies:~~ 540

~~(1) The person has actual knowledge of it.~~ 541

~~(2) The person has received a notice or notification of it.~~ 542

~~(3) From all the facts and circumstances known to the person 543  
at the time in question, the person has reason to know that it 544  
exists. 545~~

~~A person "knows" or has "knowledge" of the fact when the 546  
person has actual knowledge of it. "Discover" or "learn" or a word 547  
or phrase of similar import refers to knowledge rather than to 548  
reason to know. The time and circumstances under which a notice or 549  
notification may cease to be effective are not determined by this 550  
section. 551~~

~~(Z) A person "notifies" or "gives" a notice or notification 552  
to another person by taking the steps that may be reasonably 553  
required to inform the other person in ordinary course, whether or 554  
not the other person actually comes to know of it. A person 555  
"receives" a notice or notification when either of the following 556  
applies: 557~~

~~(1) It comes to the person's attention. 558~~

~~(2) It is duly delivered at the place of business through 559  
which the contract was made or at any other place held out by the 560  
person as the place for receipt of such communications. 561~~

~~(AA) Notice, knowledge, or a notice or notification received 562  
by an organization is effective for a particular transaction from 563  
the time when it is brought to the attention of the individual 564  
conducting that transaction, and in any event from the time when 565  
it would have been brought to the individual's attention if the 566  
organization had exercised due diligence. An organization 567  
exercises due diligence if it maintains reasonable routines for 568  
communicating significant information to the person conducting the 569  
transaction and there is reasonable compliance with the routine. 570  
Due diligence does not require an individual acting for the 571  
organization to communicate information unless that communication 572  
is part of the individual's regular duties or unless the 573~~

~~individual has reason to know of the transaction and that the~~ 574  
~~transaction would be materially affected by the information.~~ 575

~~(BB)(25) "Organization" includes means a corporation,~~ 576  
~~government, governmental subdivision or agency, business trust,~~ 577  
~~estate, trust, partnership, or association, two or more persons~~ 578  
~~having a joint or common interest, or any person other legal or~~ 579  
~~commercial entity than an individual.~~ 580

~~(CC)(26) "Party," as distinct distinguished from "third~~ 581  
~~party," means a person ~~who~~ that has engaged in a transaction or~~ 582  
~~made an agreement ~~within~~ subject to Chapters 1301., 1302., 1303.,~~ 583  
~~1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code.~~ 584

~~(DD)(27) "Person" includes means an individual, corporation,~~ 585  
~~business trust, estate, trust, partnership, limited liability~~ 586  
~~company, association, joint venture, government, governmental~~ 587  
~~subdivision, agency, or instrumentality, public corporation, or~~ 588  
~~any other legal or an organization commercial entity.~~ 589

~~(EE) "Presumption" or "presumed" means that the trier of fact~~ 590  
~~must find the existence of the fact presumed unless and until~~ 591  
~~evidence is introduced that would support a finding of its~~ 592  
~~nonexistence.~~ 593

~~(FF)(28) "Present value" means the amount as of a date~~ 594  
~~certain of one or more sums payable in the future, discounted to~~ 595  
~~the date certain by use of either an interest rate specified by~~ 596  
~~the parties if that rate is not manifestly unreasonable at the~~ 597  
~~time the transaction is entered into or, if an interest rate is~~ 598  
~~not so specified, a commercially reasonable rate that takes into~~ 599  
~~account the facts and circumstances at the time the transaction is~~ 600  
~~entered into.~~ 601

~~(29) "Purchase" includes means taking by sale, lease,~~ 602  
~~discount, negotiation, mortgage, pledge, lien, security interest,~~ 603  
~~issue or reissue, gift, or any other voluntary transaction~~ 604

creating an interest in property. 605

~~(GG)~~(30) "Purchaser" means a person ~~who~~ that takes by 606  
purchase. 607

~~(HH)~~(31) "Record" means information that is inscribed on a 608  
tangible medium or that is stored in an electronic or other medium 609  
and is retrievable in perceivable form. 610

(32) "Remedy" means any remedial right to which an aggrieved 611  
party is entitled with or without resort to a tribunal. 612

~~(II)~~(33) "Representative" ~~includes~~ means a person empowered 613  
to act for another, including an agent, an officer of a 614  
corporation or association, and a trustee, executor, or 615  
administrator of an estate, ~~or any other person empowered to act~~ 616  
~~for another.~~ 617

~~(JJ)~~(34) "~~Rights~~ Right" includes ~~remedies~~ remedy. 618

~~(KK)~~(1)(35) "Security interest" means an interest in personal 619  
property or fixtures ~~that~~ which secures payment or performance of 620  
an obligation. "Security interest" ~~also~~ includes any interest of a 621  
consignor and a buyer of accounts, chattel paper, a payment 622  
intangible, or a promissory note in a transaction that is subject 623  
to Chapter 1309. of the Revised Code. ~~The~~ "Security interest" does 624  
not include the special property interest of a buyer of goods on 625  
identification of those goods to a contract for sale under section 626  
1302.42 of the Revised Code ~~is not a security interest~~, but a 627  
buyer ~~also~~ may also acquire a "security interest" by complying 628  
with Chapter 1309. of the Revised Code. Except as otherwise 629  
provided in section 1302.49 of the Revised Code, the right of a 630  
seller or lessor of goods under Chapter 1302. or 1310. of the 631  
Revised Code to retain or acquire possession of the goods is not a 632  
"security interest", but a seller or lessor ~~also~~ may also acquire 633  
a "security interest" by complying with Chapter 1309. of the 634  
Revised Code. The retention or reservation of title by a seller of 635

goods notwithstanding shipment or delivery to the buyer under 636  
section 1302.42 of the Revised Code is limited in effect to a 637  
reservation of a "security interest. ~~A lease purchase agreement as~~ 638  
~~defined in division (F) of section 1351.01 of the Revised Code~~ 639  
~~shall never be intended as security.~~ 640

~~(2)" Whether a transaction, other than a lease purchase~~ 641  
~~agreement as defined in division (F) of section 1351.01~~ the form 642  
~~of the Revised Code, creates a lease or~~ creates a "security 643  
~~interest"~~ is determined by the facts of each case; however, a 644  
~~transaction creates a security interest if the consideration the~~ 645  
~~lessee is to pay the lessor for the right to possession and use of~~ 646  
~~the goods is an obligation for the term of the lease not subject~~ 647  
~~to termination by the lessee and if any of the following applies:~~ 648

~~(a) The original term of the lease is equal to or greater~~ 649  
~~than the remaining economic life of the goods.~~ 650

~~(b) The lessee is bound to renew the lease for the remaining~~ 651  
~~economic life of the goods or is bound to become the owner of the~~ 652  
~~goods.~~ 653

~~(c) The lessee has an option to renew the lease for the~~ 654  
~~remaining economic life of the goods for no additional~~ 655  
~~consideration or nominal additional consideration upon compliance~~ 656  
~~with the lease agreement.~~ 657

~~(d) The lessee has an option to become the owner of the goods~~ 658  
~~for no additional consideration or nominal additional~~ 659  
~~consideration upon compliance with the lease agreement.~~ 660

~~(3) A transaction does not create a security interest merely~~ 661  
~~because it provides any of the following:~~ 662

~~(a) That the present value of the consideration the lessee is~~ 663  
~~obligated to pay the lessor for the right to possession and use of~~ 664  
~~the goods is substantially equal to or is greater than the fair~~ 665  
~~market value of the goods at the time the lease is entered into;~~ 666

~~(b) That the lessee assumes risk of loss of the goods or agrees to pay taxes, insurance, filing, recording, or registration fees, or service or maintenance costs with respect to the goods;~~ 667  
668  
669

~~(c) That the lessee has an option to renew the lease or to become the owner of the goods;~~ 670  
671

~~(d) That the lessee has an option to renew the lease for a fixed rent that is equal to or greater than the reasonably predictable fair market rent for the use of the goods for the term of the renewal at the time the option is to be performed;~~ 672  
673  
674  
675

~~(e) That the lessee has an option to become the owner of the goods for a fixed price that is equal to or greater than the reasonably predictable fair market value of the goods at the time the option is to be performed.~~ 676  
677  
678  
679

~~(4) For purposes of division (KK) of this section, all of the following apply:~~ 680  
681

~~(a) Additional consideration is not nominal if, when the option to renew the lease is granted to the lessee, the rent is stated to be the fair market rent for the use of the goods for the term of the renewal determined at the time the option is to be performed or, when the option to become the owner of the goods is granted to the lessee, the price is stated to be the fair market value of the goods determined at the time the option is to be performed. Additional consideration is nominal if it is less than the lessee's reasonably predictable cost of performing under the lease agreement if the option is not exercised.~~ 682  
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~~(b) "Reasonably predictable" and "remaining economic life of the goods" are to be determined with reference to the facts and circumstances at the time the parties entered into the transaction.~~ 692  
693  
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~~(c) "Present value" means the amount as of a date certain of one or more sums payable in the future, discounted to the date~~ 696  
697

~~ertain. The discount is determined by the interest rate specified 698  
by the parties if the rate is not manifestly unreasonable at the 699  
time the parties entered into the transaction. Otherwise, the 700  
discount is determined by a commercially reasonable rate that 701  
takes into account the facts and circumstances of each case at the 702  
time the parties entered into the transaction pursuant to section 703  
1301.203 of the Revised Code. 704~~

~~(LL)(36) "Send" in connection with any writing, record, or 705  
notice means ~~to~~: 706~~

~~(a) To deposit in the mail or deliver for transmission by any 707  
other usual means of communication with postage or cost of 708  
transmission provided for and properly addressed and, in the case 709  
of an instrument, to an address specified ~~on it~~ thereon or 710  
otherwise agreed, or if there be none to any address reasonable 711  
under the circumstances. ~~The receipt of;~~ 712~~

~~(b) In any ~~writing~~ other way to cause to be received any 713  
record or notice within the time ~~at which~~ it would have arrived if 714  
properly sent ~~has the effect of a proper sending.~~ 715~~

~~(MM)(37) "Signed" includes using any symbol executed or 716  
adopted ~~by a party~~ with present intention to ~~authenticate~~ adopt or 717  
accept a writing. 718~~

~~(NN)(38) "State" means a state of the United States, the 719  
District of Columbia, Puerto Rico, the United States Virgin 720  
Islands, or any territory or insular possession subject to the 721  
jurisdiction of the United States. 722~~

~~(39) "Surety" includes a guarantor or any other secondary 723  
obligor. 724~~

~~(OO) "Telegram" includes ~~a message transmitted by radio, 725  
teletype, cable, any mechanical method of transmission, or the 726  
like.~~ 727~~



~~(PP)~~(40) "Term" means ~~that~~ a portion of an agreement which 728  
that relates to a particular matter. 729

~~(QQ)~~(41) "Unauthorized" signature" means ~~one~~ a signature made 730  
without actual, implied, or apparent authority ~~and~~. The term 731  
includes a forgery. 732

~~(RR) Except as otherwise provided with respect to negotiable~~ 733  
~~instruments and bank collections under sections 1303.32, 1304.20,~~ 734  
~~and 1304.21 of the Revised Code, a person gives "value" for rights~~ 735  
~~if the person acquires them in any of the following manners:~~ 736

~~(1) In return for a binding commitment to extend credit or~~ 737  
~~for the extension of immediately available credit whether or not~~ 738  
~~drawn upon and whether or not a charge back is provided for in the~~ 739  
~~event of difficulties in collection;~~ 740

~~(2) As security for or in total or partial satisfaction of a~~ 741  
~~preexisting claim;~~ 742

~~(3) By accepting delivery pursuant to a preexisting contract~~ 743  
~~for purchase;~~ 744

~~(4) Generally, in return for any consideration sufficient to~~ 745  
~~support a simple contract.~~ 746

~~(SS)~~(42) "Warehouse receipt" means a ~~written or electronic~~ 747  
~~receipt~~ document of title issued by a person engaged in the 748  
business of storing goods for hire. 749

~~(TT) "Written" or "writing"~~ (43) "Writing" includes printing, 750  
typewriting, or any other intentional reduction to tangible form. 751  
"Written" has a corresponding meaning. 752

**Sec. 1301.202. Notice; knowledge [UCC 1-202]** 753

(A) Subject to division (F) of this section, a person has 754  
"notice" of a fact if the person: 755

(1) Has actual knowledge of it; 756

(2) Has received a notice or notification of it; or 757

(3) From all the facts and circumstances known to the person 758  
at the time in question, has reason to know that it exists. 759

(B) "Knowledge" means actual knowledge. "Knows" has a 760  
corresponding meaning. 761

(C) "Discover", "learn", or words of similar import refer to 762  
knowledge rather than to reason to know. 763

(D) A person "notifies" or "gives" a notice or notification 764  
to another person by taking such steps as may be reasonably 765  
required to inform the other person in ordinary course, whether or 766  
not the other person actually comes to know of it. 767

(E) Subject to division (F) of this section, a person 768  
"receives" a notice or notification when: 769

(1) It comes to that person's attention; or 770

(2) It is duly delivered in a form reasonable under the 771  
circumstances at the place of business through which the contract 772  
was made or at another location held out by that person as the 773  
place for receipt of such communications. 774

(F) Notice, knowledge, or a notice or notification received 775  
by an organization is effective for a particular transaction from 776  
the time it is brought to the attention of the individual 777  
conducting that transaction and, in any event, from the time it 778  
would have been brought to the individual's attention if the 779  
organization had exercised due diligence. An organization 780  
exercises due diligence if it maintains reasonable routines for 781  
communicating significant information to the person conducting the 782  
transaction and there is reasonable compliance with the routines. 783  
Due diligence does not require an individual acting for the 784  
organization to communicate information unless the communication 785  
is part of the individual's regular duties or the individual has 786

reason to know of the transaction and that the transaction would 787  
be materially affected by the information. 788

Sec. 1301.203. Lease distinguished from security interest 789  
[UCC 1-203] 790

(A) Whether a transaction in the form of a lease creates a 791  
lease or security interest is determined by the facts of each 792  
case. 793

(B) A transaction in the form of a lease creates a security 794  
interest if the consideration that the lessee is to pay the lessor 795  
for the right to possession and use of the goods is an obligation 796  
for the term of the lease and is not subject to termination by the 797  
lessee, and: 798

(1) The original term of the lease is equal to or greater 799  
than the remaining economic life of the goods; 800

(2) The lessee is bound to renew the lease for the remaining 801  
economic life of the goods or is bound to become the owner of the 802  
goods; 803

(3) The lessee has an option to renew the lease for the 804  
remaining economic life of the goods for no additional 805  
consideration or for nominal additional consideration upon 806  
compliance with the lease agreement; or 807

(4) The lessee has an option to become the owner of the goods 808  
for no additional consideration or for nominal additional 809  
consideration upon compliance with the lease agreement. 810

(C) A transaction in the form of a lease does not create a 811  
security interest merely because: 812

(1) The present value of the consideration the lessee is 813  
obligated to pay the lessor for the right to possession and use of 814  
the goods is substantially equal to or is greater than the fair 815  
market value of the goods at the time the lease is entered into; 816

<u>(2) The lessee assumes risk of loss of the goods;</u>	817
<u>(3) The lessee agrees to pay, with respect to the goods,</u>	818
<u>taxes, insurance, filing, recording, or registration fees, or</u>	819
<u>service or maintenance costs;</u>	820
<u>(4) The lessee has an option to renew the lease or to become</u>	821
<u>the owner of the goods;</u>	822
<u>(5) The lessee has an option to renew the lease for a fixed</u>	823
<u>rent that is equal to or greater than the reasonably predictable</u>	824
<u>fair market rent for the use of the goods for the term of the</u>	825
<u>renewal at the time the option is to be performed; or</u>	826
<u>(6) The lessee has an option to become the owner of the goods</u>	827
<u>for a fixed price that is equal to or greater than the reasonably</u>	828
<u>predictable fair market value of the goods at the time the option</u>	829
<u>is to be performed.</u>	830
<u>(D) Additional consideration is nominal if it is less than</u>	831
<u>the lessee's reasonably predictable cost of performing under the</u>	832
<u>lease agreement if the option is not exercised. Additional</u>	833
<u>consideration is not nominal if:</u>	834
<u>(1) When the option to renew the lease is granted to the</u>	835
<u>lessee, the rent is stated to be the fair market rent for the use</u>	836
<u>of the goods for the term of the renewal determined at the time</u>	837
<u>the option is to be performed; or</u>	838
<u>(2) When the option to become the owner of the goods is</u>	839
<u>granted to the lessee, the price is stated to be the fair market</u>	840
<u>value of the goods determined at the time the option is to be</u>	841
<u>performed.</u>	842
<u>(E) The "remaining economic life of the goods" and</u>	843
<u>"reasonably predictable" fair market rent, fair market value, or</u>	844
<u>cost of performing under the lease agreement must be determined</u>	845
<u>with reference to the facts and circumstances at the time the</u>	846

transaction is entered into. 847

**Sec. 1301.204. Value [UCC 1-204]** 848

Except as otherwise provided in Chapters 1303., 1304., and 849  
1305. of the Revised Code, a person gives value for rights if the 850  
person acquires them: 851

(A) In return for a binding commitment to extend credit or 852  
for the extension of immediately available credit, whether or not 853  
drawn upon and whether or not a charge-back is provided for in the 854  
event of difficulties in collection; 855

(B) As security for, or in total or partial satisfaction of, 856  
a preexisting claim; 857

(C) By accepting delivery under a preexisting contract for 858  
purchase; or 859

(D) In return for any consideration sufficient to support a 860  
simple contract. 861

**Sec. ~~1301.10~~ 1301.205. ~~(A) Whenever~~ Reasonable time;** 862  
**Seasonableness [UCC 1-205]** 863

(A) Whether a time for taking an action required by Chapters 864  
1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. 865  
of the Revised Code ~~require any action to be taken within a~~ is 866  
reasonable time, ~~any time that is not manifestly unreasonable may~~ 867  
~~be fixed by agreement.~~ 868

~~(B) What is a reasonable time for taking any action depends~~ 869  
on the nature, purpose, and circumstances of ~~that~~ the action. 870

~~(C)~~(B) An action is taken "seasonably" ~~when~~ if it is taken at 871  
or within the time agreed or, if no time is agreed, at or within a 872  
reasonable time. 873

**Sec. 1301.206. Presumptions [UCC 1-206]** 874

Whenever Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the Revised Code create a "presumption" with respect to a fact, or provides that a fact is "presumed," the trier of fact must find the existence of the fact unless and until evidence is introduced that supports a finding of its nonexistence. 875  
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**Sec. ~~1301.05~~ 1301.301.** ~~(A)~~ Territorial applicability; 881  
Parties' power to choose applicable law [UCC 1-301] 882

(A) Except as otherwise provided in this section, when a 883  
transaction bears a reasonable relation to this state and also to 884  
another state or nation, the parties may agree that the law either 885  
of this state or of ~~the~~ such other state or nation shall govern 886  
their rights and duties. ~~In~~ 887

(B) ~~In~~ the absence of an agreement ~~of that nature~~ effective 888  
under division (A) of this section, and except as provided in 889  
division (C) of this section, Chapters 1301., 1302., 1303., 1304., 890  
1305., 1307., 1308., 1309., and 1310. of the Revised Code apply to 891  
transactions bearing an appropriate relation to this state. 892

~~(B) Where~~ (C) If one of the following provisions of Chapters 893  
1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. 894  
of the Revised Code specifies the applicable law, that provision 895  
governs and a contrary agreement is effective only to the extent 896  
permitted by the law, ~~including the conflict of laws rules,~~ so 897  
specified: 898

~~(1) Rights of creditors against sold goods, as provided in~~ 899  
~~section~~ Section 1302.43 of the Revised Code; 900

~~(2) Applicability of sections 1304.01 to 1304.40~~ Sections 901  
1302.04 and 1310.03 of the Revised Code, ~~as provided in section;~~ 902

(3) Section 1304.02 of the Revised Code; 903

~~(3) Fund transfers under sections 1304.51 to 1304.85 of the~~ 904

~~Revised Code, as provided in section (4) Section 1304.85 of the Revised Code;~~

~~(4) Choice of law as to letters of credit under section (5) Section 1305.15 of the Revised Code;~~

~~(5) Applicability of Chapter 1308. of the Revised Code, as provided in section (6) Section 1308.05 of the Revised Code;~~

~~(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;~~

~~(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.~~

**Sec. 1301.302. Variation by agreement [UCC 1-302]**

(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.

(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 unreasonable may be fixed by agreement.

(C) The presence in certain provisions of Chapter 1301.,

1302., 1303., 1304., 1305., 1307., 1308., 1309., or 1310. of the 935  
Revised Code of the phrase "unless otherwise agreed", or words of 936  
similar import, does not imply that the effect of other provisions 937  
may not be varied by agreement under this section. 938

**Sec. ~~1301.11~~ 1301.303.** ~~(A)~~ Course of performance, course of 939  
dealing, and usage of trade [UCC 1-303] 940

(A) A "course of performance" is a sequence of conduct 941  
between the parties to a particular transaction that exists if: 942

(1) The agreement of the parties with respect to the 943  
transaction involves repeated occasions for performance by a 944  
party; and 945

(2) The other party, with knowledge of the nature of the 946  
performance and opportunity for objection to it, accepts the 947  
performance or acquiesces in it without objection. 948

(B) A "course of dealing" is a sequence of ~~previous~~ conduct 949  
concerning previous transactions between the parties to a 950  
particular transaction ~~which~~ that is fairly to be regarded as 951  
establishing a common basis of understanding for interpreting 952  
their expressions and other conduct. 953

~~(B)~~(C) A "usage of trade" is any practice or method of 954  
dealing having such regularity of observance in a place, vocation, 955  
or trade as to justify an expectation that it will be observed 956  
with respect to the transaction in question. The existence and 957  
scope of such a usage ~~are to~~ must be proved as facts. If it is 958  
established that such a usage is embodied in a ~~written~~ trade code 959  
or similar ~~writing~~ record, the interpretation of the ~~writing~~ 960  
~~record~~ is for the court a question of law. 961

~~(C)~~(D) A course of performance or course of dealing between 962  
the parties ~~and any~~ or usage of trade in the vocation or trade in 963  
which they are engaged or of which they are or should be aware is 964



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

~~(D) The~~ (E) Except as otherwise provided in division (F) of 971  
this section, the express terms of an agreement and ~~an~~ any 972  
applicable course of performance, course of dealing, or usage of 973  
trade ~~shall~~ must be construed ~~wherever~~ whenever reasonable as 974  
consistent with each other; ~~but when.~~ If such a construction is 975  
unreasonable ~~express:~~ 976

(1) Express terms control both prevail over course of 977  
performance, course of dealing, and usage of trade; 978

(2) Course of performance prevails over course of dealing and 979  
usage of trade; and course 980

(3) Course of dealing controls prevails over usage of trade. 981

~~(E) An applicable usage of trade in the place where any part~~ 982  
~~of performance is to occur shall be used in interpreting the~~ 983  
~~agreement as to that part of the performance.~~ 984

(F) Subject to section 1302.12 of the Revised Code, a course 985  
of performance is relevant to show a waiver or modification of any 986  
term inconsistent with the course of performance. 987

(G) Evidence of a relevant usage of trade offered by one 988  
party is not admissible unless ~~and until he~~ that party has given 989  
the other party ~~such~~ notice as that the court finds sufficient to 990  
prevent unfair surprise to the ~~latter~~ other party. 991

**Sec. ~~1301.09~~ 1301.304. Every Obligation of good faith [UCC 992  
1-304] 993**

Every contract or duty within Chapters 1301., 1302., 1303., 994

1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code 995  
imposes an obligation of good faith in its performance ~~or~~ and 996  
enforcement. 997

**Sec. ~~1301.06~~ 1301.305.** ~~(A)~~ Remedies to be liberally 998  
administered [UCC 1-305] 999

(A) The remedies provided by Chapters 1301., 1302., 1303., 1000  
1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code 1001  
~~shall~~ must be liberally administered to the end that the aggrieved 1002  
party may be put in as good a position as if the other party had 1003  
fully performed, but neither consequential or special nor penal 1004  
damages may be had except as specifically provided in those 1005  
chapters or by other rule of law. 1006

(B) Any right or obligation declared by Chapters 1301., 1007  
1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the 1008  
Revised Code is enforceable by action unless the provision 1009  
declaring it specifies a different and limited effect. 1010

**Sec. ~~1301.07~~ 1301.306.** ~~Any~~ Waiver or renunciation of claim or 1011  
right after breach [UCC 1-306] 1012

A claim or right arising out of an alleged breach ~~can~~ may be 1013  
discharged in whole or in part without consideration by a ~~written~~ 1014  
~~waiver or renunciation signed and delivered by~~ agreement of the 1015  
aggrieved party in an authenticated record. 1016

**Sec. ~~1301.08~~ 1301.307.** A Prima facie evidence by third party 1017  
[UCC 1-307] 1018

A document in due form purporting to be a bill of lading, 1019  
policy or certificate of insurance, official weigher's or 1020  
inspector's certificate, consular invoice, or any other document 1021  
authorized or required by the contract to be issued by a third 1022  
party ~~shall be~~ is prima facie evidence of its own authenticity and 1023

genuineness and of the facts stated in the document by the third 1024  
party. 1025

**Sec. ~~1301.13~~ 1301.308.** (A) Performance or acceptance under 1026  
reservation of rights [UCC 1-308] 1027

(A) A party ~~who,~~ that with explicit reservation of rights, 1028  
performs or promises performance or assents to performance in a 1029  
manner demanded or offered by the other party does not thereby 1030  
prejudice the rights reserved. Such words as "without prejudice," 1031  
"under protest," or the like are sufficient. 1032

(B) Division (A) of this section does not apply to an accord 1033  
and satisfaction. 1034

**Sec. ~~1301.14~~ 1301.309.** A Option to accelerate at will [UCC 1035  
1-309] 1036

A term providing that one party or ~~his~~ that party's successor 1037  
in interest may accelerate payment or performance or require 1038  
collateral or additional collateral "at will" or "when ~~he~~ the 1039  
party "deems ~~himself~~ itself insecure" or in words of similar 1040  
import ~~shall be construed to mean,~~ means that ~~he~~ shall have the 1041  
party has power to do only if ~~he~~ that party in good faith believes 1042  
that the prospect of payment or performance is impaired. The 1043  
burden of establishing lack of good faith is on the party against 1044  
whom the power has been exercised. 1045

**Sec. 1301.310.** Subordinated obligations [UCC 1-310] 1046

An obligation may be issued as subordinated to performance of 1047  
another obligation of the person obligated, or a creditor may 1048  
subordinate its right to performance of an obligation by agreement 1049  
with either the person obligated or another creditor of the person 1050  
obligated. Subordination does not create a security interest as 1051  
against either the common debtor or a subordinated creditor. 1052

**Sec. ~~1301.15~~ 1301.311.** ~~Transactions~~ Transactions entered into 1053  
before 7-1-62 [UCC 10-102(2)] 1054

Transactions validly entered into before July 1, 1962, and 1055  
the rights, duties, and interests flowing from them remain valid 1056  
after that date and may be terminated, completed, consummated, or 1057  
enforced as required or permitted by any statute or other law 1058  
amended or repealed by Amended Senate Bill No. 5 of the 104th 1059  
General Assembly as though that repeal or amendment had not 1060  
occurred. 1061

Instruments, documents, or notices filed prior to July 1, 1062  
1962, in accordance with the law at the time of the filings shall 1063  
be deemed to be filed under Chapters 1301., 1302., 1304., 1305., 1064  
1307., 1308., 1309., and 1310. of the Revised Code as of the 1065  
original date or filing and may be continued or terminated as 1066  
provided in those chapters. 1067

**Sec. 1302.01.** (A) As used in sections 1302.01 to 1302.98 of 1068  
the Revised Code, unless the context otherwise requires: 1069

(1) "Buyer" means a person who buys or contracts to buy 1070  
goods. 1071

(2) ~~"Good faith" in the case of a merchant means honesty in~~ 1072  
~~fact and the observance of reasonable commercial standards of fair~~ 1073  
~~dealing in the trade.~~ 1074

~~(3)~~ "Receipt" of goods means taking physical possession of 1075  
them. 1076

~~(4)~~(3) "Seller" means a person who sells or contracts to sell 1077  
goods. 1078

~~(5)~~(4) "Merchant" means a person who deals in goods of the 1079  
kind or otherwise by the person's occupation holds the person out 1080  
as having knowledge or skill peculiar to the practices or goods 1081

involved in the transaction or to whom such knowledge or skill may 1082  
be attributed by the person's employment of an agent or broker or 1083  
other intermediary who by the agent's, broker's, or other 1084  
intermediary's occupation holds the person out as having such 1085  
knowledge or skill. 1086

~~(6)~~(5) "Financing agency" means a bank, finance company, or 1087  
other person who in the ordinary course of business make advances 1088  
against goods or documents of title or who by arrangement with 1089  
either the seller or the buyer intervenes in ordinary course to 1090  
make or collect payment due or claimed under the contract for 1091  
sale, as by purchasing or paying the seller's draft or making 1092  
advances against it or by merely taking it for collection whether 1093  
or not documents of title accompany or are associated with the 1094  
draft. "Financing agency" includes also a bank or other person who 1095  
similarly intervenes between persons who are in the position of 1096  
seller and buyer in respect to the goods under section 1302.81 of 1097  
the Revised Code. 1098

~~(7)~~(6) "Between merchants" means in any transaction with 1099  
respect to which both parties are chargeable with the knowledge or 1100  
skill of merchants. 1101

~~(8)~~(7) "Goods" means all things (including specially 1102  
manufactured goods) which are movable at the time of 1103  
identification to the contract for sale other than the money in 1104  
which the price is to be paid, investment securities, and things 1105  
in action. "Goods" also includes the unborn young of animals and 1106  
growing crops and other identified things attached to realty as 1107  
described in section 1302.03 of the Revised Code. 1108

Goods must be both existing and identified before any 1109  
interest in them can pass. Goods which are not both existing and 1110  
identified are "Future" goods. A purported present sale of future 1111  
goods or of any interest therein operates as a contract to sell. 1112

There may be a sale of a part interest in existing identified goods. 1113  
1114

An undivided share in an identified bulk of fungible goods is 1115  
sufficiently identified to be sold although the quantity of the 1116  
bulk is not determined. Any agreed proportion of such a bulk or 1117  
any quantity thereof agreed upon by number, weight, or other 1118  
measure may to the extent of the seller's interest in the bulk be 1119  
sold to the buyer who then becomes an owner in common. 1120

~~(9)~~(8) "Lot" means a parcel or a single article which is the 1121  
subject matter of a separate sale or delivery, whether or not it 1122  
is sufficient to perform the contract. 1123

~~(10)~~(9) "Commercial unit" means such a unit of goods as by 1124  
commercial usage is a single whole for purposes of sale and 1125  
division of which materially impairs its character or value on the 1126  
market or in use. A commercial unit may be a single article (as a 1127  
machine) or a set of articles (as a suite of furniture or an 1128  
assortment of sizes) or a quantity (as a bale, gross, or carload) 1129  
or any other unit treated in use or in the relevant market as a 1130  
single whole. 1131

~~(11)~~(10) "Contract" and "agreement" are limited to those 1132  
relating to the present or future sale of goods. "Contract for 1133  
sale" includes both a present sale of goods and a contract to sell 1134  
goods at a future time. A "sale" consists in the passing of title 1135  
from the seller to the buyer for a price. A "present sale" means a 1136  
sale which is accomplished by the making of the contract. 1137

~~(12)~~(11) Goods or conduct including any part of a performance 1138  
are "conforming" or conform to the contract when they are in 1139  
accordance with the obligations under the contract. 1140

~~(13)~~(12) "Termination" occurs when either party pursuant to a 1141  
power created by agreement or law puts an end to the contract 1142  
otherwise than for its breach. On "termination" all obligations 1143

which are still executory on both sides are discharged but any right based on prior breach or performance survives.

~~(14)~~(13) "Cancellation" occurs when either party puts an end to the contract for breach by the other and its effect is the same as that of "termination" except that the cancelling party also retains any remedy for breach of the whole contract or any unperformed balance.

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

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

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

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

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

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

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

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

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

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

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

(11) "Sale on approval", as defined in section 1302.39 of the Revised Code; 1173  
1174

(12) "Sale or return", as defined in section 1302.39 of the Revised Code. 1175  
1176

(C) As used in sections 1302.01 to 1302.98 of the Revised Code, "check" and "draft" have the meaning set forth in section 1303.03 of the Revised Code, "consignee" and "consignor" have the meaning set forth in section ~~1307.01~~ 1307.102 of the Revised Code, "consumer goods" has the meaning set forth in section 1309.102 of the Revised Code, "control" has the same meaning as set forth in section 1307.106 of the Revised Code, and "dishonor" has the meaning set forth in section 1303.62 of the Revised Code. 1177  
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(D) ~~The terms~~ In addition, Chapter 1301. of the Revised Code contains general definitions and principles of construction and interpretation ~~set forth in sections 1301.01 to 1301.14 of the Revised Code,~~ are applicable ~~to sections 1302.01 to 1302.98 of the Revised Code~~ throughout this chapter. 1185  
1186  
1187  
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1189

**Sec. 1302.05.** Terms with respect to which the confirmatory memoranda of the parties agree or which are otherwise set forth in a writing intended by the parties as a final expression of their agreement with respect to such terms as are included therein may not be contradicted by evidence of any prior agreement or of a contemporaneous oral agreement but may be explained or supplemented: 1190  
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1192  
1193  
1194  
1195  
1196

(A) by course of performance, course of dealing, or usage of trade as provided in section ~~1301.11~~ 1301.303 of the Revised Code ~~or by a course of performance as provided in section 1302.11 of the Revised Code;~~ and 1197  
1198  
1199  
1200

(B) by evidence of consistent additional terms unless the court finds the writing to have been intended also as a complete 1201  
1202



and exclusive statement of the terms of the agreement. 1203

**Sec. 1302.23.** Unless otherwise agreed: 1204

(A) Payment is due at the time and place at which the buyer 1205  
is to receive the goods even though the place of shipment is the 1206  
place of delivery; and 1207

(B) if the seller is authorized to send the goods ~~he~~ the 1208  
seller may ship them under reservation, and may tender the 1209  
documents of title, but the buyer may inspect the goods after 1210  
their arrival before payment is due unless such inspection is 1211  
inconsistent with the terms of the contract as provided in section 1212  
1302.57 of the Revised Code; and 1213

(C) if delivery is authorized and made by way of documents of 1214  
title otherwise than as provided in division (B) of this section, 1215  
then payment is due regardless of where the goods are to be 1216  
received (1) at the time and place at which the buyer is to 1217  
receive delivery of the tangible documents ~~regardless of where the~~ 1218  
~~goods are to be received~~ or (2) at the time the buyer is to 1219  
receive delivery of the electronic documents and at the seller's 1220  
place of business or if none, the seller's residence; and 1221

(D) where the seller is required or authorized to ship the 1222  
goods on credit the credit period runs from the time of shipment 1223  
but post-dating the invoice or delaying its dispatch will 1224  
correspondingly delay the starting of the credit period. 1225

**Sec. 1302.36.** (A) Where the contract contemplates overseas 1226  
shipment and contains a term C.I.F. or C. & F. or F.O.B. vessel, 1227  
the seller unless otherwise agreed must obtain a negotiable bill 1228  
of lading stating that the goods have been loaded on board or, in 1229  
the case of a term C.I.F. or C.&F., received for shipment. 1230

(B) Where in a case within division (A) of this section, a 1231  
tangible bill of lading has been issued in a set of parts, unless 1232

otherwise agreed if the documents are not to be sent from abroad, 1233  
the buyer may demand tender of the full set; otherwise only one 1234  
part of the bill of lading need be tendered. Even if the agreement 1235  
expressly requires a full set: 1236

(1) due tender of a single part is acceptable within the 1237  
provisions of section 1302.52 of the Revised Code on cure of 1238  
improper delivery; and 1239

(2) even though the full set is demanded, if the documents 1240  
are sent from abroad the person tendering an incomplete set may 1241  
nevertheless require payment upon furnishing an indemnity which 1242  
the buyer in good faith deems adequate. 1243

(C) A shipment by water or by air or a contract contemplating 1244  
such shipment is "overseas" insofar as by usage of trade or 1245  
agreement it is subject to the commercial, financing, or shipping 1246  
practices characteristic of international deep water commerce. 1247

**Sec. 1302.42.** Each provision of sections 1302.01 to 1302.98 1248  
of the Revised Code with regard to the rights, obligations, and 1249  
remedies of the seller, the buyer, purchasers, or other third 1250  
parties applies irrespective of title to the goods except where 1251  
the provision refers to that title. Insofar as situations are not 1252  
covered by the other provisions of sections 1302.01 to 1302.98 of 1253  
the Revised Code and matters concerning title become material, the 1254  
following rules apply: 1255

(A) Title to goods cannot pass under a contract for sale 1256  
prior to their identification to the contract pursuant to section 1257  
1302.45 of the Revised Code, and unless otherwise explicitly 1258  
agreed the buyer acquires by their identification a special 1259  
property as limited by Chapters 1301., 1302., 1303., 1304., 1305., 1260  
1307., 1308., 1309., and 1310. of the Revised Code. Any retention 1261  
or reservation by the seller of the title (property) in goods 1262  
shipped or delivered to the buyer is limited in effect to a 1263

reservation of a security interest. Subject to these provisions 1264  
and to the provisions of Chapter 1309. of the Revised Code, title 1265  
to goods passes from the seller to the buyer in any manner and on 1266  
any conditions explicitly agreed on by the parties. 1267

(B) Unless otherwise explicitly agreed, title passes to the 1268  
buyer at the time and place at which the seller completes 1269  
performance with reference to the physical delivery of the goods, 1270  
despite any reservation of a security interest and even though a 1271  
document of title is to be delivered at a different time or place; 1272  
and in particular and despite any reservation of a security 1273  
interest by the bill of lading: 1274

(1) If the contract requires or authorized the seller to send 1275  
the goods to the buyer but does not require the seller to deliver 1276  
them at destination, title passes to the buyer at the time and 1277  
place of shipment; but 1278

(2) If the contract requires delivery at destination, title 1279  
passes on tender there. 1280

(C) Unless otherwise explicitly agreed where delivery is to 1281  
be made without moving the goods: 1282

(1) If the seller is to deliver a tangible document of title, 1283  
title passes at the time when and the place where the seller 1284  
delivers the documents, and if the seller is to deliver an 1285  
electronic document of title, title passes when the seller 1286  
delivers the document; or 1287

(2) If the goods are at the time of contracting already 1288  
identified and no documents of title are to be delivered, title 1289  
passes at the time and place of contracting. 1290

(D) A rejection or other refusal by the buyer to receive or 1291  
retain the goods, whether or not justified, or a justified 1292  
revocation of acceptance revests title to the goods in the seller. 1293  
The revesting occurs by operation of law and is not a "sale." 1294

**Sec. 1302.44.** (A) A purchaser of goods acquires all title 1295  
which the transferor had or had power to transfer except that a 1296  
purchaser of a limited interest acquires rights only to the extent 1297  
of the interest purchased. A person with voidable title has power 1298  
to transfer a good title to a good faith purchaser for value. When 1299  
goods have been delivered under a transaction of purchase, the 1300  
purchaser has such power even though: 1301

(1) The transferor was deceived as to the identity of the 1302  
purchaser, or 1303

(2) The delivery was in exchange for a check which is later 1304  
dishonored, or 1305

(3) It was agreed that the transaction was to be a "cash 1306  
sale", or 1307

(4) The delivery was procured through fraud punishable as 1308  
larcenous under the criminal law. 1309

(B) Any entrusting of possession of goods to a merchant who 1310  
deals in goods of that kind gives the merchant power to transfer 1311  
all rights of the entruster to a buyer in ordinary course of 1312  
business. 1313

(C) "Entrusting" includes any delivery and any acquiescence 1314  
in retention of possession regardless of any condition expressed 1315  
between the parties to the delivery or acquiescence and regardless 1316  
of whether the procurement of the entrusting or the possessor's 1317  
disposition of the goods have been such as to be larcenous under 1318  
the criminal law. 1319

(D) The rights of other purchasers of goods and of lien 1320  
creditors are governed by the provisions of Chapter 1309. and 1321  
sections ~~1307.01~~ 1307.102 to ~~1307.40~~ 1307.603 of the Revised Code. 1322

**Sec. 1302.47.** (A) Tender of delivery requires that the seller 1323

put and hold conforming goods at the buyer's disposition and give 1324  
the buyer any notification reasonably necessary to enable ~~him~~ the 1325  
buyer to take delivery. The manner, time, and place for tender are 1326  
determined by the agreement and sections 1302.01 to 1302.98, 1327  
inclusive, of the Revised Code, and in particular: 1328

(1) tender must be at a reasonable hour, and if it is of 1329  
goods they must be kept available for the period reasonably 1330  
necessary to enable the buyer to take possession; but 1331

(2) unless otherwise agreed the buyer must furnish facilities 1332  
reasonably suited to the receipt of the goods. 1333

(B) Where the case is within section 1302.48 of the Revised 1334  
Code respecting shipment, tender requires that the seller comply 1335  
with its provisions. 1336

(C) Where the seller is required to deliver at a particular 1337  
destination, tender requires that ~~he~~ the seller comply with 1338  
division (A) of this section and also in any appropriate case 1339  
tender documents as described in divisions (D) and (E) of this 1340  
section. 1341

(D) Where goods are in the possession of a bailee and are to 1342  
be delivered without being moved: 1343

(1) tender requires that the seller either tender a 1344  
negotiable document of title covering such goods or procure 1345  
acknowledgment by the bailee of the buyer's right to possession of 1346  
the goods; but 1347

(2) tender to the buyer of a non-negotiable document of title 1348  
or of a ~~written direction to~~ record directing the bailee to 1349  
deliver is sufficient tender unless the buyer seasonably objects, 1350  
and except as otherwise provided in Chapter 1309. of the Revised 1351  
Code, receipt by the bailee of notification of the buyer's rights 1352  
fixes those rights as against the bailee and all third persons; 1353  
but risk of loss of the goods and of any failure by the bailee to 1354

honor the non-negotiable document of title or to obey the 1355  
direction remains on the seller until the buyer has had a 1356  
reasonable time to present the document or direction, and a 1357  
refusal by the bailee to honor the document or to obey the 1358  
direction defeats the tender. 1359

(E) Where the contract requires the seller to deliver 1360  
documents: 1361

(1) ~~he~~ the seller must tender all such documents in correct 1362  
form, except as provided in division (B) of section 1302.36 of the 1363  
Revised Code; and 1364

(2) tender through customary banking channels is sufficient 1365  
and dishonor of a draft accompanying or associated with the 1366  
documents constitutes nonacceptance or rejection. 1367

**Sec. 1302.49.** (A) Where the seller has identified goods to 1368  
the contract by or before shipment: 1369

(1) ~~his~~ the seller's procurement of a negotiable bill of 1370  
lading to ~~his~~ the seller's own order or otherwise reserves in ~~him~~ 1371  
the seller a security interest in the goods. ~~His~~ The seller's 1372  
procurement of the bill to the order of a financing agency or of 1373  
the buyer indicates in addition only the seller's expectation of 1374  
transferring that interest to the person named. 1375

(2) a non-negotiable bill of lading to ~~himself~~ the seller's 1376  
ownself or ~~his~~ the seller's nominee reserves possession of the 1377  
goods as security but except in a case of conditional delivery as 1378  
provided in section 1302.51 of the Revised Code, a non-negotiable 1379  
bill of lading naming the buyer as consignee reserves no security 1380  
interest even though the seller retains possession or control of 1381  
the bill of lading. 1382

(B) When shipment by the seller with reservation of a 1383  
security interest is in violation of the contract for sale it 1384

constitutes an improper contract for transportation within section 1385  
1302.48 of the Revised Code but impairs neither the rights given 1386  
to the buyer by shipment and identification of the goods to the 1387  
contract nor the seller's powers as a holder of a negotiable 1388  
document of title. 1389

**Sec. 1302.50.** (A) A financing agency by paying or purchasing 1390  
for value a draft which relates to a shipment of goods acquires to 1391  
the extent of the payment or purchase and in addition to its own 1392  
rights under the draft and any document of title securing it any 1393  
rights of the shipper in the goods including the right to stop 1394  
delivery and the shipper's right to have the draft honored by the 1395  
buyer. 1396

(B) The right to reimbursement of a financing agency which 1397  
has in good faith honored or purchased the draft under commitment 1398  
to or authority from the buyer is not impaired by subsequent 1399  
discovery of defects with reference to any relevant document which 1400  
was apparently regular ~~on its face~~. 1401

**Sec. 1302.53.** (A) Where the contract requires or authorizes 1402  
the seller to ship the goods by carrier: 1403

(1) if it does not require ~~him~~ the seller to deliver them at 1404  
a particular destination, the risk of loss passes to the buyer 1405  
when the goods are duly delivered to the carrier even though the 1406  
shipment is under reservation as provided in section 1302.49 of 1407  
the Revised Code; but 1408

(2) if it does require ~~him~~ the seller to deliver them at a 1409  
particular destination and the goods are there duly tendered while 1410  
in the possession of the carrier, the risk of loss passes to the 1411  
buyer when the goods are there duly so tendered as to enable the 1412  
buyer to take delivery. 1413

(B) Where the goods are held by a bailee to be delivered 1414

without being moved, the risk of loss passes to the buyer: 1415

(1) on ~~his~~ the buyer's receipt of possession or control of a 1416  
negotiable document of title covering the goods; or 1417

(2) on acknowledgment by the bailee of the buyer's right to 1418  
possession of the goods; or 1419

(3) after ~~his~~ the buyer's receipt of possession or control of 1420  
a non-negotiable document of title or other ~~written~~ direction to 1421  
deliver in a record, as provided in division (D) (2) of section 1422  
1302.47 of the Revised Code. 1423

(C) In any case not within division (A) or (B) of this 1424  
section, the risk of loss passes to the buyer on ~~his~~ the buyer's 1425  
receipt of the goods if the seller is a merchant; otherwise the 1426  
risk passes to the buyer on tender of delivery. 1427

(D) The provisions of this section are subject to contrary 1428  
agreement of the parties and to the provisions of sections 1302.40 1429  
and 1302.54 of the Revised Code. 1430

**Sec. 1302.63.** (A) The buyer's failure to state in connection 1431  
with rejection a particular defect which is ascertainable by 1432  
reasonable inspection precludes ~~him~~ the buyer from relying on the 1433  
unstated defect to justify rejection or to establish breach: 1434

(1) where the seller could have cured it if stated 1435  
seasonably; or 1436

(2) between merchants when the seller has after rejection 1437  
made a request in writing for a full and final written statement 1438  
of all defects on which the buyer proposes to rely. 1439

(B) Payment against documents made without reservation of 1440  
rights precludes recovery of the payment for defects apparent ~~on~~ 1441  
~~the face of~~ in the documents. 1442

**Sec. 1302.79.** (A) The seller may stop delivery of goods in 1443



the possession of a carrier or other bailee when he discovers the 1444  
buyer to be insolvent as provided in section 1302.76 of the 1445  
Revised Code and may stop delivery of carload, truckload, 1446  
planeload, or larger shipments of express or freight when the 1447  
buyer repudiates or fails to make a payment due before delivery or 1448  
if for any other reason the seller has a right to withhold or 1449  
reclaim the goods. 1450

(B) As against such buyer the seller may stop delivery until: 1451

(1) receipt of the goods by the buyer; or 1452

(2) acknowledgment to the buyer by any bailee of the goods 1453  
except a carrier that the bailee holds the goods for the buyer; or 1454

(3) such acknowledgment to the buyer by a carrier by 1455  
reshipment or as ~~warehouseman~~ a warehouse; or 1456

(4) negotiation to the buyer of any negotiable document of 1457  
title covering the goods. 1458

(C)(1) To stop delivery the seller must so notify as to 1459  
enable the bailee by reasonable diligence to prevent delivery of 1460  
the goods. 1461

(2) After such notification the bailee must hold and deliver 1462  
the goods according to the directions of the seller but the seller 1463  
is liable to the bailee for any ensuing charges or damages. 1464

(3) If a negotiable document of title has been issued for 1465  
goods the bailee is not obliged to obey a notification to stop 1466  
until surrender of possession or control of the document. 1467

(4) A carrier who has issued a non-negotiable bill of lading 1468  
is not obliged to obey a notification to stop received from a 1469  
person other than the consignor. 1470

**Sec. 1303.01.** (A) As used in this chapter, unless the context 1471  
otherwise requires: 1472

(1) "Acceptor" means a drawee who has accepted a draft.	1473
(2) "Drawee" means a person ordered in a draft to make payment.	1474 1475
(3) "Drawer" means a person who signs or is identified in a draft as a person ordering payment.	1476 1477
<del>(4) "Good faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing.</del>	1478 1479
<del>(5)</del> (5) "Issue" means the first delivery of an instrument by the maker or drawer to a holder or nonholder for the purpose of giving rights of the instrument to any person.	1480 1481 1482
<del>(6)</del> (5) "Issuer" means a maker or drawer of an issued or unissued instrument.	1483 1484
<del>(7)</del> (6) "Maker" means a person who signs or is identified in a note as a person undertaking to pay.	1485 1486
<del>(8)</del> (7) "Order" means a written instruction to pay money signed by the person giving the instruction. The instruction may be addressed to any person, including the person giving the instruction, or to one or more persons jointly or in the alternative but not in succession. "Order" does not mean an authorization to pay unless the person authorized to pay also is instructed to pay.	1487 1488 1489 1490 1491 1492 1493
<del>(9)</del> (8) "Ordinary care" in the case of a person engaged in business means observance of the reasonable commercial standards that are prevailing in the area in which the person is located with respect to the business in which the person is engaged. In the case of a bank that takes an instrument for processing for collection or payment by automated means, reasonable commercial 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	1494 1495 1496 1497 1498 1499 1500 1501 1502

from general banking usage not disapproved by this chapter or	1503
Chapter 1304. of the Revised Code.	1504
<del>(10)</del> (9) "Party" means a party to an instrument.	1505
<del>(11)</del> (10) "Promise" means a written undertaking to pay money	1506
that is signed by the person undertaking to pay. "Promise" does	1507
not include an acknowledgment of an obligation by the obligor	1508
unless the obligor also undertakes to pay the obligation.	1509
<del>(12)</del> (11) "Prove," with respect to a fact, means to meet the	1510
burden of establishing the fact.	1511
<del>(13)</del> (12) "Remitter" means a person who purchases an	1512
instrument from its issuer if the instrument is payable to an	1513
identified person other than the purchaser.	1514
(B) As used in this chapter:	1515
(1) "Acceptance" has the same meaning as in section 1303.46	1516
of the Revised Code.	1517
(2) "Accommodation party" and "accommodated party" have the	1518
same meanings as in section 1303.59 of the Revised Code.	1519
(3) "Alteration" has the same meaning as in section 1303.50	1520
of the Revised Code.	1521
(4) "Anomalous indorsement," "blank indorsement," and	1522
"special indorsement" have the same meanings as in section 1303.25	1523
of the Revised Code.	1524
(5) "Certificate of deposit," "cashier's check," "check,"	1525
"draft," "instrument," "negotiable instrument," "note," "teller's	1526
check," and "traveler's check" have the same meanings as in	1527
section 1303.03 of the Revised Code.	1528
(6) "Certified check" has the same meaning as in section	1529
1303.46 of the Revised Code.	1530
(7) "Consideration" and "value" have the same meanings as in	1531

section 1303.33 of the Revised Code.	1532
(8) "Holder in due course" has the same meaning as in section 1303.32 of the Revised Code.	1533 1534
(9) "Incomplete instrument" has the same meaning as in section 1303.11 of the Revised Code.	1535 1536
(10) "Indorsement" and "indorser" have the same meanings as in section 1303.24 of the Revised Code.	1537 1538
(11) "Negotiation" has the same meaning as in section 1303.21 of the Revised Code.	1539 1540
(12) "Payable at a definite time" and "payable on demand" have the same meanings as in section 1303.07 of the Revised Code.	1541 1542
(13) "Payable to bearer" and "payable to order" have the same meanings as in section 1303.10 of the Revised Code.	1543 1544
(14) "Payment" has the same meaning as in section 1303.67 of the Revised Code.	1545 1546
(15) "Person entitled to enforce" has the same meaning as in section 1303.31 of the Revised Code.	1547 1548
(16) "Presentment" has the same meaning as in in section 1303.59 of the Revised Code.	1549 1550
(17) "Reacquisition" has the same meaning as in section 1303.27 of the Revised Code.	1551 1552
(18) "Transfer of instrument" has the same meaning as in section 1303.22 of the Revised Code.	1553 1554
(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 meanings as in section 1304.01 of the Revised Code.	1555 1556 1557 1558 1559
(D) <del>The terms</del> <u>In addition, Chapter 1301. of the Revised Code</u>	1560

contains general definitions and general principles of 1561  
construction and interpretation ~~set forth in sections 1301.01 to~~ 1562  
~~1301.14 of the Revised Code~~ are applicable ~~to~~ throughout this 1563  
chapter. 1564

**Sec. 1304.01.** (A) As used in sections 1304.01 to 1304.40 of 1565  
the Revised Code, unless the context requires otherwise: 1566

(1) "Account" means any deposit or credit account with a 1567  
bank, including a demand, time, savings, passbook, share draft, or 1568  
similar account, other than an account evidenced by a certificate 1569  
of deposit. 1570

(2) "Afternoon" means the period of day between noon and 1571  
midnight. 1572

(3) "Banking day" means the part of a day on which a bank is 1573  
open to the public for carrying on substantially all of its 1574  
banking functions. 1575

(4) "Clearing house" means an association of banks or other 1576  
payors regularly clearing items. 1577

(5) "Customer" means a person having an account with a bank 1578  
or for whom a bank has agreed to collect items, including a bank 1579  
that maintains an account at another bank. 1580

(6) "Documentary draft" means a draft to be presented for 1581  
acceptance or payment if specified documents, certified securities 1582  
or instructions for uncertificated securities as defined in 1583  
section 1308.01 of the Revised Code, or other certificates, 1584  
statements, or similar documents are to be received by the drawee 1585  
or other payor before acceptance or payment of the draft. 1586

(7) "Draft" means a draft as defined in section 1303.03 of 1587  
the Revised Code or an item, other than an instrument, that is an 1588  
order. 1589

(8) "Drawee" means a person ordered in a draft to make 1590

payment.	1591
(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.	1592 1593 1594 1595
(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.	1596 1597 1598 1599
(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.	1600 1601 1602
(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.	1603 1604 1605 1606 1607
(B) As used in sections 1304.01 to 1304.40 of the Revised Code:	1608 1609
(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.	1610 1611 1612
(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.	1613 1614 1615
(3) "Payor bank" means a bank that is a drawee of a draft.	1616
(4) "Intermediary bank" means a bank to which an item is transferred in course of collection except the depository or payor bank.	1617 1618 1619
(5) "Collecting bank" means a bank handling an item for	1620

collection except the payor bank.	1621
(6) "Presenting bank" means a bank presenting an item except a payor bank.	1622 1623
(C) As used in sections 1304.01 to 1304.40 of the Revised Code:	1624 1625
(1) "Acceptance" and "certified check" have the same meanings as in section 1303.46 of the Revised Code.	1626 1627
(2) "Alteration" has the same meaning as in section 1303.50 of the Revised Code.	1628 1629
(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.	1630 1631 1632
(4) <u>"Good faith," "order Control" has the same meaning as in section 1307.106 of the Revised Code.</u>	1633 1634
(5) <u>"Order," "ordinary care," "promise," and "prove" have the same meanings as in section 1303.01 of the Revised Code.</u>	1635 1636
<del>(5)</del> (6) "Holder in due course" has the same meaning as in section 1303.32 of the Revised Code.	1637 1638
<del>(6)</del> (7) "Notice of dishonor" has the same meaning as in section 1303.63 of the Revised Code.	1639 1640
<del>(7)</del> (8) "Person entitled to enforce" has the same meaning as in section 1303.31 of the Revised Code.	1641 1642
<del>(8)</del> (9) "Presentment" has the same meaning as in section 1303.61 of the Revised Code.	1643 1644
<del>(9)</del> (10) "Unauthorized signature" has the same meaning as in section 1303.43 of the Revised Code.	1645 1646
(D) <u>The terms In addition, Chapter 1301. of the Revised Code contains general definitions and principles of construction and interpretation in sections 1301.01 to 1301.14 of the Revised Code</u>	1647 1648 1649

are applicable ~~to~~ throughout sections 1304.01 to 1304.40 of the Revised Code.

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

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

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

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

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

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

(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.

(2) No filing is required to perfect the security interest.



(3) The security interest has priority over conflicting 1680  
perfected security interests in the item, accompanying documents, 1681  
or proceeds. 1682

**Sec. 1304.51.** (A) As used in sections 1304.51 to 1304.85 of 1683  
the Revised Code: 1684

(1) "Authorized account" means a deposit account of a 1685  
customer in a bank designated by the customer as a source of 1686  
payment of payment orders issued by the customer to the bank. If a 1687  
customer does not so designate an account, any account of the 1688  
customer is an authorized account if payment of a payment order 1689  
from that account is not inconsistent with a restriction on the 1690  
use of that account. 1691

(2) "Bank" means a person engaged in the business of banking 1692  
and includes a savings bank, savings and loan association, credit 1693  
union, and trust company. A branch or separate office of a bank is 1694  
a separate bank for purposes of sections 1304.51 to 1304.85 of the 1695  
Revised Code. 1696

(3) "Beneficiary" means the person to be paid by the 1697  
beneficiary's bank. 1698

(4) "Beneficiary's bank" means the bank identified in a 1699  
payment order in which an account of the beneficiary is to be 1700  
credited pursuant to the order or which otherwise is to make 1701  
payment to the beneficiary if the order does not provide for 1702  
payment to an account. 1703

(5) "Customer" means a person, including a bank, having an 1704  
account with a bank or from whom a bank has agreed to receive 1705  
payment orders. 1706

(6) "Funds transfer" means the series of transactions, 1707  
beginning with the originator's payment order, made for the 1708  
purpose of making payment to the beneficiary of the order. "Funds 1709

transfer" includes any payment order issued by the originator's 1710  
bank or an intermediary bank intended to carry out the 1711  
originator's payment order. A funds transfer is completed by 1712  
acceptance by the beneficiary's bank of a payment order for the 1713  
benefit of the beneficiary of the originator's payment order. 1714

(7) "Funds-transfer business day" of a receiving bank means 1715  
the part of a day during which the receiving bank is open for the 1716  
receipt, processing, and transmittal of payment orders and 1717  
cancellations and amendments of payment orders. 1718

(8) "Funds-transfer system" means a wire transfer network, 1719  
automated clearing house, or other communication system of a 1720  
clearing house or other association of banks through which a 1721  
payment order by a bank may be transmitted to the bank to which 1722  
the order is addressed. 1723

~~(9) "Good faith" means honesty in fact and the observance of 1724  
reasonable commercial standards of fair dealing. 1725~~

~~(10)~~ "Intermediary bank" means a receiving bank other than 1726  
the originator's bank or the beneficiary's bank. 1727

~~(11)~~(10) "Originator" means the sender of the first payment 1728  
order in a funds transfer. 1729

~~(12)~~(11) "Originator's bank" means the receiving bank to 1730  
which the payment order of the originator is issued if the 1731  
originator is not a bank, or the originator if the originator is a 1732  
bank. 1733

~~(13)~~(12)(a) "Payment order" means an instruction of a sender 1734  
to a receiving bank, transmitted orally, electronically, or in 1735  
writing, to pay, or to cause another bank to pay, a fixed or 1736  
determinable amount of money to a beneficiary if all of the 1737  
following apply: 1738

(i) The instruction does not state a condition to payment to 1739

the beneficiary other than time of payment.	1740
(ii) The receiving bank is to be reimbursed by debiting an account of, or otherwise receiving payment from, the sender.	1741 1742
(iii) The instruction is transmitted by the sender directly to the receiving bank or to an agent, funds-transfer system, or communication system for transmittal to the receiving bank.	1743 1744 1745
(b) If the instruction complying with division (A) <del>(13)</del> <u>(12)</u> (a) of this section is to make more than one payment to a beneficiary, the instruction is a separate payment order with respect to each payment.	1746 1747 1748 1749
(c) A payment order is issued when it is sent to the receiving bank.	1750 1751
<del>(14)</del> <u>(13)</u> "Prove," with respect to a fact, means to meet the burden of establishing the fact.	1752 1753
<del>(15)</del> <u>(14)</u> "Receiving bank" means the bank to which the sender's instruction is addressed.	1754 1755
<del>(16)</del> <u>(15)</u> "Sender" means the person giving the instruction to the receiving bank.	1756 1757
(B) Other definitions applying to sections 1304.51 to 1304.85 of the Revised Code are:	1758 1759
(1) "Acceptance" as defined in section 1304.64 of the Revised Code;	1760 1761
(2) "Executed" as defined in section 1304.68 of the Revised Code;	1762 1763
(3) "Execution date" as defined in section 1304.68 of the Revised Code;	1764 1765
(4) "Funds-transfer system rule" as defined in section 1304.79 of the Revised Code;	1766 1767
(5) "Payment by beneficiary's bank to beneficiary" as defined	1768

in section 1304.77 of the Revised Code;	1769
(6) "Payment by originator to beneficiary" as defined in section 1304.78 of the Revised Code;	1770 1771
(7) "Payment by sender to receiving bank" as defined in section 1304.75 of the Revised Code;	1772 1773
(8) "Payment date" as defined in section 1304.73 of the Revised Code;	1774 1775
(9) "Security procedure" as defined in section 1304.56 of the Revised Code.	1776 1777
(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.	1778 1779 1780
(D) <del>The terms</del> <u>In addition, Chapter 1301. of the Revised Code contains general definitions</u> and principles of construction and interpretation <del>set forth in sections 1301.01 to 1301.14 of the Revised Code</del> are applicable <del>to</del> <u>throughout</u> sections 1304.51 to 1304.85 of the Revised Code.	1781 1782 1783 1784 1785
<b>Sec. 1304.53.</b> (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 <del>division (AA) of section 1301.01</del> <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 generally or different cut-off times may apply to different senders or categories of payment orders. If a payment order or communication canceling or amending a payment order is received	1786 1787 1788 1789 1790 1791 1792 1793 1794 1795 1796 1797 1798

after the close of a funds-transfer business day or after the 1799  
appropriate cut-off time on a funds-transfer business day, the 1800  
receiving bank may treat the payment order or communication as 1801  
received at the opening of the next funds-transfer business day. 1802

(B) If sections 1304.51 to 1304.85 of the Revised Code refer 1803  
to an execution date or payment date or state a day on which a 1804  
receiving bank is required to take action, and the date or day 1805  
does not fall on a funds-transfer business day, the next day that 1806  
is a funds-transfer business day is treated as the date or day 1807  
stated, unless the contrary is stated in these sections. 1808

**Sec. 1304.59.** (A) If a receiving bank accepts a payment order 1809  
issued in the name of its customer as sender which is not 1810  
authorized and not effective as the order of the customer under 1811  
section 1304.57 of the Revised Code, or not enforceable, in whole 1812  
or in part, against the customer under section 1304.58 of the 1813  
Revised Code, the bank shall refund any payment of the payment 1814  
order received from the customer to the extent the bank is not 1815  
entitled to enforce payment and shall pay interest on the 1816  
refundable amount calculated from the date the bank received 1817  
payment to the date of the refund. The customer is not entitled to 1818  
interest from the bank on the amount to be refunded if the 1819  
customer fails to exercise ordinary care to determine that the 1820  
order was not authorized by the customer and to notify the bank of 1821  
the relevant facts within a reasonable time not exceeding ninety 1822  
days after the date the customer received notification from the 1823  
bank that the order was accepted or that the customer's account 1824  
was debited with respect to the order. The bank is not entitled to 1825  
any recovery from the customer on account of a failure by the 1826  
customer to give notification as stated in this section. 1827

(B) Reasonable time under division (A) of this section may be 1828  
fixed by agreement as provided in division ~~(A)~~(B) of section 1829

~~1301.10~~ 1301.302 of the Revised Code, but the obligation of a 1830  
receiving bank to refund payment as provided in division (A) of 1831  
this section may not otherwise be varied by agreement. 1832

**Sec. 1305.02.** (A) This chapter applies to letters of credit 1833  
and to certain rights and obligations arising out of transactions 1834  
involving letters of credit. 1835

(B) The statement of a rule in this chapter does not by 1836  
itself require, imply, or negate application of the same or a 1837  
different rule to a situation not provided for, or to a person not 1838  
specified, in this chapter. 1839

(C) With the exception of this division, divisions (A) and 1840  
(D) of this section, divisions (A)(9) and (10) of section 1305.01, 1841  
division (D) of section 1305.05, and division (D) of section 1842  
1305.13, and except to the extent prohibited in ~~division (C) of~~ 1843  
section ~~1301.02~~ 1301.302 and division (D) of section 1305.16 of 1844  
the Revised Code, the effect of this chapter may be varied by 1845  
agreement or by a provision stated or incorporated by reference in 1846  
an undertaking. A term in an agreement or undertaking generally 1847  
excusing liability or generally limiting remedies for failure to 1848  
perform obligations is not sufficient to vary obligations 1849  
prescribed by this chapter. 1850

(D) Rights and obligations of an issuer to a beneficiary or a 1851  
nominated person under a letter of credit are independent of the 1852  
existence, performance, or nonperformance of a contract or 1853  
arrangement out of which the letter of credit arises or which 1854  
underlies it, including contracts or arrangements between the 1855  
issuer and the applicant and between the applicant and the 1856  
beneficiary. 1857

**Sec. 1306.02.** (A) Except as provided in division (B) of this 1858  
section, sections 1306.01 to 1306.23 of the Revised Code apply to 1859

electronic records and electronic signatures relating to a 1860  
transaction. 1861

(B) Sections 1306.01 to 1306.23 of the Revised Code do not 1862  
apply to a transaction to the extent it is governed by any of the 1863  
following: 1864

(1) A law governing the creation and execution of wills, 1865  
codicils, or testamentary trusts; 1866

(2) Chapter 1301., except ~~sections 1301.07 and 1301.12~~ 1867  
section 1301.306, and Chapters 1303., 1304., 1305., 1307., 1308., 1868  
and 1309. of the Revised Code. 1869

**Sec. 1306.15.** (A) As used in this section, "transferable 1870  
record" means an electronic record that satisfies both of the 1871  
following: 1872

(1) The transferable record would be a note under Chapter 1873  
1303. or a document under Chapter 1307. of the Revised Code, if 1874  
the electronic record were in writing. 1875

(2) The issuer of the electronic record expressly has agreed 1876  
that it is a transferable record. 1877

(B) A person has control of a transferable record if a system 1878  
employed for evidencing the transfer of interests in the 1879  
transferable record reliably establishes that person as the person 1880  
to which the transferable record was issued or transferred. 1881

(C) A system satisfies division (B) of this section, and a 1882  
person is deemed to have control of a transferable record, if the 1883  
transferable record is created, stored, and assigned in such a 1884  
manner that satisfies all of the following: 1885

(1) A single authoritative copy of the transferable record 1886  
exists that is unique, identifiable, and, except as provided in 1887  
divisions (C)(4) to (6) of this section, unalterable. 1888

(2) The authoritative copy identifies the person asserting control as either of the following:	1889 1890
(a) The person to which the transferable record was issued;	1891
(b) If the authoritative copy indicates that the transferable record has been transferred, the person to which the transferable record most recently was transferred.	1892 1893 1894
(3) The authoritative copy is communicated to and maintained by the person asserting control or its designated custodian.	1895 1896
(4) Copies or revisions that add or change an identified assignee of the authoritative copy may be made only with the consent of the person asserting control.	1897 1898 1899
(5) Each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy.	1900 1901 1902
(6) Any revision of the authoritative copy is readily identifiable as authorized or unauthorized.	1903 1904
(D)(1) Except as otherwise agreed, a person having control of a transferable record is the holder, as defined in section <del>1301.01</del> <u>1301.201</u> of the Revised Code, of the transferable record and has the same rights and defenses as a holder of an equivalent record or writing under the uniform commercial code. If the applicable statutory requirements under section 1303.32, <del>1307.29</del> <u>1307.501</u> , or 1309.27 of the Revised Code are satisfied, these rights and defenses include the rights and defenses of a holder in due course, a holder to which a negotiable document of title has been duly negotiated, or a purchaser, respectively.	1905 1906 1907 1908 1909 1910 1911 1912 1913 1914
(2) Delivery, possession, and indorsement are not required to obtain or exercise any of the rights under division (D)(1) of this section.	1915 1916 1917
(E) Except as otherwise agreed, an obligor under a	1918



transferable record has the same rights and defenses as an 1919  
equivalent obligor under equivalent records or writings under the 1920  
uniform commercial code. 1921

(F)(1) If requested by a person against which enforcement is 1922  
sought, the person seeking to enforce the transferable record 1923  
shall provide reasonable proof that the person is in control of 1924  
the transferable record. 1925

(2) Proof required by division (F)(1) of this section may 1926  
include access to the authoritative copy of the transferable 1927  
record and related business records sufficient to review the terms 1928  
of the transferable record and to establish the identity of the 1929  
person having control of the transferable record. 1930

Sec. 1307.101. Short title [UCC 7-101] 1931

(A) This chapter may be cited as "Uniform Commercial Code, 1932  
documents of title." 1933

(B) This chapter uses the numbering system of the national 1934  
conference of commissioners on uniform state laws. The digits to 1935  
the right of the decimal point are sequential and not supplemental 1936  
to any preceding Revised Code section. 1937

Sec. ~~1307.01~~ 1307.102. (A) Definitions and index of 1938  
definitions [UCC 7-102] 1939

(A) As used in sections ~~1307.01~~ 1307.101 to ~~1307.40~~ 1307.603 1940  
of the Revised Code, unless the context otherwise requires: 1941

(1) "Bailee" means ~~the~~ a person who ~~that~~ by a warehouse 1942  
receipt, bill of lading, or other document of the title 1943  
acknowledges possession of goods and contracts to deliver them. 1944

(2) "Carrier" means a person that issues a bill of lading. 1945

(3) "Consignee" means ~~the~~ a person named in a bill of lading 1946  
to ~~whom~~ which or to whose order the bill promises delivery. 1947

~~(3)~~(4) "Consignor" means ~~the~~ a person named in a bill of lading as the person from ~~whom~~ which the goods have been received for shipment. 1948  
1949  
1950

~~(4)~~(5) "Delivery order" means a ~~written record that contains~~ an order to deliver goods directed to a warehouseman warehouse, carrier, or other person ~~who~~ that in the ordinary course of business issues warehouse receipts or bills of lading. 1951  
1952  
1953  
1954

~~(5) "Document" means document of title as defined in division (0) of section 1301.01 of the Revised Code.~~ 1955  
1956

(6) "Good faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing. 1957  
1958

(7) "Goods" means all things ~~which~~ that are treated as ~~removable~~ movable for the purposes of a contract of storage or transportation. 1959  
1960  
1961

~~(7)~~(8) "Issuer" means a bailee ~~who~~ that issues a document ~~except that~~ of title or, in relation to the case of an unaccepted delivery order it means, the person ~~who~~ that orders the possessor of goods to deliver. ~~Issuer~~ The term includes ~~any~~ a person for whom which an agent or employee purports to act in issuing a document if the agent or employee has real or apparent authority to issue documents, ~~notwithstanding that~~ even if the issuer ~~received no~~ did not receive any goods ~~or that,~~ the goods were misdescribed, ~~or that~~ in any other respect the agent or employee violated ~~his~~ the issuer's instructions. 1962  
1963  
1964  
1965  
1966  
1967  
1968  
1969  
1970  
1971

~~(8)~~(9) "Person entitled under the document" means the holder, in the case of a negotiable document of title, or the person to which delivery of the goods is to be made by the terms of, or pursuant to instructions in a record under, a nonnegotiable document of title. 1972  
1973  
1974  
1975  
1976

(10) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium 1977  
1978

<u>and is retrievable in perceivable form.</u>	1979
<u>(11) "Sign" means, with present intent to authenticate or</u>	1980
<u>adopt a record:</u>	1981
<u>(a) To execute or adopt a tangible symbol; or</u>	1982
<u>(b) To attach to or logically associate with the record an</u>	1983
<u>electronic sound, symbol, or process.</u>	1984
<u>(12) "Shipper" means a person that enters into a contract of</u>	1985
<u>transportation with a carrier.</u>	1986
<u>(13) "Warehouseman Warehouse" is means a person engaged in</u>	1987
<u>the business of storing of goods for hire.</u>	1988
<del>(B) Other definitions applying to sections 1307.01 to 1307.40</del>	1989
<del>of the Revised Code are:</del>	1990
<del>(1) "Duly negotiate, as defined in section 1307.29 of the</del>	1991
<del>Revised Code;</del>	1992
<del>(2) "Person entitled under the document," as defined in</del>	1993
<del>section 1307.27 of the Revised Code.</del>	1994
<del>(C) As used in sections 1307.01 1307.101 to 1307.40 1307.603</del>	1995
<del>of the Revised Code, "contract for sale" and "receipt" of goods</del>	1996
<del>have the meaning set forth in section 1302.01 of the Revised Code,</del>	1997
<del>and "overseas lessee in ordinary course of business" has the</del>	1998
<del>meaning set forth in section 1302.36 1310.01 of the Revised Code.</del>	1999
<del>(D) The terms (C) In addition, Chapter 1301. of the Revised</del>	2000
<del>Code contains general definitions and principles of construction</del>	2001
<del>and interpretation contained in sections 1301.01 to 1301.14 of the</del>	2002
<del>Revised Code are applicable to sections 1307.01 to 1307.40 of the</del>	2003
<del>Revised Code throughout this chapter.</del>	2004
<b>Sec. 1307.02 1307.103. Sections 1307.01 Relation of Chapter</b>	2005
<b><u>1307. of the Revised Code to Treaties, Statutes, or Rules [UCC</u></b>	2006
<b><u>7-103]</u></b>	2007

(A) Sections 1307.101 to 1307.603 of the Revised Code are 2008  
subject to any treaty or statute of the United States or 2009  
regulatory statute of this state to the extent the treaty, 2010  
statute, or regulatory statute is applicable. 2011

(B) Sections 1307.101 to ~~1307.40, inclusive,~~ 1307.603 of the 2012  
Revised Code do not ~~repeal or~~ modify or repeal any ~~laws~~ law 2013  
prescribing the form or contents of ~~documents~~ a document of title 2014  
or the services or facilities to be afforded by ~~bailees~~ a bailee, 2015  
or otherwise regulating ~~bailees'~~ a bailee's businesses in respects 2016  
not specifically ~~dealt with herein; but the fact that~~ treated in 2017  
those sections. However, violation of such laws are violated a law 2018  
does not affect the status of a document of title ~~which~~ that 2019  
otherwise ~~complies with~~ is within the definition of a document of 2020  
title ~~set forth in division (O) of section 1301.01 of the Revised~~ 2021  
~~Code.~~ 2022

(C) Sections 1307.101 to 1307.603 of the Revised Code modify, 2023  
limit, and supersede the federal "Electronic Signatures in Global 2024  
and National Commerce Act," 15 U.S.C. section 7001, et seq., but 2025  
do not modify, limit, or supersede section 101(c) of that act (15 2026  
U.S.C. section 7001(c)) or authorize electronic delivery of any of 2027  
the notices described in section 103(b) of that act (15 U.S.C. 2028  
section 7003(b)). 2029

(D) To the extent there is a conflict between Chapters 1306. 2030  
and 1307. of the Revised Code, Chapter 1307. of the Revised Code 2031  
governs. 2032

**Sec. ~~1307.04~~ 1307.104.** ~~(A) A warehouse receipt, bill of~~ 2033  
~~lading, or other~~ Negotiable and nonnegotiable document of title 2034  
[UCC 7-104] 2035

(A) Except as otherwise provided in division (C) of this 2036  
section, a document of title is negotiable. 2037

~~(1) if by its terms the goods are to be delivered to bearer  
or to the order of a named person; or~~ 2038  
2039

~~(2) where recognized in overseas trade, if it runs to a named  
person or assigns.~~ 2040  
2041

(B) ~~Any other~~ A document other than the one described in 2042  
division (A) of this section is non-negotiable nonnegotiable. A 2043  
bill of lading ~~in which it is stated that states~~ that the goods 2044  
are consigned to a named person is not made negotiable by a 2045  
provision that the goods are to be delivered only against a 2046  
~~written an order in a record~~ signed by the same or another named 2047  
person. 2048

(C) A document of title is nonnegotiable if, at the time it 2049  
is issued, the document has a conspicuous legend, however 2050  
expressed, that it is nonnegotiable. 2051

**Sec. 1307.105. Reissuance in alternative medium [UCC 7-105]** 2052

(A) Upon request of a person entitled under an electronic 2053  
document of title, the issuer of the electronic document may issue 2054  
a tangible document of title as a substitute for the electronic 2055  
document if: 2056

(1) The person entitled under the electronic document 2057  
surrenders control of the document to the issuer; and 2058

(2) The tangible document when issued contains a statement 2059  
that it is issued in substitution for the electronic document. 2060

(B) Upon issuance of a tangible document of title in 2061  
substitution for an electronic document of title in accordance 2062  
with division (A) of this section: 2063

(1) The electronic document ceases to have any effect or 2064  
validity; and 2065

(2) The person that procured issuance of the tangible 2066

document warrants to all subsequent persons entitled under the 2067  
tangible document that the warrantor was a person entitled under 2068  
the electronic document when the warrantor surrendered control of 2069  
the electronic document to the issuer. 2070

(C) Upon request of a person entitled under a tangible 2071  
document of title, the issuer of the tangible document may issue 2072  
an electronic document of title as a substitute for the tangible 2073  
document if: 2074

(1) The person entitled under the tangible document 2075  
surrenders possession of the document to the issuer; and 2076

(2) The electronic document when issued contains a statement 2077  
that it is issued in substitution for the tangible document. 2078

(D) Upon issuance of an electronic document of title in 2079  
substitution for a tangible document of title in accordance with 2080  
division (C) of this section: 2081

(1) The tangible document ceases to have any effect or 2082  
validity; and 2083

(2) The person that procured issuance of the electronic 2084  
document warrants to all subsequent persons entitled under the 2085  
electronic document that the warrantor was a person entitled under 2086  
the tangible document when the warrantor surrendered possession of 2087  
the tangible document to the issuer. 2088

**Sec. 1307.106. Control of electronic document of title [UCC 2089  
7-106]** 2090

(A) A person has control of an electronic document of title 2091  
if a system employed for evidencing the transfer of interests in 2092  
the electronic document reliably establishes that person as the 2093  
person to which the electronic document was issued or transferred. 2094

(B) A system satisfies division (A) of this section, and a 2095  
person is deemed to have control of an electronic document of 2096

title, if the document is created, stored, and assigned in such a manner that: 2097  
2098

(1) A single authoritative copy of the document exists which is unique, identifiable, and, except as otherwise provided in divisions (B)(4), (5), and (6) of this section, unalterable; 2099  
2100  
2101

(2) The authoritative copy identifies the person asserting control as: 2102  
2103

(a) The person to which the document was issued; or 2104

(b) If the authoritative copy indicates that the document has been transferred, the person to which the document was most recently transferred. 2105  
2106  
2107

(3) The authoritative copy is communicated to and maintained by the person asserting control or its designated custodian; 2108  
2109

(4) Copies or amendments that add or change an identified assignee of the authoritative copy can be made only with the consent of the person asserting control; 2110  
2111  
2112

(5) Each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and 2113  
2114  
2115

(6) Any amendment of the authoritative copy is readily identifiable as authorized or unauthorized. 2116  
2117

**Sec. ~~1307.06~~ 1307.201.** (A) Person that may issue a warehouse receipt; storage under bond [UCC 7-201] 2118  
2119

(A) A warehouse receipt may be issued by any ~~warehouseman~~ warehouse. 2120  
2121

(B) ~~Where~~ If goods, including distilled spirits and agricultural commodities, are stored under a statute requiring a bond against withdrawal or a license for the issuance of receipts in the nature of warehouse receipts, a receipt issued for the 2122  
2123  
2124  
2125

goods ~~has like effect as~~ is deemed to be a warehouse receipt even 2126  
though if issued by a person ~~who~~ that is the owner of the goods 2127  
and is not a ~~warehouseman~~ warehouse. 2128

**Sec. ~~1307.07~~ 1307.202.** ~~(A)~~ Form of warehouse receipt; effect 2129  
of omission [UCC 7-202] 2130

(A) A warehouse receipt need not be in any particular form. 2131

(B) Unless a warehouse receipt ~~embodies within its written or~~ 2132  
~~printed terms~~ provides for each of the following, the ~~warehouse~~ 2133  
warehouse is liable for damages caused by the omission to a person 2134  
injured by ~~the~~ its omission: 2135

(1) ~~The~~ A statement of the location of the warehouse facility 2136  
where the goods are stored; 2137

(2) The date of issue of the receipt; 2138

(3) The ~~consecutive number~~ unique identification code of the 2139  
receipt; 2140

(4) A statement whether the goods received will be delivered 2141  
to the bearer, to a ~~specified~~ named person, or to a named person 2142  
or its order; 2143

(5) The rate of storage and handling charges, ~~except that, if~~ 2144  
unless goods are stored under a field warehousing arrangement, in 2145  
which case a statement of that fact is sufficient on a 2146  
~~non-negotiable~~ nonnegotiable receipt; 2147

(6) A description of the goods or ~~of~~ the packages containing 2148  
them; 2149

(7) The signature of the ~~warehouse~~ warehouse, ~~which may be~~ 2150  
~~made by the warehouse's authorized~~ or its agent; 2151

(8) If the receipt is issued for goods ~~of which~~ that the 2152  
~~warehouse is owner~~ warehouse owns, either solely ~~or~~, jointly, or 2153  
in common with others, a statement of the fact of that ownership; 2154



and 2155

(9) A statement of the amount of advances made and of 2156  
liabilities incurred for which the ~~warehouser~~ warehouse claims a 2157  
lien or security interest, ~~pursuant to section 1307.14 of the~~ 2158  
~~Revised Code. If~~ unless the precise amount of the advances made or 2159  
~~of the~~ liabilities incurred is, at the time of the issue of the 2160  
receipt, unknown to the ~~warehouser~~ warehouse or to ~~the~~ 2161  
~~warehouser's~~ its agent ~~who issues it~~ that issued the receipt, in 2162  
which case a statement of the fact that advances have been made or 2163  
liabilities incurred and the purpose of the advances or 2164  
liabilities is sufficient. 2165

(C) A ~~warehouser~~ warehouse may insert in ~~the warehouser's~~ its 2166  
receipt any ~~other~~ terms that are not contrary to the provisions of 2167  
Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., 2168  
and 1310. of the Revised Code and do not impair ~~the warehouser's~~ 2169  
its obligation of delivery, ~~as set forth in~~ under section ~~1307.27~~ 2170  
1307.403 of the Revised Code, or ~~the warehouser's~~ its duty of 2171  
care, ~~as set forth in~~ under section ~~1307.09~~ 1307.204 of the 2172  
Revised Code. Any contrary provisions ~~shall be~~ is ineffective. 2173

**Sec. ~~1307.08~~ 1307.203.** A Liability for nonreceipt or 2174  
misdescription [UCC 7-203] 2175

A party to or purchaser for value in good faith of a document 2176  
of title, other than a bill of lading ~~relying in either case, that~~ 2177  
relies upon the description ~~therein~~ of the goods in the document 2178  
may recover from the issuer damages caused by the ~~non-receipt~~ 2179  
nonreceipt or misdescription of the goods, except to the extent 2180  
that ~~the:~~ 2181

(A) The document conspicuously indicates that the issuer does 2182  
not know whether ~~any~~ all or part ~~or all~~ of the goods in fact were 2183  
received or conform to the description, such as ~~where~~ a case in 2184  
which the description is in terms of marks or labels or kind, 2185

quantity, or condition, or the receipt or description is qualified 2186  
by "contents, condition, and quality unknown", "said to contain", 2187  
or ~~the like~~ words of similar import, if such indication ~~be~~ is 2188  
true~~;~~ or ~~the~~ 2189

(B) The party or purchaser otherwise has notice of the 2190  
nonreceipt or misdescription. 2191

**Sec. ~~1307.09~~ 1307.204.** ~~(A)~~ Duty of care; contractual 2192  
limitation of warehouse's liability [UCC 7-204] 2193

(A) A warehouseman warehouse is liable for damages for loss 2194  
of or injury to the goods caused by ~~his~~ its failure to exercise 2195  
~~such~~ care ~~in~~ with regard to ~~them as~~ the goods that a reasonably 2196  
careful ~~man~~ person would exercise under ~~like~~ similar circumstances 2197  
~~but unless.~~ Unless otherwise agreed ~~he,~~ the warehouse is not 2198  
liable for damages ~~which~~ that could not have been avoided by the 2199  
exercise of ~~such~~ that care. 2200

(B) Damages may be limited by a term in the warehouse receipt 2201  
or storage agreement limiting the amount of liability in case of 2202  
loss or damage, ~~and setting forth a specific liability per article~~ 2203  
~~or item, or value per unit of weight,~~ beyond which the 2204  
~~warehouseman shall~~ warehouse is not be liable; ~~provided, that such~~ 2205  
~~liability may on written.~~ Such a limitation is not effective with 2206  
respect to the warehouse's liability for conversion to its own 2207  
use. On request of the bailor in a record at the time of signing 2208  
~~such~~ the storage agreement or within a reasonable time after 2209  
receipt of the warehouse receipt, the warehouse's liability may be 2210  
increased on part or all of the goods ~~thereunder,~~ in which covered 2211  
by the storage agreement or warehouse receipt. In this event, 2212  
increased rates may be charged based on ~~such~~ an increased 2213  
valuation, ~~but that no such increase shall be permitted contrary~~ 2214  
~~to a lawful limitation of liability contained in the~~ 2215  
~~warehouseman's tariff, if any. No such limitation is effective~~ 2216

with respect to the warehouseman's liability for conversion to his own-use goods. 2217  
2218

(C) Reasonable provisions as to the time and manner of presenting claims and instituting commencing actions based on the bailment may be included in the warehouse receipt or tariff storage agreement. 2219  
2220  
2221  
2222

**Sec. ~~1307.10~~ 1307.205.** A Title under warehouse receipt defeated in certain cases [UCC 7-205] 2223  
2224

A buyer in the ordinary course of business of fungible goods sold and delivered by a warehouseman who warehouse that is also in the business of buying and selling such goods takes the goods free of any claim under a warehouse receipt even though it if the receipt is negotiable and has been duly negotiated. 2225  
2226  
2227  
2228  
2229

**Sec. ~~1307.11~~ 1307.206.** (A) Termination of storage at warehouse's option [UCC 7-206] 2230  
2231

(A) A warehouseman may on notifying warehouse, by giving notice to the person on whose account the goods are held and any other persons person known to claim an interest in the goods, may require payment of any charges and removal of the goods from the warehouse at the termination of the period of storage fixed by the document of title, or, if no a period is not fixed, within a stated period not less than thirty days after the notification warehouse gives notice. If the goods are not removed before the date specified in the notification notice, the warehouseman warehouse may sell them in accordance with the provisions of pursuant to section ~~1307.15~~ 1307.210 of the Revised Code on enforcement of a warehouseman's lien. 2232  
2233  
2234  
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2240  
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2242  
2243

(B) If a warehouseman warehouse in good faith believes that the goods are about to deteriorate or decline in value to less than the amount of his its lien within the time prescribed in 2244  
2245  
2246

division (A) of this section ~~for notification, advertisement, and~~ 2247  
~~sale and section 1307.210 of the Revised Code, the warehouseman~~ 2248  
~~warehouse~~ may specify in the ~~notification~~ notice given under 2249  
division (A) of this section any reasonable shorter time for 2250  
removal of the goods and ~~in case, if~~ the goods are not removed, 2251  
may sell them at public sale held not less than one week after a 2252  
single advertisement or posting. 2253

(C) If the warehouseman as a result of a quality or condition of the goods of 2254  
which the ~~warehouseman had no~~ warehouse did not have notice at the 2255  
time of deposit the goods are a hazard to other property or to 2256  
the warehouse facilities, or to other persons, the warehouseman 2257  
warehouse may sell the goods at public or private sale without 2258  
advertisement or posting on reasonable notification to all persons 2259  
known to claim an interest in the goods. If the ~~warehouseman~~ 2260  
warehouse, after a reasonable effort it is unable to sell the goods 2261  
he, it may dispose of them in any lawful manner and ~~shall~~ does not 2262  
incur ~~no~~ liability by reason of ~~such~~ that disposition. 2263

(D) ~~The warehouseman must~~ A warehouse shall deliver the goods 2264  
to any person entitled to them under sections ~~1307.01~~ 1307.101 to 2265  
~~1307.40, inclusive, 1307.603~~ of the Revised Code, upon due demand 2266  
made at any time ~~prior to~~ before sale or other disposition under 2267  
this section. 2268

(E) ~~The warehouseman~~ A warehouse may satisfy ~~his~~ its lien 2269  
from the proceeds of any sale or disposition under this section 2270  
but ~~must~~ shall hold the balance for delivery on the demand of any 2271  
person to ~~whom he~~ which it would have been bound to deliver the 2272  
goods. 2273

**Sec. ~~1307.12~~ 1307.207.** ~~(A)~~ Goods must be kept separate; 2274  
fungible goods [UCC 7-207] 2275

(A) Unless the warehouse receipt provides otherwise ~~provides,~~ 2276  
a ~~warehouseman must~~ warehouse shall keep separate the goods 2277

covered by each receipt so as to permit at all times 2278  
identification and delivery of those goods ~~except that. However,~~ 2279  
different lots of fungible goods may be commingled. 2280

(B) ~~Fungible~~ If different lots of fungible goods ~~se are~~ 2281  
~~commingled, the goods~~ are owned in common by the persons entitled 2282  
thereto and the ~~warehouseman~~ warehouse is severally liable to each 2283  
owner for that owner's share. ~~Where~~ If, because of overissue, a 2284  
mass of fungible goods is insufficient to meet all the receipts 2285  
~~which~~ the ~~warehouseman~~ warehouse has issued against it, the 2286  
persons entitled include all holders to ~~whom~~ which overissued 2287  
receipts have been duly negotiated. 2288

**Sec. ~~1307.13~~ 1307.208.** ~~Where~~ Altered warehouse receipts [UCC 2289  
7-208] 2290

If a blank in a negotiable tangible warehouse receipt has 2291  
been filled in without authority, a good faith purchaser for value 2292  
and without notice of the ~~want~~ lack of authority may treat the 2293  
insertion as authorized. Any other unauthorized alteration leaves 2294  
any tangible or electronic warehouse receipt enforceable against 2295  
the issuer according to its original tenor. 2296

**Sec. ~~1307.14~~ 1307.209.** (A) Lien of warehouse [UCC 7-209] 2297

(A) A ~~warehouseman~~ warehouse has a lien against the bailor on 2298  
the goods covered by a warehouse receipt or storage agreement or 2299  
on the proceeds thereof in ~~the warehouseman's~~ its possession for 2300  
charges for storage or transportation, including demurrage and 2301  
terminal charges, insurance, labor, or other charges, present or 2302  
future, in relation to the goods, and for expenses necessary for 2303  
preservation of the goods or reasonably incurred in their sale 2304  
pursuant to law. If the person on whose account the goods are held 2305  
is liable for ~~like~~ similar charges or expenses in relation to 2306  
other goods whenever deposited and it is stated in the warehouse 2307

receipt or storage agreement that a lien is claimed for charges 2308  
and expenses in relation to other goods, the ~~warehouse~~ warehouse 2309  
also has a lien against the ~~person~~ goods covered by the warehouse 2310  
receipt or storage agreement or on the proceeds thereof in its 2311  
possession for ~~such~~ those charges and expenses, whether or not the 2312  
other goods have been delivered by the ~~warehouse~~ warehouse. ~~But~~ 2313  
However, as against a person to ~~whom~~ which a negotiable warehouse 2314  
receipt is duly negotiated, a ~~warehouse's~~ warehouse's lien is 2315  
limited to charges in an amount or at a rate specified ~~on~~ in the 2316  
warehouse receipt or, if no charges are so specified ~~then~~, to a 2317  
reasonable charge for storage of the specific goods covered by the 2318  
receipt subsequent to the date of the receipt. 2319

(B) The ~~warehouse~~ warehouse may also reserve a security 2320  
interest against the bailor for a the maximum amount specified on 2321  
the receipt for charges other than those specified in division (A) 2322  
of this section, such as for money advanced and interest. ~~Such a~~ 2323  
The security interest is governed by Chapter 1309. of the Revised 2324  
Code. 2325

(C) A ~~warehouse's~~ warehouse's lien for charges and expenses 2326  
under division (A) of this section, or a security interest under 2327  
division (B) of this section is also effective against any person 2328  
~~who~~ that so entrusted the bailor with possession of the goods that 2329  
a pledge of them by the bailor to a good faith purchaser for value 2330  
would have been valid ~~but~~. However, the lien or security interest 2331  
is not effective against a person ~~as to whom the~~ that before 2332  
issuance of a document confers no right had a legal interest or a 2333  
perfected security interest in the goods covered by it and that 2334  
did not: 2335

(1) Deliver or entrust the goods or any document covering the 2336  
goods to the bailor or the bailor's nominee with: 2337

(a) Actual or apparent authority to ship, store, or sell; 2338

(b) Power to obtain delivery under section ~~1307.31~~ 1307.403 2339  
of the Revised Code; or 2340

(c) Power of disposition under section 1302.44, 1309.320, 2341  
division (B) of section 1310.32, or division (B) of section 2342  
1310.33 of the Revised Code, or other statute or rule of law. 2343

(2) Acquiesce in the procurement by the bailor or its nominee 2344  
of any document. 2345

(D) A warehouse's lien on household goods for charges and 2346  
expenses in relation to the goods under division (A) of this 2347  
section is also effective against all persons if the depositor was 2348  
the legal possessor of the goods at the time of deposit. In this 2349  
division, "household goods" means furniture, furnishings, or 2350  
personal effects used by the depositor in a dwelling. 2351

(E) A warehouse loses the warehouse's its lien on 2352  
any goods which the warehouse that it voluntarily delivers or 2353  
which the warehouse unjustifiably refuses to deliver. 2354

**Sec. ~~1307.15~~ 1307.210.** (A) Enforcement of warehouse's lien 2355  
[UCC 7-210] 2356

(A) Except as otherwise provided in division (B) of this 2357  
section, a warehouseman's warehouse's lien may be enforced by 2358  
public or private sale of the goods in ~~blee~~ bulk or in parcels, at 2359  
any time or place and on any terms which that are commercially 2360  
reasonable, after notifying all persons known to claim an interest 2361  
in the goods. ~~Such~~ The notification must include a statement of 2362  
the amount due, the nature of the proposed sale, and the time and 2363  
place of any public sale. The fact that a better price could have 2364  
been obtained by a sale at a different time or in a different 2365  
method from that selected by the warehouseman warehouse is not of 2366  
itself sufficient to establish that the sale was not made in a 2367  
commercially reasonable manner. ~~If the warehouseman either~~ The 2368

warehouse sells in a commercially reasonable manner if the 2369  
warehouse sells the goods in the usual manner in any recognized 2370  
market ~~therefor~~ therefore, ~~or if he~~ sells at the price current in 2371  
~~such~~ that market at the time of ~~his~~ the sale, or ~~if he has~~ 2372  
otherwise ~~sold~~ sells in conformity with commercially reasonable 2373  
practices among dealers in the type of goods sold, ~~he has sold in~~ 2374  
~~a commercially reasonable manner~~. A sale of more goods than 2375  
apparently necessary to be offered to ~~insure~~ ensure satisfaction 2376  
of the obligation is not commercially reasonable, except in cases 2377  
covered by the preceding sentence. 2378

(B) A ~~warehouseman's~~ warehouse may enforce its lien on goods, 2379  
other than goods stored by a merchant in the course of ~~his~~ its 2380  
business ~~may be enforced~~, only as follows if the following 2381  
requirements are satisfied: 2382

(1) All persons known to claim an interest in the goods must 2383  
be notified. 2384

(2) ~~The notification must be delivered in person or sent by~~ 2385  
~~registered letter to the last known address of any person to be~~ 2386  
~~notified.~~ 2387

~~(3)~~ That notification must include an itemized statement 2388  
of the claim, a description of the goods subject to the lien, a 2389  
demand for payment within a specified time not less than ten days 2390  
after receipt of the notification, and a conspicuous statement 2391  
that unless the claim is paid within that time the goods will be 2392  
advertised for sale and sold by auction at a specified time and 2393  
place. 2394

~~(4)~~ (3) The sale must conform to the terms of the 2395  
notification. 2396

~~(5)~~ (4) The sale must be held at the nearest suitable place to 2397  
~~that~~ where the goods are held or stored. 2398

~~(6)~~ (5) After the expiration of the time given in the 2399



notification, an advertisement of the sale must be published once 2400  
a week for two weeks consecutively in a newspaper of general 2401  
circulation where the sale is to be held. The advertisement must 2402  
include a description of the goods, the name of the person on 2403  
whose account they are being held, and the time and place of the 2404  
sale. The sale must take place at least fifteen days after the 2405  
first publication. If there is no newspaper of general circulation 2406  
where the sale is to be held, the advertisement must be posted at 2407  
least ten days before the sale in not less than six conspicuous 2408  
places in the neighborhood of the proposed sale. 2409

(C) Before any sale pursuant to this section, any person 2410  
claiming a right in the goods may pay the amount necessary to 2411  
satisfy the lien and the reasonable expenses incurred ~~under~~ in 2412  
complying with this section. In that event, the goods must not be 2413  
sold, but must be retained by the ~~warehouseman~~ warehouse subject 2414  
to the terms of the receipt and sections ~~1307.01~~ 1307.101 to 2415  
~~1307.40, inclusive,~~ 1307.603 of the Revised Code. 2416

(D) The ~~warehouseman~~ warehouse may buy at any public sale 2417  
pursuant to this section. 2418

(E) A purchaser in good faith of goods sold to enforce a 2419  
~~warehouseman's~~ warehouse's lien takes the goods free of any rights 2420  
of persons against ~~whom~~ which the lien was valid, despite the 2421  
warehouse's noncompliance ~~by the warehouseman~~ with the 2422  
~~requirements of~~ this section. 2423

(F) ~~The warehouseman~~ A warehouse may satisfy ~~his~~ its lien 2424  
from the proceeds of any sale pursuant to this section but ~~must~~ 2425  
shall hold the balance, if any, for delivery on demand to any 2426  
person to ~~whom he~~ which the warehouse would have been bound to 2427  
deliver the goods. 2428

(G) The rights provided by this section ~~shall be~~ are in 2429  
addition to all other rights allowed by law to a creditor against 2430

~~his~~ a debtor. 2431

(H) ~~Where~~ If a lien is on goods stored by a merchant in the 2432  
course of ~~his~~ its business, the lien may be enforced in accordance 2433  
with either division (A) or (B) of this section. 2434

(I) ~~The warehouseman~~ A warehouse is liable for damages caused 2435  
by failure to comply with the requirements for sale under this 2436  
section and, in case of willful violation, is liable for 2437  
conversion. 2438

**Sec. ~~1307.16~~ 1307.301.** (A) Liability for nonreceipt or 2439  
misdescription; "said to contain"; "shipper's weight, load, and 2440  
count"; improper handling [UCC 7-301] 2441

(A) A consignee of a ~~non-negotiable~~ nonnegotiable bill ~~who~~ of 2442  
lading which has given value in good faith, or a holder to ~~whom~~ 2443  
which a negotiable bill has been duly negotiated, relying ~~in~~ 2444  
~~either case~~ upon the description ~~therein~~ of the goods, in the bill 2445  
or upon the date ~~therein~~ shown in the bill, may recover from the 2446  
issuer damages caused by the misdating of the bill or the 2447  
~~non-receipt~~ nonreceipt or misdescription of the goods, except to 2448  
the extent that the ~~document~~ bill indicates that the issuer does 2449  
not know whether any part or all of the goods in fact were 2450  
received or conform to the description, such as where in a case in 2451  
which the description is in terms of marks or labels or kind, 2452  
quantity, or condition or the receipt or description is qualified 2453  
by "contents or condition of contents of packages unknown", "said 2454  
to contain", "shipper's weight, load and count," or ~~the like~~ words 2455  
of similar import, if such indication ~~be~~ is true. 2456

(B) ~~When~~ If goods are loaded by ~~an~~ the issuer ~~who is~~ of a 2457  
~~common carrier, the~~ bill of lading: 2458

(1) The issuer ~~must~~ shall count the packages of goods if 2459  
~~package freight~~ shipped in packages and ascertain the kind and 2460

quantity if shipped in bulk freight. In such cases; and 2461

(2) Words such as "shipper's weight, load and count," or 2462  
other words of similar import indicating that the description was 2463  
made by the shipper are ineffective except as to freight goods 2464  
concealed by packages. 2465

(C) ~~When~~ If bulk ~~freight is~~ goods are loaded by a shipper ~~who~~ 2466  
that makes available to the issuer of the bill of lading adequate 2467  
facilities for weighing ~~such freight~~ those goods, ~~an~~ the issuer 2468  
~~who is a common carrier must~~ shall ascertain the kind and quantity 2469  
within a reasonable time after receiving the ~~written~~ shipper's 2470  
~~request of the shipper in a record~~ to do so. In such cases that 2471  
case, "shipper's weight" or other words of ~~like purport~~ similar 2472  
import are ineffective. 2473

(D) The issuer ~~may~~ of a bill of lading, by ~~inserting~~ 2474  
including in the bill the words "shipper's weight, load and 2475  
count," or other words of ~~like purport~~ similar import, ~~may~~ 2476  
indicate that the goods were loaded by the shipper~~;~~ and, if ~~such~~ 2477  
that statement ~~be is~~ true, the issuer ~~shall is~~ not ~~be~~ liable for 2478  
damages caused by the improper loading. ~~But their~~ However, 2479  
omission of such words does not imply liability for ~~such~~ damages 2480  
caused by improper loading. 2481

(E) ~~The~~ A shipper ~~shall be deemed to have guaranteed~~ 2482  
guarantees to ~~the~~ an issuer the accuracy at the time of shipment 2483  
of the description, marks, labels, number, kind, quantity, 2484  
condition, and weight, as furnished by ~~him;~~ the shipper, and the 2485  
shipper shall indemnify the issuer against damage caused by 2486  
inaccuracies in ~~such~~ those particulars. The right of the issuer to 2487  
~~such that~~ indemnity ~~shall in no way~~ does not limit ~~his~~ the 2488  
issuer's responsibility ~~and or~~ liability under the contract of 2489  
carriage to any person other than the shipper. 2490

**Sec. 1307.17 1307.302.** (A) Through bills of lading and 2491

similar documents of title [UCC 7-302] 2492

(A) The issuer of a through bill of lading or other document 2493  
of title embodying an undertaking to be performed in part by 2494  
~~persons~~ a person acting as its ~~agents~~ agent or by ~~connecting~~ 2495  
~~carriers~~ a performing carrier, is liable to ~~anyone~~ any person 2496  
entitled to recover on the document for any breach by ~~such~~ the 2497  
other ~~persons~~ person or by a ~~connecting~~ the performing carrier of 2498  
its obligation under the bill or other document ~~but~~. However, to 2499  
the extent that the bill or other document covers an undertaking 2500  
to be performed overseas or in territory not contiguous to the 2501  
continental United States or an undertaking including matters 2502  
other than transportation, this liability for breach by the other 2503  
person or the performing carrier may be varied by agreement of the 2504  
parties. 2505

(B) ~~Where~~ If goods covered by a through bill of lading or 2506  
other document of title embodying an undertaking to be performed 2507  
in part by ~~persons~~ a person other than the issuer are received by 2508  
~~any such persons~~ that person, ~~he~~ the person is subject, with 2509  
respect to ~~his~~ its own performance while the goods are in ~~his~~ its 2510  
possession, to the obligation of the issuer. ~~His~~ The person's 2511  
obligation is discharged by delivery of the goods to another ~~such~~ 2512  
person pursuant to the bill or other document, and does not 2513  
include liability for breach by any other ~~such persons~~ person or 2514  
by the issuer. 2515

(C) The issuer of ~~such~~ a through bill of lading or other 2516  
document ~~shall be~~ or other document of title described in division 2517  
(A) of this section is entitled to recover from the ~~connecting~~ 2518  
performing carrier, or ~~such~~ other person in possession of the 2519  
goods when the breach of the obligation under the bill or other 2520  
document occurred, ~~the~~: 2521

(1) The amount it may be required to pay to ~~anyone~~ any person 2522  
entitled to recover on the bill or other document ~~therefor~~ for the 2523

breach, as may be evidenced by any receipt, judgment, or 2524  
transcript thereof, of judgment; and the 2525

(2) The amount of any expense reasonably incurred by ~~it~~ the 2526  
issuer in defending any action ~~brought~~ commenced by ~~anyone~~ any 2527  
person entitled to recover on the bill or other document ~~therefor~~ 2528  
for the breach. 2529

**Sec. ~~1307.18~~ 1307.303.** ~~(A)~~ Diversion; reconsignment; change 2530  
of instructions [UCC 7-303] 2531

(A) Unless the bill of lading otherwise provides, ~~the~~ a 2532  
carrier may deliver the goods to a person or destination other 2533  
than that stated in the bill or may otherwise dispose of the 2534  
goods, without liability for misdelivery, on instructions from: 2535

(1) the holder of a negotiable bill; ~~or~~ 2536

(2) the consignor on a ~~non-negotiable~~ nonnegotiable bill 2537  
notwithstanding, even if the consignee has given contrary 2538  
instructions ~~from the consignee~~; ~~or~~ 2539

(3) the consignee on a ~~non-negotiable~~ nonnegotiable bill in 2540  
the absence of contrary instructions from the consignor, if the 2541  
goods have arrived at the billed destination or if the consignee 2542  
is in possession of the tangible bill or in control of the 2543  
electronic bill; or 2544

(4) the consignee ~~of~~ on a ~~non-negotiable~~ nonnegotiable bill 2545  
if ~~he~~ the consignee is entitled as against the consignor to 2546  
dispose of ~~them~~ the goods. 2547

(B) Unless ~~such~~ instructions described in division (A) of 2548  
this section are ~~noted on~~ included in a negotiable bill of lading, 2549  
a person to ~~whom~~ which the bill is duly negotiated ~~can~~ may hold 2550  
the bailee according to the original terms. 2551

**Sec. ~~1307.19~~ 1307.304.** ~~(A)~~ Tangible bills of lading in a set 2552

[UCC 7-304]	2553
(A) Except <del>where</del> <u>as</u> customary in <del>overseas</del> <u>international</u> transportation, a <u>tangible</u> bill of lading <del>must</del> <u>may</u> not be issued in a set of parts. The issuer is liable for damages caused by violation of this division.	2554 2555 2556 2557
(B) <del>Where</del> <u>If</u> a <u>tangible</u> bill of lading is lawfully <del>drawn</del> <u>issued</u> in a set of parts, each of which <del>is numbered</del> <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 <del>constitute</del> <u>constitutes</u> one bill.	2558 2559 2560 2561 2562
(C) <del>Where</del> <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 <del>whom</del> <u>which</u> the first due negotiation is made prevails as to both the document <u>of title</u> and the goods even <del>though</del> <u>if</u> any later holder may have received the goods from the carrier in good faith and discharged the carrier's obligation by <del>surrender of his</del> <u>surrendering its</u> part.	2563 2564 2565 2566 2567 2568 2569
(D) <del>Any</del> <u>A</u> person <del>who</del> <u>that</u> negotiates or transfers a single part of a <u>tangible</u> bill of lading <del>drawn</del> <u>issued</u> in a set is liable to holders of that part as if it were the whole set.	2570 2571 2572
(E) The bailee <del>is obliged to</del> <u>shall</u> deliver in accordance with sections <del>1307.25</del> <u>1307.401</u> to <del>1307.28, inclusive,</del> <u>1307.404</u> of the Revised Code, against the first presented part of a <u>tangible</u> bill of lading lawfully <del>drawn</del> <u>issued</u> in a set. <del>Such delivery</del> <u>Delivery in this manner</u> discharges the bailee's obligation on the whole bill.	2573 2574 2575 2576 2577 2578
<b>Sec. <del>1307.20</del> <u>1307.305</u>.</b> (A) <u>Destination bills</u> [UCC 7-305]	2579
(A) Instead of issuing a bill of lading to the consignor at the place of shipment, a carrier <del>may,</del> at the request of the consignor, <u>may</u> procure the bill to be issued at destination or at	2580 2581 2582

any other place designated in the request. 2583

(B) Upon request of ~~anyone~~ any person entitled as against the 2584  
carrier to control the goods while in transit and on surrender of 2585  
possession or control of any outstanding bill of lading or other 2586  
receipt covering ~~such~~ the goods, the issuer, subject to section 2587  
1307.105 of the Revised Code, may procure a substitute bill to be 2588  
issued at any place designated in the request. 2589

**Sec. ~~1307.21~~ 1307.306.** ~~An~~ Altered bills of lading [UCC 7-306] 2590  
2591

An unauthorized alteration or filling in of a blank in a bill 2592  
of lading leaves the bill enforceable according to its original 2593  
tenor. 2594

**Sec. ~~1307.22~~ 1307.307.** ~~(A)~~ Lien of carrier [UCC 7-307] 2595

(A) A carrier has a lien on the goods covered by a bill of 2596  
lading or on the proceeds thereof in its possession for charges 2597  
~~subsequent to~~ after the date of ~~its~~ the carrier's receipt of the 2598  
goods for storage or transportation, including demurrage and 2599  
terminal charges, and for expenses necessary for preservation of 2600  
the goods incident to their transportation or reasonably incurred 2601  
in their sale pursuant to ~~section 1307.23 of the Revised Code~~ law. 2602  
~~But~~ However, against a purchaser for value of a negotiable bill of 2603  
lading, a carrier's lien is limited to charges stated in the bill 2604  
or the applicable tariffs, ~~or~~ if no charges are stated ~~then to~~, a 2605  
reasonable charge. 2606

(B) A lien for charges and expenses under division (A) of 2607  
this section on goods ~~which~~ that the carrier was required by law 2608  
to receive for transportation is effective against the consignor 2609  
or any person entitled to the goods unless the carrier had notice 2610  
that the consignor lacked authority to subject the goods to ~~such~~ 2611  
those charges and expenses. Any other lien under division (A) of 2612

this section is effective against the consignor and any person ~~who~~ 2613  
~~that~~ permitted the bailor to have control or possession of the 2614  
goods unless the carrier had notice that the bailor lacked ~~such~~ 2615  
authority. 2616

(C) A carrier loses ~~his~~ its lien on any goods which ~~he~~ it 2617  
voluntarily delivers or ~~which he~~ unjustifiably refuses to deliver. 2618

**Sec. ~~1307.23~~ 1307.308.** ~~(A)~~ Enforcement of a carrier's lien 2619  
[UCC 7-308] 2620

(A) A carrier's lien on goods may be enforced by public or 2621  
private sale of the goods, in ~~bulk~~ bulk or in ~~parcels~~ packages, at 2622  
any time or place, and on any terms ~~which~~ that are commercially 2623  
reasonable, after notifying all persons known to claim an interest 2624  
in the goods. ~~Such~~ The notification must include a statement of 2625  
the amount due, the nature of the proposed sale, and the time and 2626  
place of any public sale. The fact that a better price could have 2627  
been obtained by a sale at a different time or in a ~~different~~ 2628  
method different from that selected by the carrier is not of 2629  
itself sufficient to establish that the sale was not made in a 2630  
commercially reasonable manner. ~~If the~~ The carrier ~~either~~ sells 2631  
goods in a commercially reasonable manner if the carrier sells the 2632  
goods in the usual manner in any recognized market therefor ~~or if~~ 2633  
~~he~~, sells at the price current in ~~such~~ that market at the time of 2634  
~~his~~ the sale, or ~~if he has~~ otherwise ~~sold~~ sells in conformity with 2635  
commercially reasonable practices among dealers in the type of 2636  
goods sold, ~~he has sold in a commercially reasonable manner.~~ A 2637  
sale of more goods than apparently necessary to be offered to 2638  
ensure satisfaction of the obligation is not commercially 2639  
reasonable, except in cases covered by the preceding sentence. 2640

(B) Before any sale pursuant to this section, any person 2641  
claiming a right in the goods may pay the amount necessary to 2642  
satisfy the lien and the reasonable expenses incurred ~~under~~ in 2643



~~complying with~~ this section. In that event, the goods ~~must~~ may not 2644  
be sold, but must be retained by the carrier, subject to the terms 2645  
of the bill of lading and sections ~~1307.01~~ 1307.102 to ~~1307.40,~~ 2646  
~~inclusive,~~ 1307.603 of the Revised Code. 2647

(C) ~~The~~ A carrier may buy at any public sale pursuant to this 2648  
section. 2649

(D) A purchaser in good faith of goods sold to enforce a 2650  
carrier's lien takes the goods free of any rights of persons 2651  
against ~~whom~~ which the lien was valid, despite the carrier's 2652  
noncompliance ~~by the carrier~~ with ~~the requirements~~ of this 2653  
section. 2654

(E) ~~The~~ A carrier may satisfy ~~his~~ its lien from the proceeds 2655  
of any sale pursuant to this section but ~~must~~ shall hold the 2656  
balance, if any, for delivery on demand to any person to ~~whom he~~ 2657  
which the carrier would have been bound to deliver the goods. 2658

(F) The rights provided by this section ~~shall be~~ are in 2659  
addition to all other rights allowed by law to a creditor against 2660  
~~his~~ a debtor. 2661

(G) A carrier's lien may be enforced in accordance with 2662  
either division ~~(B)~~ of this section or the procedure set forth in 2663  
division (B) of section ~~1307.15~~ 1307.210 of the Revised Code. 2664

(H) The carrier is liable for damages caused by failure to 2665  
comply with the requirements for sale under this section and, in 2666  
case of willful violation, is liable for conversion. 2667

**Sec. ~~1307.24~~ 1307.309.** ~~(A)~~ Duty of care; contractual 2668  
limitation of carrier's liability [UCC 7-309] 2669

(A) A carrier ~~who~~ that issues a bill of lading, whether 2670  
negotiable or ~~non-negotiable~~ nonnegotiable, shall exercise 2671  
the degree of care in relation to the goods which a reasonably 2672  
careful ~~man~~ person would exercise under like similar 2673

circumstances. This division does not ~~repeal or change~~ affect any 2674  
~~law statute, regulation,~~ or rule of law ~~which that~~ imposes 2675  
liability upon a common carrier for damages not caused by its 2676  
negligence. 2677

(B) Damages may be limited by a ~~provision term in a bill of~~ 2678  
~~lading or in a transportation agreement~~ that the carrier's 2679  
liability ~~shall~~ may not exceed a value stated in the ~~document bill~~ 2680  
~~or transportation agreement~~ if the carrier's rates are dependent 2681  
upon value and the consignor ~~by the carrier's tariff~~ is afforded 2682  
an opportunity to declare a higher value ~~or a value as lawfully~~ 2683  
~~provided in and the tariff, or where no tariff is filed he~~ 2684  
~~cosignor~~ is ~~otherwise~~ advised of ~~such the~~ opportunity; ~~but no.~~ 2685  
However, such a limitation is not effective with respect to the 2686  
carrier's liability for conversion to its own use. 2687

(C) Reasonable provisions as to the time and manner of 2688  
presenting claims and instituting actions based on the shipment 2689  
may be included in a bill of lading or ~~tariff~~ a transportation 2690  
agreement. 2691

**Sec. 1307.25 1307.401.** The Irregularities in issue of receipt 2692  
or bill or conduct of issuer [UCC 7-401] 2693

The obligations imposed by sections 1307.01 1307.101 to 2694  
1307.40, inclusive, 1307.603 of the Revised Code on an issuer 2695  
apply to a document of title ~~regardless of the fact that even if:~~ 2696

~~(1) the~~ (A) The document ~~may~~ does not comply with the 2697  
requirements of sections ~~1307.01 1307.101 to 1307.40, inclusive,~~ 2698  
1307.603 of the Revised Code or of any other ~~law statute, rule, or~~ 2699  
regulation regarding its ~~issue~~ issuance, form, or content; ~~or~~ 2700

~~(2) the~~ (B) The issuer ~~may have~~ violated laws regulating the 2701  
conduct of ~~his~~ its business; ~~or~~ 2702

~~(3) the~~ (C) The goods covered by the document were owned by 2703

the bailee ~~at the time~~ when the document was issued; or 2704

~~(4) the (D) The person issuing the document does not come~~ 2705  
~~within is not a warehouse but the definition of warehouseman if it~~ 2706  
~~document purports to be a warehouse receipt.~~ 2707

**Sec. ~~1307.26~~ 1307.402.** ~~Neither a Duplicate document of title;~~ 2708  
~~overissue [UCC 7-402]~~ 2709

A duplicate ~~not~~ or any other document of title purporting to 2710  
cover goods already represented by an outstanding document of the 2711  
same issuer ~~confers~~ does not confer any right in the goods, except 2712  
as provided in the case of tangible bills of lading in a set of 2713  
parts, overissue of documents for fungible goods, ~~and~~ substitutes 2714  
for lost, stolen, or destroyed documents or substitute documents 2715  
issued pursuant to section 1307.105 of the Revised Code. ~~But the~~ 2716  
The issuer is liable for damages caused by ~~his~~ its overissue or 2717  
failure to identify a duplicate document ~~as such~~ by a conspicuous 2718  
notation ~~on its face.~~ 2719

**Sec. ~~1307.27~~ 1307.403.** ~~(A) The Obligation of a bailee to~~ 2720  
~~deliver; excuse [UCC 7-403]~~ 2721

(A) A bailee ~~must~~ shall deliver the goods to a person 2722  
entitled under ~~the~~ a document ~~who~~ of title if the person complies 2723  
with divisions (B) and (C) of this section, unless and to the 2724  
extent that the bailee establishes any of the following: 2725

(1) delivery of the goods to a person whose receipt was 2726  
rightful as against the claimant; 2727

(2) damage to or delay, loss, or destruction of the goods for 2728  
which the bailee is not liable, ~~but the burden of establishing~~ 2729  
~~negligence in such cases is on the person entitled under the~~ 2730  
~~document;~~ 2731

(3) previous sale or other disposition of the goods in lawful 2732

enforcement of a lien or on ~~warehouseman's~~ a warehouse's lawful 2733  
termination of storage; 2734

(4) the exercise by a seller of ~~his~~ its right to stop 2735  
delivery pursuant to the provisions of section 1302.79 of the 2736  
Revised Code or by a lessor of its right to stop delivery pursuant 2737  
to section 1310.72 of the Revised Code; 2738

(5) a diversion, reconsignment, or other disposition pursuant 2739  
to the provisions of section ~~1307.18~~ 1307.303 of the Revised Code 2740  
~~or tariff regulating such right;~~ 2741

(6) release, satisfaction, or any other fact affording a 2742  
personal defense against the claimant; 2743

(7) any other lawful excuse. 2744

(B) A person claiming goods covered by a document of title 2745  
~~must~~ shall satisfy the bailee's lien ~~where~~ if the bailee so 2746  
requests or ~~where~~ if the bailee is prohibited by law from 2747  
delivering the goods until the charges are paid. 2748

(C) Unless the person claiming the goods is one against ~~whom~~ 2749  
which the document ~~confers no~~ of title does not confer a right 2750  
under division (A) of section ~~1307.31~~ 1307.503 of the Revised 2751  
Code, ~~he must;~~ 2752

(1) The person claiming under a document shall surrender ~~for~~ 2753  
~~cancellation~~ possession or ~~notation~~ control of ~~partial deliveries~~ 2754  
any outstanding negotiable document covering the goods, for 2755  
cancellation or indication of partial deliveries; and ~~the~~ 2756

(2) The bailee ~~must~~ shall cancel the document or 2757  
conspicuously ~~note~~ indicate in the document the partial delivery 2758  
~~thereon~~ or be the bailee is liable to any person to ~~whom~~ which the 2759  
document is duly negotiated. 2760

~~(D) "Person entitled under the document" means holder in the~~ 2761  
~~ease of a negotiable document, or the person to whom delivery is~~ 2762

~~to be made by the terms of or pursuant to written instructions~~ 2763  
~~under a non negotiable document.~~ 2764

**Sec. ~~1307.28~~ 1307.404.** A No liability for good-faith delivery 2765  
pursuant to document of title [UCC 7-404] 2766

~~A bailee who that~~ that in good faith, ~~including observance of~~ 2767  
~~reasonable commercial standards~~ has received goods and delivered 2768  
or otherwise disposed of ~~them~~ the goods according to the terms of 2769  
~~the a~~ document of title or pursuant to sections ~~1307.01~~ 1307.101 2770  
to ~~1307.40, inclusive,~~ 1307.603 of the Revised Code, is not liable 2771  
~~therefor. This rule applies for the goods even though the~~ if: 2772

(A) The person from whom he which the bailee received the 2773  
goods ~~had no~~ did not have authority to procure the document or to 2774  
dispose of the goods ~~and even though the;~~ or 2775

(B) The person to whom he which the bailee delivered the 2776  
goods ~~had no~~ did not have authority to receive ~~them~~ the goods. 2777

**Sec. ~~1307.29~~ 1307.501.** ~~(A) A~~ Form of negotiation and 2778  
requirements of due negotiation [UCC 7-501] 2779

(A) The following rules apply to a negotiable tangible 2780  
document of title ~~running:~~ 2781

(1) If the document's original terms run to the order of a 2782  
named person, the document is negotiated by ~~his~~ the named person's 2783  
indorsement and delivery. After ~~his~~ the named person's indorsement 2784  
in blank or to bearer, any person ~~can~~ may negotiate ~~it~~ the 2785  
document by delivery alone. 2786

~~(B)(1) A negotiable document of title~~ (2) If the document's 2787  
original terms run to bearer, it is also negotiated by delivery 2788  
alone ~~when by its original terms it runs to bearer.~~ 2789

~~(2) When a document running~~ (3) If the document's original 2790  
terms run to the order of a named person and it is delivered to 2791

~~him~~ the named person, the effect is the same as if the document  
had been negotiated.

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

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

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

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

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

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

(C) Indorsement of a ~~non-negotiable~~ nonnegotiable document of

title neither makes it negotiable nor adds to the transferee's 2823  
rights. 2824

~~(F)~~(D) The naming in a negotiable bill of lading of a person 2825  
to be notified of the arrival of the goods does not limit the 2826  
negotiability of the bill ~~nor~~ or constitute notice to a purchaser 2827  
~~thereof~~ of the bill of any interest of ~~such~~ that person in the 2828  
goods. 2829

**Sec. ~~1307.30~~ 1307.502.** ~~(A)~~ Rights acquired by due negotiation 2830  
[UCC 7-502] 2831

(A) Subject to sections ~~1307.31~~ 1307.205 and ~~1307.10~~ 1307.503 2832  
of the Revised Code ~~on fungible goods~~, a holder to ~~whom~~ which a 2833  
negotiable document of title has been duly negotiated acquires 2834  
thereby: 2835

(1) title to the document; 2836

(2) title to the goods; 2837

(3) all rights accruing under the law of agency or estoppel, 2838  
including rights to goods delivered to the bailee after the 2839  
document was issued; and 2840

(4) the direct obligation of the issuer to hold or deliver 2841  
the goods according to the terms of the document free of any 2842  
defense or claim by ~~him~~ the issuer except those arising under the 2843  
terms of the document or under sections ~~1307.01~~ 1307.101 to 2844  
~~1307.40, inclusive,~~ 1307.603 of the Revised Code. ~~In, but in~~ the 2845  
case of a delivery order, the bailee's obligation accrues only 2846  
upon the bailee's acceptance of the delivery order and the 2847  
obligation acquired by the holder is that the issuer and any 2848  
indorser will procure the acceptance of the bailee. 2849

(B) Subject to section ~~1307.31~~ 1307.503 of the Revised Code, 2850  
title and rights ~~so~~ acquired by due negotiation are not defeated 2851  
by any stoppage of the goods represented by the document of title 2852

or by surrender of ~~such the~~ goods by the bailee, and are not 2853  
impaired even ~~though the~~ if: 2854

(1) The due negotiation or any prior due negotiation 2855  
constituted a breach of duty ~~or even though any~~; 2856

(2) Any person has been deprived of possession of ~~the a~~ 2857  
negotiable tangible document or control of a negotiable electronic 2858  
document by misrepresentation, fraud, accident, mistake, duress, 2859  
loss, theft, or conversion; ~~or even though a~~ 2860

(3) A previous sale or other transfer of the goods or 2861  
document has been made to a third person. 2862

**Sec. ~~1307.31~~ 1307.503.** ~~(A)~~ Document of title to goods 2863  
defeated in certain cases [UCC 7-503] 2864

(A) A document of title confers no right in goods against a 2865  
person ~~who that~~ before issuance of the document had a legal 2866  
interest or a perfected security interest in ~~them the goods~~ and 2867  
~~who neither that did not~~: 2868

(1) ~~delivered or entrusted them~~ Deliver or entrust the goods 2869  
or any document of title covering ~~them the goods~~ to the bailor or 2870  
the bailor's nominee with actual: 2871

(a) Actual or apparent authority to ship, store, or sell ~~or~~ 2872  
~~with power~~; 2873

(b) Power to obtain delivery under section ~~1307.27~~ 1307.403 2874  
of the Revised Code; ~~or with power~~ 2875

(c) Power of disposition under ~~sections~~ section 1302.44 ~~and,~~ 2876  
1309.320, 1310.32, or 1310.33 of the Revised Code, or other ~~statute~~ 2877  
statute or rule of law; ~~nor or~~ 2878

(2) ~~acquiesced~~ Acquiesce in the procurement by the bailor or 2879  
~~the bailor's~~ its nominee of any document ~~of title~~. 2880

(B) Title to goods based upon an unaccepted delivery order is 2881



subject to the rights of ~~anyone~~ any person to ~~whom~~ which a 2882  
negotiable warehouse receipt or bill of lading covering the goods 2883  
has been duly negotiated. ~~Such a~~ That title may be defeated under 2884  
section ~~1307.32~~ 1307.504 of the Revised Code to the same extent as 2885  
the rights of the issuer or a transferee from the issuer. 2886

(C) Title to goods based upon a bill of lading issued to a 2887  
freight forwarder is subject to the rights of ~~anyone~~ any person to 2888  
~~whom~~ which a bill issued by the freight forwarder is duly 2889  
negotiated; ~~but~~. However, delivery by the carrier in accordance 2890  
with sections ~~1307.25~~ 1307.401 to ~~1307.28~~ 1307.404 of the Revised 2891  
Code, pursuant to its own bill of lading discharges the carrier's 2892  
obligation to deliver. 2893

**Sec. ~~1307.32~~ 1307.504.** (A) Rights acquired in absence of due 2894  
negotiation; effect of diversions; stoppage of delivery [UCC 2895  
7-504] 2896

(A) A transferee of a document of title, whether negotiable 2897  
or ~~non-negotiable~~ nonnegotiable, to ~~whom~~ which the document has 2898  
been delivered but not duly negotiated, acquires the title and 2899  
rights ~~which his~~ that its transferor had or had actual authority 2900  
to convey. 2901

(B) In the case of a ~~non-negotiable~~ transfer of a 2902  
nonnegotiable document of title, until but not after the bailee 2903  
receives ~~notification~~ notice of the transfer, the rights of the 2904  
transferee may be defeated: 2905

(1) ~~by~~ By those creditors of the transferor ~~who~~ which could 2906  
treat the ~~sale~~ transfer as void under section 1302.43 or 1310.36 2907  
of the Revised Code; ~~or~~ 2908

(2) ~~by~~ By a buyer from the transferor in ordinary course of 2909  
business if the bailee has delivered the goods to the buyer or 2910  
received notification of ~~his~~ the buyer's rights; ~~or~~ 2911

(3) ~~as~~ By a lessee from the transferor in ordinary course of 2912  
business if the bailee has delivered the goods to the lessee or 2913  
received notification of the lessee's rights; or 2914

(4) As against the bailee, by ~~good-faith~~ good-faith dealings 2915  
of the bailee with the transferor. 2916

(C) A diversion or other change of shipping instructions by 2917  
the consignor in a ~~non-negotiable~~ nonnegotiable bill of lading 2918  
which causes the bailee not to deliver the goods to the consignee 2919  
defeats the consignee's title to the goods if ~~they~~ the goods have 2920  
been delivered to a buyer in ordinary course of business or a 2921  
lessee in ordinary course of business and, in any event, defeats 2922  
the consignee's rights against the bailee. 2923

(D) Delivery of the goods pursuant to a ~~non-negotiable~~ 2924  
nonnegotiable document of title may be stopped by a seller 2925  
~~pursuant to~~ under section 1302.79 of the Revised Code ~~and or a~~ 2926  
lessor under section 1310.72 of the Revised Code, subject to the 2927  
requirement of due notification ~~there provided~~ in those sections. 2928  
A bailee ~~honoring~~ that honors the seller's or lessor's 2929  
instructions is entitled to be indemnified by the seller or lessor 2930  
against any resulting loss or expense. 2931

**Sec. ~~1307.33~~ 1307.505.** The Indorser not guarantor for other 2932  
[UCC 7-505] 2933

The indorsement of a tangible document of title issued by a 2934  
bailee does not make the indorser liable for any default by the 2935  
bailee or ~~by~~ previous indorsers. 2936

**Sec. ~~1307.34~~ 1307.506.** The Delivery without indorsement: 2937  
right to compel indorsement [UCC 7-506] 2938

The transferee of a negotiable tangible document of title has 2939  
a specifically enforceable right to have ~~his~~ its transferor supply 2940  
any necessary indorsement, but the transfer becomes a negotiation 2941

only as of the time the indorsement is supplied. 2942

**Sec. ~~1307.35~~ 1307.507.** Where Warranties on negotiation or 2943  
delivery of document of title [UCC 7-507] 2944

If a person negotiates or ~~transfers~~ delivers a document of 2945  
title for value, otherwise than as a mere intermediary under 2946  
section ~~1307.36~~ 1307.508 of the Revised Code, ~~then~~ unless 2947  
otherwise agreed ~~he warrants to his immediate purchaser only, the~~ 2948  
transferor, in addition to any warranty made in selling or leasing 2949  
the goods, warrants to its immediate purchaser only that: 2950

(A) ~~that the~~ The document is genuine; ~~and~~ 2951

(B) ~~that he has no~~ The transferor does not have knowledge of 2952  
any fact ~~which~~ that would impair ~~its~~ the document's validity or 2953  
worth; and 2954

(C) ~~that his~~ The negotiation or ~~transfer~~ delivery is rightful 2955  
and fully effective with respect to the title to the document and 2956  
the goods it represents. 2957

**Sec. ~~1307.36~~ 1307.508.** A Warranties of collecting bank as to 2958  
documents of title [UCC 7-508] 2959

A collecting bank or other intermediary known to be entrusted 2960  
with documents of title on behalf of another or with collection of 2961  
a draft or other claim against delivery of documents warrants by 2962  
~~such~~ the delivery of the documents only its own good faith and 2963  
authority. ~~This rule applies even though~~ if the collecting bank or 2964  
other intermediary has purchased or made advances against the 2965  
claim or draft to be collected. 2966

**Sec. ~~1307.37~~ 1307.509.** ~~The question whether~~ Adequate 2967  
compliance with commercial contract [UCC 7-509] 2968

Whether a document of title is adequate to fulfill the 2969

obligations of a contract for sale, a contract for lease, or the 2970  
conditions of a letter of credit is governed by sections 1302.01 2971  
to 1302.98, ~~inclusive, and~~ 1305.01 to 1305.16, ~~inclusive, and~~ 2972  
1310.01 to 1310.78 of the Revised Code. 2973

**Sec. ~~1307.38~~ 1307.601.** ~~(A)~~ Lost, stolen, or destroyed 2974  
documents of title [UCC 7-601] 2975

(A) If a document ~~has been of title is~~ lost, stolen, or 2976  
destroyed, a court may order delivery of the goods or issuance of 2977  
a substitute document and the bailee may without liability to any 2978  
person comply with ~~such the~~ order. If the document was negotiable, 2979  
a court may not order delivery of the goods or issuance of a 2980  
substitute document without the claimant must post claimant's 2981  
posting security approved by the court to indemnify unless it 2982  
finds that any person ~~who that~~ that may suffer loss as a result of 2983  
~~non-surrender~~ nonsurrender of possession or control of the 2984  
document is adequately protected against the loss. If the document 2985  
was ~~not negotiable nonnegotiable, such the~~ court may require 2986  
security ~~may be required at the discretion of the court~~. The court 2987  
may also ~~in its discretion~~ order payment of the bailee's 2988  
reasonable costs and ~~counsel~~ attorney's fees in any action under 2989  
this division. 2990

(B) A bailee ~~who that,~~ without court order, delivers goods to 2991  
a person claiming under a missing negotiable document of title is 2992  
liable to any person injured thereby, ~~and if.~~ If the delivery is 2993  
not in good faith ~~becomes,~~ the bailee is liable for conversion. 2994  
Delivery in good faith is not conversion ~~if made in accordance~~ 2995  
~~with a filed classification or tariff or, where no classification~~ 2996  
~~or tariff is filed,~~ if the claimant posts security with the bailee 2997  
in an amount at least double the value of the goods at the time of 2998  
posting to indemnify any person injured by the delivery ~~who~~ which 2999  
files a notice of claim within one year after the delivery. 3000

**Sec. ~~1307.39~~ 1307.602.** ~~Except where the~~ Judicial process 3001  
against goods covered by negotiable document of title [UCC 7-602] 3002

Unless a document of title was originally issued upon 3003  
delivery of the goods by a person ~~who had no~~ that did not have 3004  
power to dispose of them, ~~no a lien attaches~~ does not attach by 3005  
virtue of any judicial process to goods in the possession of a 3006  
bailee for which a negotiable document of title is outstanding 3007  
unless possession or control of the document ~~be is~~ first 3008  
surrendered to the bailee or ~~its~~ the document's negotiation is 3009  
~~enjoined, and the.~~ The bailee ~~shall~~ may not be compelled to 3010  
deliver the goods pursuant to process until possession or control 3011  
of the document is surrendered to him the bailee or ~~impounded by~~ 3012  
to the court. ~~One who purchases~~ A purchaser of the document for 3013  
value without notice of the process or injunction takes free of 3014  
the lien imposed by judicial process. 3015

**Sec. ~~1307.40~~ 1307.603.** ~~If~~ Conflicting claims; interpleader 3016  
[UCC 7-603] 3017

If more than one person claims title to or possession of the 3018  
goods, the bailee is excused from delivery until ~~he~~ the bailee has 3019  
~~had~~ a reasonable time to ascertain the validity of the adverse 3020  
claims or to ~~bring~~ commence an action ~~to compel all claimants to~~ 3021  
~~interplead and may compel such~~ for interpleader, The bailee may 3022  
assert an interpleader either in defending an action for 3023  
~~non-delivery~~ nondelivery of the goods, or by original action, 3024  
~~whichever is appropriate.~~ 3025

**Sec. 1307.703.** Applicability [UCC 7-703] 3026

Sections 1307.101 to 1307.603 of the Revised Code apply to a 3027  
document of title that is issued or a bailment that arises on or 3028  
after the effective date of this section. Sections 1307.101 to 3029  
1307.603 of the Revised Code do not apply to a document of title 3030

that is issued or a bailment that arises before the effective date 3031  
of this section even if the document of title or bailment would be 3032  
subject to those sections if the document of title had been issued 3033  
or bailment had arisen after the effective date of this section. 3034  
These sections do not apply to a right of action that has accrued 3035  
before the effective date of this section. 3036

**Sec. 1307.704. Savings clause [UCC 7-704]** 3037

A document of title issued or a bailment that arises before 3038  
the effective date of sections 1307.101 to 1307.603 of the Revised 3039  
Code and the rights, obligations, and interests flowing from that 3040  
document or bailment are governed by any statute or other rule 3041  
amended or repealed by H.B. .... of the 128th general assembly as 3042  
if amendment or repeal had not occurred and may be terminated, 3043  
completed, consummated, or enforced under that statute or other 3044  
rule. 3045

**Sec. 1308.01. (A) In this chapter:** 3046

(1) "Adverse claim" means a claim that a claimant has a 3047  
property interest in a financial asset and that it is a violation 3048  
of the rights of the claimant for another person to hold, 3049  
transfer, or deal with the financial asset. 3050

(2) "Bearer form," as applied to a certificated security, 3051  
means a form in which the security is payable to the bearer of the 3052  
security certificate according to its terms but not by reason of 3053  
an indorsement. 3054

(3) "Broker" means a person defined as a broker or dealer 3055  
under the federal securities laws, but without excluding a bank 3056  
acting in that capacity. 3057

(4) "Certificated security" means a security that is 3058  
represented by a certificate. 3059

(5) "Clearing corporation" means:	3060
(a) A person that is registered as a "clearing agency" under the federal securities laws;	3061 3062
(b) A federal reserve bank; or	3063
(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.	3064 3065 3066 3067 3068 3069 3070
(6) "Communicate" means to:	3071
(a) Send a signed writing; or	3072
(b) Transmit information by any mechanism agreed upon by the persons transmitting and receiving the information.	3073 3074
(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.	3075 3076 3077 3078 3079 3080
(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.	3081 3082 3083 3084
(9) "Financial asset," except as otherwise provided in section 1308.02 of the Revised Code, means:	3085 3086
(a) A security;	3087
(b) An obligation of a person or a share, participation, or other interest in a person or in property or an enterprise of a	3088 3089

person, which is, or is of a type, dealt in or traded on financial 3090  
markets, or which is recognized in any area in which it is issued 3091  
or dealt in as a medium for investment; or 3092

(c) Any property that is held by a securities intermediary 3093  
for another person in a securities account if the securities 3094  
intermediary has expressly agreed with the other person that the 3095  
property is to be treated as a financial asset under this chapter. 3096

As context requires, the term means either the interest 3097  
itself or the means by which a person's claim to it is evidenced, 3098  
including a certificated or uncertificated security, a security 3099  
certificate, or a security entitlement. 3100

~~(10) "Good faith," for purposes of the obligation of good 3101  
faith in the performance or enforcement of contracts or duties 3102  
within this chapter, means honesty in fact and the observance of 3103  
reasonable commercial standards of fair dealing. 3104~~

~~(11)~~ "Indorsement" means a signature that alone or 3105  
accompanied by other words is made on a security certificate in 3106  
registered form or on a separate document for the purpose of 3107  
assigning, transferring, or redeeming the security or granting a 3108  
power to assign, transfer, or redeem it. 3109

~~(12)~~(11) "Instruction" means a notification communicated to 3110  
the issuer of an uncertificated security which directs that the 3111  
transfer of the security be registered or that the security be 3112  
redeemed. 3113

~~(13)~~(12) "Registered form," as applied to a certificated 3114  
security, means a form in which: 3115

(a) The security certificate specifies a person entitled to 3116  
the security; and 3117

(b) A transfer of the security may be registered upon books 3118  
maintained for that purpose by or on behalf of the issuer, or the 3119



security certificate so states. 3120

~~(14)~~(13) "Securities intermediary" means: 3121

(a) A clearing corporation; or 3122

(b) A person, including a bank or broker, that in the 3123  
ordinary course of its business maintains securities accounts for 3124  
others and is acting in that capacity. 3125

~~(15)~~(14) "Security," except as otherwise provided in section 3126  
1308.02 of the Revised Code, means an obligation of an issuer or a 3127  
share, participation, or other interest in an issuer or in 3128  
property or an enterprise of an issuer: 3129

(a) Which is represented by a security certificate in bearer 3130  
or registered form, or the transfer of which may be registered 3131  
upon books maintained for that purpose by or on behalf of the 3132  
issuer; 3133

(b) Which is one of a class or series or by its terms is 3134  
divisible into a class or series of shares, participations, 3135  
interests, or obligations; and 3136

(c) Which: 3137

(i) Is, or is of a type, dealt in or traded on securities 3138  
exchanges or securities markets; or 3139

(ii) Is a medium for investment and by its terms expressly 3140  
provides that it is a security governed by this chapter. 3141

~~(16)~~(15) "Security certificate" means a certificate 3142  
representing a security. 3143

~~(17)~~(16) "Security entitlement" means the rights and property 3144  
interest of an entitlement holder with respect to a financial 3145  
asset specified in sections 1308.51 to 1308.61 of the Revised 3146  
Code. 3147

~~(18)~~(17) "Uncertificated security" means a security that is 3148

not represented by a certificate.	3149
(B) Other definitions applying to this chapter and the sections in which they appear are:	3150
(1) "Appropriate person," as defined in section 1308.23 of the Revised Code.	3151
(2) "Control," as defined in section 1308.24 of the Revised Code.	3152
(3) "Delivery," as defined in section 1308.27 of the Revised Code.	3153
(4) "Investment company security," as defined in section 1308.02 of the Revised Code.	3154
(5) "Issuer," as defined in section 1308.08 of the Revised Code.	3155
(6) "Overissue," as defined in section 1308.03 of the Revised Code.	3156
(7) "Protected purchaser," as defined in section 1308.17 of the Revised Code.	3157
(8) "Securities account," as defined in section 1308.51 of the Revised Code.	3158
(C) In addition, Chapter 1301. of the Revised Code contains general definitions and principles of construction and interpretation applicable throughout this chapter.	3159
(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.	3160
<b>Sec. 1308.02.</b> (A) A share or similar equity interest issued by a corporation, business trust, joint stock company, or similar entity is a security.	3161
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(B) An "investment company security" is a security. 3178  
"Investment company security" means a share or similar equity 3179  
interest issued by an entity that is registered as an investment 3180  
company under the federal investment company laws, an interest in 3181  
a unit investment trust that is so registered, or a face-amount 3182  
certificate issued by a face-amount certificate company that is so 3183  
registered. Investment company security does not include an 3184  
insurance policy or endowment policy or annuity contract issued by 3185  
an insurance company. 3186

(C) An interest in a partnership or limited liability company 3187  
is not a security unless it is dealt in or traded on securities 3188  
exchanges or in securities markets, its terms expressly provide 3189  
that it is a security governed by this chapter, or it is an 3190  
investment company security. However, an interest in a partnership 3191  
or limited liability company is a financial asset if it is held in 3192  
a securities account. 3193

(D) A writing that is a security certificate is governed by 3194  
this chapter and not by Chapter 1303. of the Revised Code, even 3195  
though it also meets the requirements of that chapter. However, a 3196  
negotiable instrument governed by Chapter 1303. of the Revised 3197  
Code is a financial asset if it is held in a securities account. 3198

(E) An option or similar obligation issued by a clearing 3199  
corporation to its participants is not a security, but is a 3200  
financial asset. 3201

(F) A commodity contract, as defined in division (A)(15) of 3202  
section 1309.102 of the Revised Code, is not a security or a 3203  
financial asset. 3204

(G) A document of title is not a financial asset unless 3205  
division (A)(9)(c) of section 1308.01 of the Revised Code applies. 3206

**Sec. 1309.102.** (A) As used in this chapter, unless the 3207

context requires otherwise: 3208

(1) "Accession" means goods that are physically united with 3209  
other goods in such a manner that the identity of the original 3210  
goods is not lost. 3211

(2)(a) "Account," except as used in "account for," means a 3212  
right to payment of a monetary obligation, whether or not earned 3213  
by performance, (i) for property that has been or is to be sold, 3214  
leased, licensed, assigned, or otherwise disposed of, (ii) for 3215  
services rendered or to be rendered, (iii) for a policy of 3216  
insurance issued or to be issued, (iv) for a secondary obligation 3217  
incurred or to be incurred, (v) for energy provided or to be 3218  
provided, (vi) for the use or hire of a vessel under a charter or 3219  
other contract, (vii) arising out of the use of a credit or charge 3220  
card or information contained on or for use with the card, or 3221  
(viii) as winnings in a lottery or other game of chance operated 3222  
or sponsored by a state, governmental unit of a state, or person 3223  
licensed or authorized to operate the game by a state or 3224  
governmental unit of a state. 3225

(b) "Account" includes health-care insurance receivables. 3226

(c) "Account" does not include (i) rights to payment 3227  
evidenced by chattel paper or an instrument, (ii) commercial tort 3228  
claims, (iii) deposit accounts, (iv) investment property, (v) 3229  
letter-of-credit rights or letters of credit, or (vi) rights to 3230  
payment for money or funds advanced or sold, other than rights 3231  
arising out of the use of a credit or charge card or information 3232  
contained on or for use with the card. 3233

(3) "Account debtor" means a person who is obligated on an 3234  
account, chattel paper, or general intangible. "Account debtor" 3235  
does not include a person who is obligated to pay a negotiable 3236  
instrument, even if the instrument constitutes part of chattel 3237  
paper. 3238

(4) "Accounting," except as used in "accounting for," means a record:	3239 3240
(a) Authenticated by a secured party;	3241
(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	3242 3243 3244
(c) Identifying the components of the obligations in reasonable detail.	3245 3246
(5) "Agricultural lien" means an interest, other than a security interest, in farm products:	3247 3248
(a) That secures payment or performance of an obligation for:	3249
(i) Goods or services furnished in connection with a debtor's farming operation; or	3250 3251
(ii) Rent on real property leased by a debtor in connection with its farming operation.	3252 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 3256 3257
(ii) Leased real property to a debtor in connection with the debtor's farming operation; and	3258 3259
(c) Whose effectiveness does not depend on the person's possession of the personal property.	3260 3261
(6) "As-extracted collateral" means:	3262
(a) Oil, gas, or other minerals that are subject to a security interest that:	3263 3264
(i) Is created by a debtor having an interest in the minerals before extraction; and	3265 3266

(ii) Attaches to the minerals as extracted; or	3267
(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.	3268 3269 3270
(7) "Authenticate" means:	3271
(a) To sign; or	3272
(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.	3273 3274 3275 3276
(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.	3277 3278 3279
(9) "Cash proceeds" means proceeds that are money, checks, deposit accounts, or the like.	3280 3281
(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.	3282 3283 3284 3285 3286
(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.	3287 3288 3289 3290 3291 3292
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 with respect to software used in the goods.	3293 3294 3295 3296

(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.

(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.

(12) "Collateral" means the property subject to a security interest or agricultural lien, including:

(a) Proceeds to which a security interest attaches;

(b) Accounts, chattel paper, payment intangibles, and promissory notes that have been sold; and

(c) Goods that are the subject of a consignment.

(13) "Commercial tort claim" means a claim arising in tort with respect to which:

(a) The claimant is an organization; or

(b) The claimant is an individual, and the claim:

(i) Arose in the course of the claimant's business or profession; and

(ii) Does not include damages arising out of personal injury to or the death of an individual.

(14) "Commodity account" means an account maintained by a commodity intermediary in which a commodity contract is carried for a commodity customer.

(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:

(a) Traded on or subject to the rules of a board of trade

that has been designated as a contract market for such a contract 3326  
pursuant to the federal commodities laws; or 3327

(b) Traded on a foreign commodity board of trade, exchange, 3328  
or market and is carried on the books of a commodity intermediary 3329  
for a commodity customer. 3330

(16) "Commodity customer" means a person for whom a commodity 3331  
intermediary carries a commodity contract on its books. 3332

(17) "Commodity intermediary" means a person that: 3333

(a) Is registered as a futures commission merchant under the 3334  
federal commodities laws; or 3335

(b) In the ordinary course of its business provides clearance 3336  
or settlement services for a board of trade that has been 3337  
designated as a contract market pursuant to the federal 3338  
commodities laws. 3339

(18) "Communicate" means: 3340

(a) To send a written or other tangible record; 3341

(b) To transmit a record by any means agreed upon by the 3342  
persons sending and receiving the record; or 3343

(c) In the case of transmission of a record to or by a filing 3344  
office, to transmit a record by any means prescribed by 3345  
filing-office rule. 3346

(19) "Consignee" means a merchant to whom goods are delivered 3347  
in a consignment. 3348

(20) "Consignment" means a transaction, regardless of its 3349  
form, in which a person delivers goods to a merchant for the 3350  
purpose of sale and: 3351

(a) The merchant: 3352

(i) Deals in goods of that kind under a name other than the 3353  
name of the person making delivery; 3354



(ii) Is not an auctioneer; and	3355
(iii) Is not generally known by its creditors to be substantially engaged in selling the goods of others;	3356 3357
(b) With respect to each delivery, the aggregate value of the goods is one thousand dollars or more at the time of delivery.	3358 3359
(c) The goods are not consumer goods immediately before delivery; and	3360 3361
(d) The transaction does not create a security interest that secures an obligation.	3362 3363
(21) "Consignor" means a person that delivers goods to a consignee in a consignment.	3364 3365
(22) "Consumer debtor" means a debtor in a consumer transaction.	3366 3367
(23) "Consumer goods" means goods that are used or bought for use primarily for personal, family, or household purposes.	3368 3369
(24) "Consumer-goods transaction" means a consumer transaction in which:	3370 3371
(a) An individual incurs an obligation primarily for personal, family, or household purposes; and	3372 3373
(b) A security interest in consumer goods secures the obligation.	3374 3375
(25) "Consumer obligor" means an obligor who is an individual and who incurred the obligation as part of a transaction entered into primarily for personal, family, or household purposes.	3376 3377 3378
(26) "Consumer transaction" means a transaction in which: (a) an individual incurs an obligation primarily for personal, family, or household purposes, (b) a security interest secures the obligation, and (c) the collateral is held or acquired primarily for personal, family, or household purposes. "Consumer	3379 3380 3381 3382 3383

transaction" includes consumer-goods transactions.	3384
(27) "Continuation statement" means an amendment of a	3385
financing statement that:	3386
(a) Identifies, by its file number, the initial financing	3387
statement to which it relates; and	3388
(b) Indicates that it is a continuation statement for, or	3389
that it is filed to continue the effectiveness of, the identified	3390
financing statement.	3391
(28) "Debtor" means:	3392
(a) A person having an interest, other than a security	3393
interest or other lien, in the collateral, whether or not the	3394
person is an obligor;	3395
(b) A seller of accounts, chattel paper, payment intangibles,	3396
or promissory notes; or	3397
(c) A consignee.	3398
(29) "Deposit account" means a demand, time, savings,	3399
passbook, or similar account maintained with a bank but does not	3400
include investment property or accounts evidenced by an	3401
instrument.	3402
(30) "Document" means a document of title or a receipt of the	3403
type described in division (B) of section <del>1307.06</del> <u>1307.201</u> of the	3404
Revised Code.	3405
(31) "Electronic chattel paper" means chattel paper evidenced	3406
by a record consisting of information stored in an electronic	3407
medium.	3408
(32) "Encumbrance" means a right, other than an ownership	3409
interest, in real property. "Encumbrance" includes mortgages and	3410
other liens on real property.	3411
(33) "Equipment" means goods other than inventory, farm	3412

products, or consumer goods.	3413
(34) "Farm products" means goods, other than standing timber,	3414
with respect to which the debtor is engaged in a farming operation	3415
and that are:	3416
(a) Crops grown, growing, or to be grown, including:	3417
(i) Crops produced on trees, vines, and bushes; and	3418
(ii) Aquatic goods produced in aquacultural operations;	3419
(b) Livestock, born or unborn, including aquatic goods	3420
produced in aquacultural operations;	3421
(c) Supplies used or produced in a farming operation; or	3422
(d) Products of crops or livestock in their unmanufactured	3423
states.	3424
(35) "Farming operation" means raising, cultivating,	3425
propagating, fattening, grazing, or any other farming, livestock,	3426
or aquacultural operation.	3427
(36) "File number" means the number assigned to an initial	3428
financing statement under division (A) of section 1309.519 of the	3429
Revised Code.	3430
(37) "Filing office" means an office designated in section	3431
1309.501 of the Revised Code as the place to file a financing	3432
statement.	3433
(38) "Filing-office rule" means a rule adopted under section	3434
1309.526 of the Revised Code.	3435
(39) "Financing statement" means a record composed of an	3436
initial financing statement and any filed record or records	3437
relating to the initial financing statement. For the purposes of	3438
this chapter, financing statements filed for recording with the	3439
secretary of state shall not be required to include social	3440
security or employer identification numbers.	3441

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

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

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

~~(43) "Good faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing.~~

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

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

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

~~(45)~~(44) "Governmental unit" means a subdivision, agency, department, county, parish, municipal corporation, or other unit of the government of the United States, a state, or a foreign country. "Governmental unit" includes an organization having a separate corporate existence if the organization is eligible to issue debt on which interest is exempt from income taxation under the laws of the United States.

~~(46)~~(45) "Health-care-insurance receivable" means an interest in or claim under a policy of insurance that is a right to payment of a monetary obligation for health-care goods or services provided.

~~(47)~~(46)(a) "Instrument" means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in ordinary course of business is transferred by delivery with any necessary indorsement or assignment.

(b) "Instrument" does not include (i) investment property, (ii) letters of credit, or (iii) writings 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.

~~(48)~~(47) "Inventory" means goods, other than farm products, that:

(a) Are leased by a person as lessor;

(b) Are held by a person for sale or lease or to be furnished

under a contract of service;	3504
(c) Are furnished by a person under a contract of service; or	3505
(d) Consist of raw materials, work in process, or materials used or consumed in a business.	3506 3507
<del>(49)</del> (48) "Investment property" means a security, whether certificated or uncertificated, a security entitlement, a securities account, a commodity contract, or a commodity account.	3508 3509 3510
<del>(50)</del> (49) "Jurisdiction of organization," with respect to a registered organization, means the jurisdiction under whose law the organization is organized.	3511 3512 3513
<del>(51)</del> (50) "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.	3514 3515 3516 3517 3518 3519
<del>(52)</del> (51) "Lien creditor" means:	3520
(a) A creditor who has acquired a lien on the property involved by attachment, levy or the like;	3521 3522
(b) An assignee for benefit of creditors from the time of assignment;	3523 3524
(c) A trustee in bankruptcy from the date of the filing of the petition; or	3525 3526
(d) A receiver in equity from the time of appointment.	3527
<del>(53)</del> (52) "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 as a dwelling with or without a permanent foundation when	3528 3529 3530 3531 3532 3533

connected to the required utilities, and includes the plumbing, 3534  
heating, air conditioning, and electrical systems contained in the 3535  
structure. "Manufactured home" includes any structure that meets 3536  
all of the requirements of this paragraph except the size 3537  
requirements and with respect to which the manufacturer 3538  
voluntarily files a certification required by the United States 3539  
secretary of housing and urban development and complies with the 3540  
standards established under Title 42 of the United States Code. 3541

~~(54)~~(53) "Manufactured-home transaction" means a secured 3542  
transaction: 3543

(a) That creates a purchase-money security interest in a 3544  
manufactured home, other than a manufactured home held as 3545  
inventory; or 3546

(b) In which a manufactured home, other than a manufactured 3547  
home held as inventory, is the primary collateral. 3548

~~(55)~~(54) "Mortgage" means a consensual interest in real 3549  
property, including fixtures, that secures payment or performance 3550  
of an obligation. 3551

~~(56)~~(55) "New debtor" means a person that becomes bound as 3552  
debtor under division (D) of section 1309.203 of the Revised Code 3553  
by a security agreement previously entered into by another person. 3554

~~(57)~~(56)(a) "New value" means (i) money, (ii) money's worth 3555  
in property, services, or new credit, or (iii) release by a 3556  
transferee of an interest in property previously transferred to 3557  
the transferee. 3558

(b) "New value" does not include an obligation substituted 3559  
for another obligation. 3560

~~(58)~~(57) "Noncash proceeds" means proceeds other than cash 3561  
proceeds. 3562

~~(59)~~(58)(a) "Obligor" means a person who, with respect to an 3563

obligation secured by a security interest in or an agricultural 3564  
lien on the collateral, (i) owes payment or other performance of 3565  
the obligation, (ii) has provided property other than the 3566  
collateral to secure payment or other performance of the 3567  
obligation, or (iii) is otherwise accountable in whole or in part 3568  
for payment or other performance of the obligation. 3569

(b) "Obligor" does not include issuers or nominated persons 3570  
under a letter of credit. 3571

~~(60)~~(59) "Original debtor," except as used in division (C) of 3572  
section 1309.310 of the Revised Code, means a person who, as 3573  
debtor, entered into a security agreement to which a new debtor 3574  
has become bound under division (D) of section 1309.203 of the 3575  
Revised Code. 3576

~~(61)~~(60) "Payment intangible" means a general intangible 3577  
under which the account debtor's principal obligation is a 3578  
monetary obligation. 3579

~~(62)~~(61) "Person related to," with respect to an individual, 3580  
means: 3581

(a) The spouse of the individual; 3582

(b) A brother, brother-in-law, sister, or sister-in-law of 3583  
the individual; 3584

(c) An ancestor or lineal descendant of the individual or the 3585  
individual's spouse; or 3586

(d) Any other relative, by blood or marriage, of the 3587  
individual or the individual's spouse who shares the same home 3588  
with the individual. 3589

~~(63)~~(62) "Person related to," with respect to an 3590  
organization, means: 3591

(a) A person directly or indirectly controlling, controlled 3592  
by, or under common control with the organization; 3593



(b) An officer or director of, or a person performing similar functions with respect to, the organization;	3594 3595
(c) An officer or director of, or a person performing similar functions with respect to, a person described in division (A) <del>(63)</del> <u>(62)</u> (a) of this section;	3596 3597 3598
(d) The spouse of an individual described in division (A) <del>(63)</del> <u>(62)</u> (a), (b), or (c) of this section; or	3599 3600
(e) An individual who is related by blood or marriage to an individual described in division (A) <del>(63)</del> <u>(62)</u> (a), (b), (c), or (d) of this section and shares the same home with the individual.	3601 3602 3603
<del>(64)</del> <u>(63)</u> "Proceeds," except as used in division (B) of section 1309.609 of the Revised Code, means the following property:	3604 3605 3606
(a) Whatever is acquired upon the sale, lease, license, exchange, or other disposition of collateral;	3607 3608
(b) Whatever is collected on, or distributed on account of, collateral;	3609 3610
(c) Rights arising out of collateral;	3611
(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	3612 3613 3614 3615
(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.	3616 3617 3618 3619
<del>(65)</del> <u>(64)</u> "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.	3620 3621 3622 3623

~~(66)~~(65) "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)~~(66) "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)~~(67) "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)~~(68) "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)~~(69) "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)~~(70) "Secondary obligor" means an obligor to the extent

that: 3654

(a) The obligor's obligation is secondary; or 3655

(b) The obligor has a right of recourse with respect to an 3656  
obligation secured by collateral against the debtor, another 3657  
obligor, or property of either. 3658

~~(72)~~(71) "Secured party" means: 3659

(a) A person in whose favor a security interest is created or 3660  
provided for under a security agreement, whether or not any 3661  
obligation to be secured is outstanding; 3662

(b) A person that holds an agricultural lien; 3663

(c) A consignor; 3664

(d) A person to whom accounts, chattel paper, payment 3665  
intangibles, or promissory notes have been sold; 3666

(e) A trustee, indenture trustee, agent, collateral agent, or 3667  
other representative in whose favor a security interest or 3668  
agricultural lien is created or provided for; or 3669

(f) A person who holds a security interest arising under 3670  
section 1302.42, 1302.49, 1302.85, 1304.20, 1305.18, or 1310.54 of 3671  
the Revised Code. 3672

~~(73)~~(72) "Security agreement" means an agreement that creates 3673  
or provides for a security interest. 3674

~~(74)~~(73) "Send," in connection with a record or notification, 3675  
means: 3676

(a) To deposit in the mail, deliver for transmission, or 3677  
transmit by any other usual means of communication, with postage 3678  
or cost of transmission provided for, addressed to any address 3679  
reasonable under the circumstances; or 3680

(b) To cause the record or notification to be received within 3681  
the time that it would have been received if properly sent under 3682

division (A)~~(74)~~(73)(a) of this section. 3683

~~(75)~~(74) "Software" means a computer program and any 3684  
supporting information provided in connection with a transaction 3685  
relating to the program. "Software" does not include a computer 3686  
program that is included in the definition of goods. 3687

~~(76)~~(75) "State" means a state of the United States, the 3688  
District of Columbia, Puerto Rico, the United States Virgin 3689  
Islands, or any territory or insular possession subject to the 3690  
jurisdiction of the United States. 3691

~~(77)~~(76) "Supporting obligation" means a letter-of-credit 3692  
right or secondary obligation that supports the payment or 3693  
performance of an account, chattel paper, a document, a general 3694  
intangible, an instrument, or investment property. 3695

~~(78)~~(77) "Tangible chattel paper" means chattel paper 3696  
evidenced by a record consisting of information that is inscribed 3697  
on a tangible medium. 3698

~~(79)~~(78) "Termination statement" means an amendment of a 3699  
financing statement that: 3700

(a) Identifies, by its file number, the initial financing 3701  
statement to which it relates; and 3702

(b) Indicates either that it is a termination statement or 3703  
that the identified financing statement is no longer effective. 3704

~~(80)~~(79) "Transmitting utility" means a person primarily 3705  
engaged in the business of: 3706

(a) Operating a railroad, subway, street railway, or trolley 3707  
bus; 3708

(b) Transmitting communications electrically, 3709  
electromagnetically, or by light; 3710

(c) Transmitting goods by pipeline or sewer; or 3711

(d) Transmitting or producing and transmitting electricity, steam, gas, or water.	3712 3713
(B) Other definitions applying to this chapter are:	3714
(1) "Applicant" has the same meaning as in section 1305.01 of the Revised Code.	3715 3716
(2) "Beneficiary" has the same meaning as in section 1305.01 of the Revised Code.	3717 3718
(3) "Broker" has the same meaning as in section 1308.01 of the Revised Code.	3719 3720
(4) "Certificated security" has the same meaning as in section 1308.01 of the Revised Code.	3721 3722
(5) "Check" has the same meaning as in section 1303.03 of the Revised Code.	3723 3724
(6) "Clearing corporation" has the same meaning as in section 1308.01 of the Revised Code.	3725 3726
(7) "Contract for sale" has the same meaning as in section 1302.01 of the Revised Code.	3727 3728
(8) <u>"Control" with respect to a document of title, has the same meaning as in section 1307.106 of the Revised Code.</u>	3729 3730
<u>(9)</u> "Customer" has the same meaning as in section 1304.01 of the Revised Code.	3731 3732
<del>(9)</del> <u>(10)</u> "Entitlement holder" has the same meaning as in section 1308.01 of the Revised Code.	3733 3734
<del>(10)</del> <u>(11)</u> "Financial asset" has the same meaning as in section 1308.01 of the Revised Code.	3735 3736
<del>(11)</del> <u>(12)</u> "Holder in due course" has the same meaning as in section 1303.32 of the Revised Code.	3737 3738
<del>(12)</del> <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	3739 3740

of the Revised Code. 3741

~~(13)~~(14) "Issuer," with respect to a security, has the same 3742  
meaning as in section 1308.08 of the Revised Code. 3743

~~(14)~~ (15) "Issuer," with respect to a document of title, has 3744  
the same meaning as in section 1307.102 of the Revised Code. 3745

(16) "Lease," "lease agreement," "lease contract," "leasehold 3746  
interest," "lessee," "lessee in ordinary course of business," 3747  
"lessor," and "lessor's residual interest" have the same meanings 3748  
as in section 1310.01 of the Revised Code. 3749

~~(15)~~(17) "Letter of credit" has the same meaning as in 3750  
section 1305.01 of the Revised Code. 3751

~~(16)~~(18) "Merchant" has the same meaning as in section 3752  
1302.01 of the Revised Code. 3753

~~(17)~~(19) "Negotiable instrument" has the same meaning as in 3754  
section 1303.03 of the Revised Code. 3755

~~(18)~~(20) "Nominated person" has the same meaning as in 3756  
section 1305.01 of the Revised Code. 3757

~~(19)~~(21) "Note" has the same meaning as in section 1303.03 of 3758  
the Revised Code. 3759

~~(20)~~(22) "Proceeds of a letter of credit" has the same 3760  
meaning as in section 1305.13 of the Revised Code. 3761

~~(21)~~(23) "Prove" has the same meaning as in section 1303.01 3762  
of the Revised Code. 3763

~~(22)~~(24) "Sale" has the same meaning as in division 3764  
(A)~~(11)~~(10) of section 1302.01 of the Revised Code. 3765

~~(23)~~(25) "Securities account" has the same meaning as in 3766  
section 1308.51 of the Revised Code. 3767

~~(24)~~(26) "Securities intermediary," "security," "security 3768  
certificate," "security entitlement," and "uncertificated 3769

security" have the same meanings as in section 1308.01 of the Revised Code.

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

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

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

(1) Value has been given;

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

(3) One of the following conditions is met:

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

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

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

(d) The collateral is deposit accounts, electronic chattel

paper, investment property, ~~or~~ letter-of-credit rights, or 3799  
electronic documents, and the secured party has control under 3800  
section 1307.106, 1309.104, 1309.105, 1309.106, or 1309.107 of the 3801  
Revised Code pursuant to the debtor's security agreement. 3802

(C) Division (B) of this section is subject to section 3803  
1304.20 of the Revised Code on the security interest of a 3804  
collecting bank, section 1305.18 of the Revised Code on the 3805  
security interest of a letter-of-credit issuer or nominated 3806  
person, section 1309.110 of the Revised Code on a security 3807  
interest arising under Chapter 1302. or 1310. of the Revised Code, 3808  
and section 1309.206 of the Revised Code on security interests in 3809  
investment property. 3810

(D) A person becomes bound as debtor by a security agreement 3811  
entered into by another person if, by operation of law other than 3812  
this article or by contract: 3813

(1) The security agreement becomes effective to create a 3814  
security interest in the person's property; or 3815

(2) The person becomes generally obligated for the 3816  
obligations of the other person, including the obligation secured 3817  
under the security agreement, and acquires or succeeds to all or 3818  
substantially all of the assets of the other person. 3819

(E) If a new debtor becomes bound as debtor by a security 3820  
agreement entered into by another person: 3821

(1) The agreement satisfies division (B)(3) of this section 3822  
with respect to existing or after-acquired property of the new 3823  
debtor to the extent the property is described in the agreement; 3824  
and 3825

(2) Another agreement is not necessary to make a security 3826  
interest in the property enforceable. 3827

(F) The attachment of a security interest in collateral gives 3828



the secured party the rights to proceeds provided by section 3829  
1309.315 of the Revised Code and is also attachment of a security 3830  
interest in a supporting obligation for the collateral. 3831

(G) The attachment of a security interest in a right to 3832  
payment or performance secured by a security interest or other 3833  
lien on personal or real property is also attachment of a security 3834  
interest in the security interest, mortgage, or other lien. 3835

(H) The attachment of a security interest in a securities 3836  
account is also attachment of a security interest in the security 3837  
entitlements carried in the securities account. 3838

(I) The attachment of a security interest in a commodity 3839  
account is also attachment of a security interest in the commodity 3840  
contracts carried in the commodity account. 3841

**Sec. 1309.207.** (A) Except as otherwise provided in division 3842  
(D) of this section, a secured party shall use reasonable care in 3843  
the custody and preservation of collateral in the secured party's 3844  
possession. In the case of an instrument or chattel paper, 3845  
reasonable care includes taking necessary steps to preserve rights 3846  
against prior parties unless otherwise agreed. 3847

(B) Except as otherwise provided in division (D) of this 3848  
section, if a secured party has possession of collateral: 3849

(1) Reasonable expenses, including the cost of insurance and 3850  
payment of taxes or other charges, incurred in the custody, 3851  
preservation, use, or operation of the collateral are chargeable 3852  
to the debtor and are secured by the collateral; 3853

(2) The risk of accidental loss or damage is on the debtor to 3854  
the extent of a deficiency in any effective insurance coverage; 3855

(3) The secured party shall keep the collateral identifiable 3856  
but fungible collateral may be commingled; and 3857

(4) The secured party may use or operate the collateral: 3858

(a) For the purpose of preserving the collateral or its value;	3859 3860
(b) As permitted by an order of a court having competent jurisdiction; or	3861 3862
(c) Except in the case of consumer goods, in the manner and to the extent agreed by the debtor.	3863 3864
(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:	3865 3866 3867 3868
(1) May hold as additional security any proceeds, except money or funds, received from the collateral;	3869 3870
(2) Shall apply money or funds received from the collateral to reduce the secured obligation, unless remitted to the debtor; and	3871 3872 3873
(3) May create a security interest in the collateral.	3874
(D) If the secured party is a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor:	3875 3876
(1) Division (A) of this section does not apply unless the secured party is entitled under an agreement:	3877 3878
(a) To charge back uncollected collateral; or	3879
(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	3880 3881 3882
(2) Divisions (B) and (C) of this section do not apply.	3883
<b>Sec. 1309.208.</b> (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.	3884 3885 3886 3887

(B) Within ten days after receiving an authenticated demand	3888
by the debtor:	3889
(1) A secured party having control of a deposit account under	3890
division (A)(2) of section 1309.104 of the Revised Code shall send	3891
to the bank with which the deposit account is maintained an	3892
authenticated statement that releases the bank from any further	3893
obligation to comply with instructions originated by the secured	3894
party.	3895
(2) A secured party having control of a deposit account under	3896
division (A)(3) of section 1309.104 of the Revised Code shall:	3897
(a) Pay the debtor the balance on deposit in the deposit	3898
account; or	3899
(b) Transfer the balance on deposit into a deposit account in	3900
the debtor's name.	3901
(3) A secured party, other than a buyer, having control of	3902
electronic chattel paper under section 1309.105 of the Revised	3903
Code shall:	3904
(a) Communicate the authoritative copy of the electronic	3905
chattel paper to the debtor or its designated custodian;	3906
(b) If the debtor designates a custodian that is the	3907
designated custodian with which the authoritative copy of the	3908
electronic chattel paper is maintained for the secured party,	3909
communicate to the custodian an authenticated record releasing the	3910
designated custodian from any further obligation to comply with	3911
instructions originated by the secured party and instructing the	3912
custodian to comply with instructions originated by the debtor;	3913
and	3914
(c) Take appropriate action to enable the debtor or its	3915
designated custodian to make copies of or revisions to the	3916
authoritative copy that add or change an identified assignee of	3917

the authoritative copy without the consent of the secured party. 3918

(4) A secured party having control of investment property 3919  
under division (D)(2) of section 1308.24 or division (B) of 3920  
section 1309.106 of the Revised Code shall send to the securities 3921  
intermediary or commodity intermediary with which the security 3922  
entitlement or commodity contract is maintained an authenticated 3923  
record that releases the securities intermediary or commodity 3924  
intermediary from any further obligation to comply with 3925  
entitlement orders or directions originated by the secured party; 3926  
and 3927

(5) A secured party having control of a letter-of-credit 3928  
right under section 1309.107 of the Revised Code shall send to 3929  
each person having an unfulfilled obligation to pay or deliver 3930  
proceeds of the letter of credit to the secured party an 3931  
authenticated release from any further obligation to pay or 3932  
deliver proceeds of the letter of credit to the secured party. 3933

(6) A secured party having control of an electronic document 3934  
shall: 3935

(a) Give control of the electronic document to the debtor or 3936  
its designated custodian; 3937

(b) If the debtor designates a custodian that is the 3938  
designated custodian with which the authoritative copy of the 3939  
electronic document is maintained for the secured party, 3940  
communicate to the custodian an authenticated record releasing the 3941  
designated custodian from any further obligation to comply with 3942  
instructions originated by the secured party and instructing the 3943  
custodian to comply with instructions originated by the debtor; 3944  
and 3945

(c) Take appropriate action to enable the debtor or its 3946  
designated custodian to make copies of or revisions to the 3947  
authoritative copy which add or change an identified assignee of 3948

the authoritative copy without the consent of the secured party. 3949

**Sec. 1309.301.** Except as otherwise provided in sections 3950  
1309.303 to 1309.306 of the Revised Code, the following rules 3951  
determine the law governing perfection, the effect of perfection 3952  
or nonperfection, and the priority of a security interest in 3953  
collateral: 3954

(A) Except as otherwise provided in this section, while a 3955  
debtor is located in a jurisdiction, the local law of that 3956  
jurisdiction governs perfection, the effect of perfection or 3957  
nonperfection, and the priority of a security interest in 3958  
collateral. 3959

(B) While collateral is located in a jurisdiction, the local 3960  
law of that jurisdiction governs perfection, the effect of 3961  
perfection or nonperfection, and the priority of a possessory 3962  
security interest in that collateral. 3963

(C) Except as otherwise provided in division (D) of this 3964  
section, while tangible negotiable documents, goods, instruments, 3965  
money, or tangible chattel paper is located in a jurisdiction, the 3966  
local law of that jurisdiction governs: 3967

(1) Perfection of a security interest in the goods by filing 3968  
a fixture filing; 3969

(2) Perfection of a security interest in timber to be cut; 3970  
and 3971

(3) The effect of perfection or nonperfection and the 3972  
priority of a nonpossessory security interest in the collateral. 3973

(D) The local law of the jurisdiction in which the wellhead 3974  
or minehead is located governs perfection, the effect of 3975  
perfection or nonperfection, and the priority of a security 3976  
interest in as-extracted collateral. 3977

Sec. 1309.310. (A) Except as otherwise provided in division	3978
(B) of this section and division (B) of section 1309.312 of the	3979
Revised Code, a financing statement must be filed to perfect all	3980
security interests and agricultural liens.	3981
(B) The filing of a financing statement is not necessary to	3982
perfect a security interest:	3983
(1) That is perfected under division (D), (E), (F), or (G) of	3984
section 1309.308 of the Revised Code;	3985
(2) That is perfected under section 1309.309 of the Revised	3986
Code when it attaches;	3987
(3) In property subject to a statute, regulation, or treaty	3988
described in division (A) of section 1309.311 of the Revised Code;	3989
(4) In goods in possession of a bailee which is perfected	3990
under division (D)(1) or (2) of section 1309.312 of the Revised	3991
Code;	3992
(5) In certificated securities, documents, goods, or	3993
instruments which is perfected without filing, <u>control</u> , or	3994
possession under division (E), (F), or (G) of section 1309.312 of	3995
the Revised Code;	3996
(6) In collateral in the secured party's possession under	3997
section 1309.313 of the Revised Code;	3998
(7) In a certificated security perfected by delivery of the	3999
security certificate to the secured party under section 1309.313	4000
of the Revised Code;	4001
(8) In deposit accounts, electronic chattel paper, <u>electronic</u>	4002
<u>documents</u> , investment property, or letter-of-credit rights	4003
perfected by control under section 1309.314 of the Revised Code;	4004
(9) In proceeds which is perfected under section 1309.315 of	4005
the Revised Code; or	4006

(10) That is perfected under section 1309.316 of the Revised Code. 4007  
4008

(C) If a secured party assigns a perfected security interest or agricultural lien, a filing under this chapter is not required to continue the perfected status of the security interest against creditors of and transferees from the original debtor. 4009  
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4011  
4012

**Sec. 1309.312.** (A) A security interest in chattel paper, negotiable documents, instruments, or investment property may be perfected by filing. 4013  
4014  
4015

(B) Except as otherwise provided in divisions (C) and (D) of section 1309.315 of the Revised Code for proceeds: 4016  
4017

(1) A security interest in a deposit account may be perfected only by control under section 1309.314 of the Revised Code; 4018  
4019

(2) And except as otherwise provided in division (D) of section 1309.308 of the Revised Code, a security interest in a letter-of-credit right may be perfected only by control under section 1309.314 of the Revised Code; and 4020  
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4022  
4023

(3) A security interest in money may be perfected only by the secured party's taking possession under section 1309.313 of the Revised Code. 4024  
4025  
4026

(C) While goods are in the possession of a bailee that has issued a negotiable document covering the goods: 4027  
4028

(1) A security interest in the goods may be perfected by perfecting a security interest in the document; and 4029  
4030

(2) A security interest perfected in the document has priority over any security interest that becomes perfected in the goods by another method during that time. 4031  
4032  
4033

(D) While goods are in the possession of a bailee that has issued a non-negotiable document covering the goods, a security 4034  
4035

interest in the goods may be perfected by:	4036
(1) Issuance of a document in the name of the secured party;	4037
(2) The bailee's receipt of notification of the secured party's interest; or	4038 4039
(3) Filing as to the goods.	4040
(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.	4041 4042 4043 4044 4045
(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:	4046 4047 4048 4049 4050 4051
(1) Ultimate sale or exchange; or	4052
(2) Loading, unloading, storing, shipping, trans-shipping, manufacturing, processing, or otherwise dealing with them in a manner preliminary to their sale or exchange.	4053 4054 4055
(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:	4056 4057 4058 4059
(1) Ultimate sale or exchange; or	4060
(2) Presentation, collection, enforcement, renewal, or registration of transfer.	4061 4062
(H) After the twenty-day period specified in divisions (E), (F), or (G) of this section expires, perfection depends upon compliance with this chapter.	4063 4064 4065



**Sec. 1309.313.** (A) Except as otherwise provided in division 4066  
(B) of this section, a secured party may perfect a security 4067  
interest in tangible negotiable documents, goods, instruments, 4068  
money, or tangible chattel paper by taking possession of the 4069  
collateral. A secured party may perfect a security interest in 4070  
certificated securities by taking delivery of the certificated 4071  
securities under section 1308.27 of the Revised Code. 4072

(B) With respect to goods covered by a certificate of title 4073  
issued by this state, a secured party may perfect a security 4074  
interest in the goods by taking possession of the goods only in 4075  
the circumstances described in division (D) of section 1309.316 of 4076  
the Revised Code. 4077

(C) With respect to collateral other than certificated 4078  
securities and goods covered by a document, a secured party takes 4079  
possession of collateral in the possession of a person other than 4080  
the debtor, the secured party, or a lessee of the collateral from 4081  
the debtor in the ordinary course of the debtor's business, when: 4082

(1) The person in possession authenticates a record 4083  
acknowledging that the person holds possession of the collateral 4084  
for the secured party's benefit; or 4085

(2) The person takes possession of the collateral after 4086  
having authenticated a record acknowledging that the person will 4087  
hold possession of collateral for the secured party's benefit. 4088

(D) If perfection of a security interest depends upon 4089  
possession of the collateral by a secured party, perfection occurs 4090  
no earlier than the time the secured party takes possession and 4091  
continues only while the secured party retains possession. 4092

(E) A security interest in a certificated security in 4093  
registered form is perfected by delivery when delivery of the 4094  
certificated security occurs under section 1308.27 of the Revised 4095

Code and remains perfected by delivery until the debtor obtains possession of the security certificate. 4096  
4097

(F) A person in possession of collateral is not required to acknowledge that the person holds possession for a secured party's benefit. 4098  
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(G) If a person acknowledges that the person holds possession for the secured party's benefit: 4101  
4102

(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 4103  
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4105  
4106

(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. 4107  
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4109  
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(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: 4111  
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(1) To hold possession of the collateral for the secured party's benefit; or 4117  
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(2) To redeliver the collateral to the secured party. 4119

(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 4120  
4121  
4122  
4123  
4124  
4125

otherwise provides. 4126

**Sec. 1309.314.** (A) A security interest in investment 4127  
property, deposit accounts, letter-of-credit rights, ~~or~~ electronic 4128  
chattel paper, or electronic documents may be perfected by control 4129  
of the collateral under section 1307.106, 1309.104, 1309.105, 4130  
1309.106, or 1309.107 of the Revised Code. 4131

(B) A security interest in deposit accounts, electronic 4132  
chattel paper, ~~or~~ letter-of-credit rights, or electronic documents 4133  
is perfected by control under section 1307.106, 1309.104, 4134  
1309.105, or 1309.107 of the Revised Code when the secured party 4135  
obtains control and remains perfected by control only while the 4136  
secured party retains control. 4137

(C) A security interest in investment property is perfected 4138  
by control under ~~Section~~ section 1309.106 of the Revised Code from 4139  
the time the secured party obtains control and remains perfected 4140  
by control until: 4141

(1) The secured party does not have control; and 4142

(2) One of the following occurs: 4143

(a) If the collateral is a certificated security, the debtor 4144  
has or acquires possession of the security certificate; 4145

(b) If the collateral is an uncertificated security, the 4146  
issuer has registered or registers the debtor as the registered 4147  
owner; or 4148

(c) If the collateral is a security entitlement, the debtor 4149  
is or becomes the entitlement holder. 4150

**Sec. 1309.317.** (A) A security interest or agricultural lien 4151  
is subordinate to the rights of: 4152

(1) A person entitled to priority under section 1309.322 of 4153  
the Revised Code; and 4154

(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 4186  
time the security interest attaches and the time of filing. 4187

**Sec. 1309.331.** (A) This chapter does not limit the rights of 4188  
a holder in due course of a negotiable instrument, as defined in 4189  
section 1303.32 of the Revised Code, or a holder to whom a 4190  
negotiable document of title has been duly negotiated under 4191  
section ~~1307.29~~ 1307.501 of the Revised Code, or a protected 4192  
purchaser of a security under section 1308.17 of the Revised Code. 4193  
These holders or purchasers take priority over an earlier security 4194  
interest, even though perfected, to the extent provided in 4195  
Chapters 1303., 1307., and 1308. of the Revised Code. 4196

(B) This chapter does not limit the rights of or impose 4197  
liability on a person to the extent that the person is protected 4198  
against the assertion of a claim under Chapter 1308. of the 4199  
Revised Code. 4200

(C) Filing under this chapter does not constitute notice of a 4201  
claim or defense to the holders, purchasers, or persons described 4202  
in divisions (A) and (B) of this section. 4203

**Sec. 1309.338.** If a security interest or agricultural lien is 4204  
perfected by a filed financing statement providing information 4205  
described in division (B)(5) of section 1309.516 of the Revised 4206  
Code that is incorrect at the time the financing statement is 4207  
filed: 4208

(A) The security interest or agricultural lien is subordinate 4209  
to a conflicting perfected security interest in the collateral to 4210  
the extent that the holder of the conflicting security interest 4211  
gives value in reasonable reliance upon the incorrect information; 4212  
and 4213

(B) A purchaser, other than a secured party, of the 4214  
collateral takes free of the security interest or agricultural 4215

lien to the extent that, in reasonable reliance upon the incorrect 4216  
information, the purchaser gives value and, in the case of 4217  
tangible chattel paper, tangible documents, goods, instruments, or 4218  
a security certificate, receives delivery of the collateral. 4219

**Sec. 1309.601.** (A) After default, a secured party has the 4220  
rights provided in sections 1309.601 to 1309.628 of the Revised 4221  
Code and, except as otherwise provided in section 1309.602 of the 4222  
Revised Code, those provided by agreement of the parties. A 4223  
secured party: 4224

(1) May reduce a claim to judgment, foreclose, or otherwise 4225  
enforce the claim, security interest, or agricultural lien by any 4226  
available judicial procedure; and 4227

(2) If the collateral is documents, proceed either as to the 4228  
documents or as to the goods they cover. 4229

(B) A secured party in possession of collateral or control of 4230  
collateral under section 1307.106, 1309.104, 1309.105, 1309.106, 4231  
or 1309.107 of the Revised Code has the rights and duties provided 4232  
in section 1309.207 of the Revised Code. 4233

(C) The rights under divisions (A) and (B) of this section 4234  
are cumulative and may be exercised simultaneously. 4235

(D) Except as otherwise provided in division (G) of this 4236  
section and section 1309.605 of the Revised Code, after default, a 4237  
debtor and an obligor have the rights provided in sections 4238  
1309.601 to 1309.628 of the Revised Code and by agreement of the 4239  
parties. 4240

(E) If a secured party has reduced its claim to judgment, the 4241  
lien of any levy that may be made upon the collateral by virtue of 4242  
an execution based upon the judgment relates back to the earliest 4243  
of: 4244

(1) The date of perfection of the security interest or 4245

agricultural lien in the collateral;	4246
(2) The date of filing a financing statement covering the collateral; or	4247 4248
(3) Any date specified in a statute under which the agricultural lien was created.	4249 4250
(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.	4251 4252 4253 4254 4255
(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.	4256 4257 4258 4259 4260
<b>Sec. 1310.01.</b> (A) As used in sections 1310.01 to 1310.78 of the Revised Code, unless the context otherwise requires:	4261 4262
(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 <del>receiving</del> <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.	4263 4264 4265 4266 4267 4268 4269 4270 4271 4272 4273
(2) "Cancellation" occurs when either party puts an end to the lease contract for default by the other party.	4274 4275

(3) "Commercial unit" means a unit of goods that by 4276  
commercial usage is a single whole for purposes of lease and 4277  
division of which materially impairs its character or value on the 4278  
market or in use. A "commercial unit" may be a single article, 4279  
including a machine; a set of articles, including a suite of 4280  
furniture or a line of machinery; a quantity, including a gross or 4281  
carload; or any other unit treated in use or in the relevant 4282  
market as a single whole. 4283

(4) "Conforming" goods or performance under a lease contract 4284  
means goods or performance that are in accordance with the 4285  
obligations under the lease contract. 4286

(5) "Consumer lease" means a lease that a lessor regularly 4287  
engaged in the business of leasing or selling makes to a lessee 4288  
who is an individual and who takes under the lease primarily for a 4289  
personal, family, or household purpose. 4290

(6) "Fault" means wrongful act, omission, breach, or default. 4291

(7) "Finance lease" means a lease with respect to which all 4292  
of the following apply: 4293

(a) The lessor does not select, manufacture, or supply the 4294  
goods; 4295

(b) The lessor acquires the goods or the right to possession 4296  
and use of the goods in connection with the lease; 4297

(c) One of the following occurs: 4298

(i) The lessee receives a copy of the contract by which the 4299  
lessor acquired the goods or the right to possession and use of 4300  
the goods before signing the lease contract; 4301

(ii) The lessee's approval of the contract by which the 4302  
lessor acquired the goods or the right to possession and use of 4303  
the goods is a condition to effectiveness of the lease contract; 4304

(iii) Before signing the lease contract, the lessee receives 4305



an accurate and complete statement designating the promises and 4306  
warranties, disclaimers of warranties, limitations or 4307  
modifications of remedies, or liquidated damages of the 4308  
manufacturer of the goods and of any other third party that were 4309  
provided to the lessor by the person supplying the goods in 4310  
connection with or as part of the contract by which the lessor 4311  
acquired the goods or the right to possession and use of the 4312  
goods; 4313

(iv) If the lease is not a consumer lease, before the lessee 4314  
signs the lease contract, the lessor informs the lessee in writing 4315  
of the identity of the person supplying the goods to the lessor, 4316  
unless the lessee has selected that person and directed the lessor 4317  
to acquire the goods or the right to possession and use of the 4318  
goods from that person; that the lessee is entitled under sections 4319  
1310.01 to 1310.78 of the Revised Code to the promises and 4320  
warranties, including those of any third party, provided to the 4321  
lessor by the person supplying the goods in connection with or as 4322  
part of the contract by which the lessor acquired the goods or the 4323  
right to possession and use of the goods; and that the lessee may 4324  
communicate with the person supplying the goods to the lessor and 4325  
receive an accurate and complete statement of those promises and 4326  
warranties, including any disclaimers and limitations of them or 4327  
of remedies. 4328

(8) "Goods" means all things that are movable at the time of 4329  
identification to the lease contract or that are fixtures, as 4330  
defined in section 1310.37 of the Revised Code. "Goods" does not 4331  
include money, documents, instruments, accounts, chattel paper, 4332  
general intangibles, or minerals or the like, including oil and 4333  
gas, before extraction. "Goods" includes the unborn young of 4334  
animals. 4335

(9) "Installment lease contract" means a lease contract that 4336  
authorizes or requires the delivery of goods in separate lots to 4337

be separately accepted, even though the lease contract contains a 4338  
clause "each delivery is a separate lease" or its equivalent. 4339

(10) "Lease" means a transfer of the right to possession and 4340  
use of goods for a term in return for consideration. A sale, 4341  
including a sale on approval or a sale or return, or retention or 4342  
creation of a security interest, is not a lease. Unless the 4343  
context clearly indicates otherwise, "lease" includes a sublease. 4344

(11) "Lease agreement" means the bargain, with respect to the 4345  
lease, of the lessor and the lessee in fact as found in their 4346  
language or by implication from other circumstances, including 4347  
course of dealing, usage of trade, or course of performance as 4348  
provided in sections 1310.01 to 1310.78 of the Revised Code. 4349  
Unless the context clearly indicates otherwise, "lease agreement" 4350  
includes a sublease agreement. 4351

(12) "Lease contract" means the total legal obligation that 4352  
results from the lease agreement as affected by sections 1310.01 4353  
to 1310.78 of the Revised Code and any other applicable rules of 4354  
law. Unless the context clearly indicates otherwise, "lease 4355  
contract" includes a sublease contract. 4356

(13) "Leasehold interest" means the interest of the lessor or 4357  
the lessee under a lease contract. 4358

(14) "Lessee" means a person who acquires the right to 4359  
possession and use of goods under a lease. Unless the context 4360  
clearly indicates otherwise, "lessee" includes a sublessee. 4361

(15) "Lessee in ordinary course of business" means a person 4362  
who in good faith and without knowledge that the lease to the 4363  
person is in violation of the ownership rights or security 4364  
interest or leasehold interest of a third party in the goods 4365  
leases in ordinary course from a person in the business of selling 4366  
or leasing goods of that kind. "Lessee in ordinary course of 4367  
business" does not include a pawnbroker. "Leasing" may be for 4368

cash, by exchange of other property, or on secured or unsecured 4369  
credit and includes ~~receiving~~ acquiring goods or documents of 4370  
title under a preexisting lease contract. "Leasing" does not 4371  
include a transfer in bulk or as security for or in total or 4372  
partial satisfaction of a money debt. 4373

(16) "Lessor" means a person who transfers the right to 4374  
possession and use of goods under a lease. Unless the context 4375  
clearly indicates otherwise, "lessor" includes a sublessor. 4376

(17) "Lessor's residual interest" means the lessor's interest 4377  
in the goods after expiration, termination, or cancellation of the 4378  
lease contract. 4379

(18) "Lien" means a charge against or interest in goods to 4380  
secure payment of a debt or performance of an obligation but does 4381  
not include a security interest. 4382

(19) "Lot" means a parcel or a single article that is the 4383  
subject matter of a separate lease or delivery, whether or not it 4384  
is sufficient to perform the lease contract. 4385

(20) "Merchant lessee" means a lessee that is a merchant with 4386  
respect to goods of the kind subject to the lease. 4387

(21) "Present value" means the amount as of a date certain of 4388  
one or more sums payable in the future, discounted to the date 4389  
certain. The discount is determined by the interest rate specified 4390  
by the parties if the rate was not manifestly unreasonable at the 4391  
time the parties entered into the transaction. The discount 4392  
otherwise is determined by a commercially reasonable rate that 4393  
takes into account the facts and circumstances of each case at the 4394  
time the parties entered into the transaction. 4395

(22) "Purchase" includes taking by sale, lease, mortgage, 4396  
security interest, pledge, gift, or any other voluntary 4397  
transaction creating an interest in goods. 4398

(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.	4399 4400 4401
(24) "Supplier" means a person from whom a lessor buys or leases goods to be leased under a finance lease.	4402 4403
(25) "Supply contract" means a contract under which a lessor buys or leases goods to be leased.	4404 4405
(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.	4406 4407 4408
(B) The following definitions also apply to sections 1310.01 to 1310.78 of the Revised Code:	4409 4410
(1) "Accessions," as defined in section 1310.38 of the Revised Code;	4411 4412
(2) "Construction mortgage," "encumbrance," "fixtures," "fixture filing," and "purchase money lease" as defined in section 1310.37 of the Revised Code.	4413 4414 4415
(C) As used in sections 1310.01 to 1310.78 of the Revised Code:	4416 4417
(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.	4418 4419 4420 4421
(2) "Between merchants," "buyer," <del>"good faith,"</del> "merchant," "receipt," "sale," and "seller" have the same meanings as in section 1302.01 of the Revised Code.	4422 4423 4424
(3) "Consumer goods" has the same meaning as in section 1309.07 of the Revised Code.	4425 4426
(4) "Entrusting" has the same meaning as in section 1302.44 of the Revised Code.	4427 4428

(5) "Sale on approval" and "sale or return" have the same 4429  
meanings as in section 1302.39 of the Revised Code. 4430

(D) ~~The terms~~ In addition, Chapter 1301. of the Revised Code 4431  
contains general definitions and principles of construction and 4432  
interpretation ~~set forth in sections 1301.01 to 1301.14 of the~~ 4433  
~~Revised Code are applicable to sections 1310.01 to 1310.78 of the~~ 4434  
~~Revised Code~~ throughout this chapter. 4435

**Sec. 1310.47.** (A) Whether the lessor or the lessee is in 4436  
default under a lease contract is determined by the lease 4437  
agreement and sections 1310.01 to 1310.78 of the Revised Code. 4438

(B) If the lessor or the lessee is in default under the lease 4439  
contract, the party seeking enforcement has rights and remedies as 4440  
provided in sections 1310.01 to 1310.78 of the Revised Code and, 4441  
except as limited by those sections, as provided in the lease 4442  
agreement. 4443

(C) If the lessor or the lessee is in default under the lease 4444  
contract, the party seeking enforcement may reduce the party's 4445  
claim to judgment or otherwise enforce the lease contract by 4446  
self-help or any available judicial procedure or nonjudicial 4447  
procedure, including an administrative proceeding, arbitration, or 4448  
the like, in accordance with sections 1310.01 to 1310.78 of the 4449  
Revised Code. 4450

(D) Except as otherwise provided in division (A) of section 4451  
~~1301.06~~ 1301.305 or sections 1310.01 to 1310.78 of the Revised 4452  
Code or the lease agreement, the rights and remedies referred to 4453  
in divisions (B) and (C) of this section are cumulative. 4454

(E) If the lease agreement covers both real property and 4455  
goods, the party seeking enforcement may proceed under sections 4456  
1310.47 to 1310.78 of the Revised Code as to the goods or under 4457  
other applicable law as to both the real property and the goods in 4458

accordance with that party's rights and remedies in respect of the 4459  
real property, in which case sections 1310.47 to 1310.78 of the 4460  
Revised Code does not apply. 4461

**Sec. 1310.60.** (A) In rejecting goods, a lessee's failure to 4462  
state a particular defect that is ascertainable by reasonable 4463  
inspection precludes the lessee from relying on the defect to 4464  
justify rejection or to establish default if either of the 4465  
following applies: 4466

(1) The lessor or supplier could have cured the defect as 4467  
provided in section 1310.59 of the Revised Code if the defect had 4468  
been stated seasonably; 4469

(2) Between merchants, the lessor or supplier, after the 4470  
rejection of the goods, made a request in writing for a full and 4471  
final written statement of all defects on which the lessee 4472  
proposes to rely. 4473

(B) A lessee's failure to reserve rights when paying rent or 4474  
other consideration against documents precludes recovery of the 4475  
payment for defects apparent ~~on the face of~~ in the documents. 4476

**Sec. 1310.64.** (A) After a default of the type described in 4477  
division (A) of section 1310.54 of the Revised Code by a lessor 4478  
under a lease contract, the lessee may cover by making any 4479  
purchase or lease of or contract to purchase or lease goods in 4480  
substitution for those due from the lessor. 4481

(B) Except as otherwise provided in section 1310.50 of the 4482  
Revised Code with respect to damages liquidated in the lease 4483  
agreement or otherwise determined pursuant to agreement of the 4484  
parties as provided in ~~division (C) of section 1301.02~~ 1301.302 4485  
and in section 1310.49 of the Revised Code, if a lessee's cover is 4486  
by a lease agreement substantially similar to the original lease 4487  
agreement and the new lease agreement is made in good faith and in 4488

a commercially reasonable manner, the lessee may recover from the 4489  
lessor as damages both of the following: 4490

(1) The present value, as of the date of the commencement of 4491  
the term of the new lease agreement, of the rent under the new 4492  
lease agreement applicable to that period of the new lease term 4493  
that is comparable to the then remaining term of the original 4494  
lease agreement minus the present value, as of the same date, of 4495  
the total rent for the then remaining lease term of the original 4496  
lease agreement; 4497

(2) Any incidental or consequential damages, less expenses 4498  
saved in consequence of the lessor's default. 4499

(C) If a lessee's cover is by a lease agreement that for any 4500  
reason does not qualify for treatment under division (B) of this 4501  
section or is by purchase or otherwise, the lessee may recover 4502  
from the lessor as if the lessee had elected not to cover and 4503  
section 1310.65 of the Revised Code governs. 4504

**Sec. 1310.65.** (A) Except as otherwise provided in section 4505  
1310.50 of the Revised Code with respect to damages liquidated in 4506  
the lease agreement or as otherwise determined pursuant to the 4507  
agreement of the parties as provided in ~~division (C) of section~~ 4508  
~~1301.02~~ 1301.302 and section 1310.49 of the Revised Code, if a 4509  
lessee elects not to cover or a lessee elects to cover and the 4510  
cover is by lease agreement that for any reason does not qualify 4511  
for treatment under division (B) of section 1310.64 of the Revised 4512  
Code or is by purchase or otherwise, the measure of damages for 4513  
nondelivery or repudiation by the lessor or for rejection or 4514  
revocation of acceptance by the lessee is the present value, as of 4515  
the date of the default, of the then market rent minus the present 4516  
value, as of the same date, of the original rent, computed for the 4517  
remaining lease term of the original lease agreement, together 4518  
with incidental and consequential damages, less expenses saved in 4519

consequence of the lessor's default. 4520

(B) Market rent is to be determined as of the place for 4521  
tender or, in cases of rejection after arrival or revocation of 4522  
acceptance, as of the place of arrival. 4523

(C) Except as otherwise agreed, if the lessee has accepted 4524  
goods and given notification as provided in division (C) of 4525  
section 1310.62 of the Revised Code, the measure of damages for 4526  
nonconforming tender or delivery or other default by a lessor is 4527  
the loss resulting in the ordinary course of events from the 4528  
lessor's default as determined in any manner that is reasonable, 4529  
together with incidental and consequential damages, less expenses 4530  
saved in consequence of the lessor's default. 4531

(D) Except as otherwise agreed, the measure of damages for 4532  
breach of warranty is the present value, at the time and place of 4533  
acceptance, of the difference between the value of the use of the 4534  
goods accepted and that value if they had been as warranted for 4535  
the lease term, unless special circumstances show proximate 4536  
damages of a different amount, together with incidental and 4537  
consequential damages, less expenses saved in consequence of the 4538  
lessor's default or breach of warranty. 4539

**Sec. 1310.72.** (A) A lessor may stop delivery of goods in the 4540  
possession of a carrier or other bailee if the lessor discovers 4541  
the lessee to be insolvent and may stop delivery of carload, 4542  
truckload, planeload, or larger shipments of express or freight if 4543  
the lessee repudiates or fails to make a payment due before 4544  
delivery, whether for rent, security, or otherwise under the lease 4545  
contract, or for any other reason the lessor has a right to 4546  
withhold or take possession of the goods. 4547

(B) In pursuing its remedies under division (A) of this 4548  
section, the lessor may stop delivery until one of the following 4549  
occurs: 4550



(1) Receipt of the goods by the lessee;	4551
(2) Acknowledgment to the lessee by any bailee of the goods, except a carrier, that the bailee holds the goods for the lessee;	4552 4553
(3) Such an acknowledgment to the lessee by a carrier via reshipment or as <del>warehouseman</del> <u>warehouse</u> .	4554 4555
(C)(1) To stop delivery, a lessor shall so notify as to enable the bailee by reasonable diligence to prevent delivery of the goods.	4556 4557 4558
(2) After notification, the bailee shall hold and deliver the goods according to the directions of the lessor, but the lessor is liable to the bailee for any ensuing charges or damages.	4559 4560 4561
(3) A carrier who has issued a nonnegotiable bill of lading is not obliged to obey a notification to stop that is received from a person other than the consignor.	4562 4563 4564
<b>Sec. 1310.73.</b> (A) After a default of the type described in division (A) or (C)(1) of section 1310.69 of the Revised Code by a lessee under the lease contract, after the lessor refuses to deliver or takes possession of goods as provided in section 1310.71 or 1310.72 of the Revised Code, or, if agreed, after other default by a lessee, the lessor may dispose of the goods concerned or the undelivered balance of the goods concerned by lease, sale, or otherwise.	4565 4566 4567 4568 4569 4570 4571 4572
(B) Except as otherwise provided with respect to damages liquidated in the lease agreement pursuant to section 1310.50 of the Revised Code or otherwise determined pursuant to agreement of the parties as provided in <del>division (C) of section 1301.02</del> <u>1301.302</u> and section 1310.49 of the Revised Code, if the disposition is by lease agreement substantially similar to the original lease agreement and the new lease agreement is made in good faith and in a commercially reasonable manner, the lessor may	4573 4574 4575 4576 4577 4578 4579 4580

recover from the lessee as damages all of the following: 4581

(1) Accrued and unpaid rent as of the date of the 4582  
commencement of the term of the new lease agreement; 4583

(2) The present value, as of the same date, of the total rent 4584  
for the then remaining lease term of the original lease agreement 4585  
minus the present value, as of the same date, of the rent under 4586  
the new lease agreement applicable to that period of the new lease 4587  
term that is comparable to the then remaining term of the original 4588  
lease agreement; 4589

(3) Any incidental damages allowed under section 1310.76 of 4590  
the Revised Code, less expenses saved in consequence of the 4591  
lessee's default. 4592

(C) If the lessor's disposition of the goods is by a lease 4593  
agreement that for any reason does not qualify for treatment under 4594  
division (B) of this section, or is by sale or otherwise, the 4595  
lessor may recover from the lessee as if the lessor had elected 4596  
not to dispose of the goods, and section 1310.74 of the Revised 4597  
Code governs. 4598

(D) A subsequent buyer or lessee who buys or leases from the 4599  
lessor in good faith for value as a result of a disposition of 4600  
goods under this section takes the goods free of the original 4601  
lease contract and any rights of the original lessee even though 4602  
the lessor fails to comply with one or more of the requirements of 4603  
sections 1310.01 to 1310.78 of the Revised Code. 4604

(E) The lessor is not accountable to the lessee for any 4605  
profit made on any disposition. A lessee who has rightfully 4606  
rejected or justifiably revoked acceptance and has proceeded in 4607  
accordance with division (E) of section 1310.54 of the Revised 4608  
Code shall account to the lessor for any excess over the amount of 4609  
the lessee's security interest. 4610

**Sec. 1310.74.** (A) Except as otherwise provided with respect 4611  
to damages liquidated in the lease agreement pursuant to section 4612  
1310.50 of the Revised Code or otherwise determined pursuant to 4613  
the agreement of the parties as provided in ~~division (C) of~~ 4614  
section ~~1301.02~~ 1301.302 and section 1310.49 of the Revised Code, 4615  
if a lessor elects to retain the goods or a lessor elects to 4616  
dispose of the goods and the disposition is by lease agreement 4617  
that for any reason does not qualify for treatment under division 4618  
(B) of section 1310.73 of the Revised Code or is by sale or 4619  
otherwise, the lessor may recover from the lessee as damages for a 4620  
default of the type described in division (A) or (C)(1) of section 4621  
1310.69 of the Revised Code or, if agreed, for other default of 4622  
the lessee all of the following: 4623

(1) Accrued and unpaid rent as of the date of default, if the 4624  
lessee has never taken possession of the goods or, if the lessee 4625  
has taken possession of the goods, as of the date the lessor 4626  
repossesses the goods or an earlier date on which the lessee makes 4627  
a tender of the goods to the lessor; 4628

(2) The present value as of the date determined under 4629  
division (A)(1) of this section of the total rent for the then 4630  
remaining lease term of the original lease agreement minus the 4631  
present value as of the same date of the market rent at the place 4632  
where the goods are located computed for the same lease term; 4633

(3) Any incidental damages allowed under section 1310.76 of 4634  
the Revised Code, less expenses saved in consequence of the 4635  
lessee's default. 4636

(B) If the measure of damages provided in division (A) of 4637  
this section is inadequate to put a lessor in as good a position 4638  
as performance would have, the measure of damages is the present 4639  
value of the profit, including reasonable overhead, the lessor 4640  
would have made from full performance by the lessee, together with 4641

any incidental damages allowed under section 1310.76 of the 4642  
Revised Code, due allowance for costs reasonably incurred, and due 4643  
credit for payments or proceeds of disposition. 4644

**Sec. 1311.55.** (A) As used in this section: 4645

(1) "Agricultural product" means all fruit and vegetable 4646  
crops, meat and meat products, milk and dairy products, poultry 4647  
and poultry products, wool, and all seeds harvested by a producer 4648  
for sale, except that it does not include any grain crop that is 4649  
subject to the fee that the director of agriculture may require to 4650  
be remitted under section 926.16 of the Revised Code. 4651

(2) "Agricultural product handling" means engaging in or 4652  
participating in the business of buying, selling, exchanging, or 4653  
negotiating or soliciting a purchase, sale, resale, exchange, or 4654  
transfer of an agricultural product. 4655

(3) "Agricultural product handler" or "handler" means any 4656  
person who is engaged in the business of agricultural product 4657  
handling, except that a person who sells only those agricultural 4658  
products that the person has produced, or buys agricultural 4659  
products for the person's own use, is not an agricultural product 4660  
handler. 4661

(4) "Agricultural producer" or "producer" means any person 4662  
who grows, raises, or produces an agricultural product on land 4663  
that the person owns or leases. 4664

(5) "Proceeds" has the same meaning as in division 4665  
(A) ~~(64)~~ (63) of section 1309.102 of the Revised Code. 4666

(B) An agricultural producer who delivers an agricultural 4667  
product under an express or implied contract to an agricultural 4668  
product handler, or an agricultural product handler who delivers 4669  
an agricultural product under an express or implied contract to 4670  
another agricultural product handler, has a lien to secure the 4671

payment for all of the agricultural product delivered under that 4672  
contract. The lien attaches to the product, whether in a raw or 4673  
processed condition, while in the possession of the agricultural 4674  
product handler, and to the proceeds of the sale of the 4675  
agricultural product. The lien attaches from the date of delivery 4676  
of the agricultural product to the handler, or if there is a 4677  
series of deliveries under the contract, from the date of the 4678  
first delivery. The lien is contingent until the producer or 4679  
handler complies with section 1311.56 of the Revised Code. 4680

(C) The lien on an agricultural product covers the contract 4681  
price agreed upon, or when there is no agreed price at the time of 4682  
delivery, the value of the agricultural product as determined by 4683  
the "market news service" of the Ohio department of agriculture on 4684  
the date the agricultural producer or handler files the affidavit 4685  
permitted under section 1311.56 of the Revised Code. 4686

(D) Any waiver by a producer or handler of the producer's or 4687  
handler's right to an agricultural product lien is void as being 4688  
contrary to public policy. 4689

**Sec. 1311.57.** (A) An agricultural producer or handler who 4690  
perfects ~~his~~ a lien within sixty days after the date of delivery, 4691  
or first delivery if there was a series of deliveries under the 4692  
contract, of the agricultural product has priority over all liens, 4693  
claims, or encumbrances except wage and salary claims of workers 4694  
who have no ownership interest in the business of the agricultural 4695  
product handler, ~~warehouseman's~~ warehouse's liens as provided in 4696  
section ~~1307.14~~ 1307.209 of the Revised Code, and amounts owed by 4697  
the lienholder to the handler that are subject to setoff, and 4698  
except that secured creditors who have security interests under 4699  
Chapter 1309. of the Revised Code have priority over liens 4700  
perfected by agricultural handlers pursuant to section 1311.56 of 4701  
the Revised Code. If several liens are obtained by several persons 4702

on the same agricultural product, the person who perfects ~~his~~ such 4703  
a lien first has priority over all other agricultural product 4704  
lienholders. 4705

A producer or handler who does not perfect ~~his~~ such a lien 4706  
within the time period defined in this division has the status of 4707  
an unsecured general creditor. 4708

(B) The agricultural product lien remains in effect for two 4709  
years after an affidavit is recorded in the office of the county 4710  
recorder under section 1311.56 of the Revised Code, and within 4711  
that time, until one of the following occurs: 4712

(1) The lienholder or ~~his~~ the lienholder's secured creditor 4713  
receives full payment from the agricultural product handler; 4714

(2) At the option of the lienholder or ~~his~~ the lienholder's 4715  
secured creditor, less than full payment is received pursuant to a 4716  
written agreement with the handler; 4717

(3) A final judgment is entered by a court having 4718  
jurisdiction in an action adjudicating the status of the 4719  
agricultural product lien. 4720

(C) Notwithstanding division (B) of this section, an 4721  
agricultural product lien shall remain in effect throughout any 4722  
insolvency proceedings involving the agricultural product handler 4723  
named in the affidavit. 4724

(D) After the amount of ~~his~~ the lienholder's lien has been 4725  
satisfied, a lienholder shall cause the lien to be released within 4726  
thirty days. 4727

**Sec. ~~1301.21~~ 1319.02.** (A) As used in this section: 4728

(1) "Contract of indebtedness" means a note, bond, mortgage, 4729  
conditional sale contract, retail installment contract, lease, 4730  
security agreement, or other written evidence of indebtedness, 4731  
other than indebtedness incurred for purposes that are primarily 4732

personal, family, or household. 4733

(2) "Commitment to pay attorneys' fees" means an obligation 4734  
to pay attorneys' fees that arises in connection with the 4735  
enforcement of a contract of indebtedness. 4736

(3) "Maturity of the debt" includes maturity upon default or 4737  
otherwise. 4738

(B) If a contract of indebtedness includes a commitment to 4739  
pay attorneys' fees, and if the contract is enforced through 4740  
judicial proceedings or otherwise after maturity of the debt, a 4741  
person that has the right to recover attorneys' fees under the 4742  
commitment, at the option of that person, may recover attorneys' 4743  
fees in accordance with the commitment, to the extent that the 4744  
commitment is enforceable under divisions (C) and (D) of this 4745  
section. 4746

(C) A commitment to pay attorneys' fees is enforceable under 4747  
this section only if the total amount owed on the contract of 4748  
indebtedness at the time the contract was entered into exceeds one 4749  
hundred thousand dollars. 4750

(D) A commitment to pay attorneys' fees is enforceable only 4751  
to the extent that it obligates payment of a reasonable amount. In 4752  
determining the amount of attorneys' fees that is reasonable, all 4753  
relevant factors shall be considered, including but not limited 4754  
to, the nature of the services rendered, the time expended in 4755  
rendering the services, the amount of money and the value of the 4756  
property affected, and the professional skill and expertise of the 4757  
attorney or attorneys rendering the services. Unless a court has 4758  
been requested to make a determination of the amount of attorneys' 4759  
fees that is reasonable and finds to the contrary by a 4760  
preponderance of the evidence, the following are deemed reasonable 4761  
amounts: 4762

(1) If the commitment to pay attorneys' fees is based upon a 4763

specific percentage of the total principal, interest, and other 4764  
charges owed on the contract of indebtedness, the percentage of 4765  
the total so owed as specified in the contract of indebtedness; 4766

(2) If the commitment to pay attorneys' fees is not based 4767  
upon a specific percentage of the total principal, interest, and 4768  
other charges owed on the contract of indebtedness, an amount 4769  
equal to the attorneys' fees customarily charged by the attorney 4770  
or attorneys rendering the services. 4771

**Sec. 1333.23.** Any garment, clothing, wearing apparel, or 4772  
household goods that are placed in storage and that remain in the 4773  
possession of a person without the reasonable or agreed charges 4774  
for the storage having been paid for twelve months, and any 4775  
garment, clothing, wearing apparel, or household goods on which 4776  
any of the services or labor described in section 1333.22 of the 4777  
Revised Code have been performed, that subsequently have been 4778  
placed in storage by agreement and that remain in the possession 4779  
of a person without the reasonable or agreed charges for the 4780  
services, labor, and storage having been paid for twelve months 4781  
may be sold by that person to pay those charges and the costs of 4782  
notifying the owner of the garment, clothing, wearing apparel, or 4783  
household goods as described in this section and in section 4784  
1333.24 of the Revised Code or may be given away or otherwise 4785  
disposed of by that person if ~~he~~ the person cannot sell the 4786  
garment, clothing, wearing apparel, or household goods. The person 4787  
to whom the charges are owed shall notify the owner of the 4788  
garment, clothing, wearing apparel, or household goods of the time 4789  
and place of the proposed sale or other disposition of it in 4790  
accordance with section 1333.24 of the Revised Code. This section 4791  
does not apply to ~~persons~~ a person operating as ~~warehouses or~~ 4792  
~~warehousemen~~ a warehouse as defined in section 1307.102 of the 4793  
Revised Code. 4794



**Sec. ~~1301.16~~ 1333.72.** No person shall sell, offer for sale, 4795  
or install for use any new grain-drying equipment unless the 4796  
equipment is labeled or accompanied by an operator's manual to 4797  
indicate its energy usage to the prospective purchaser of the 4798  
equipment. Whoever violates this section is guilty of a minor 4799  
misdemeanor. 4800

**Sec. ~~1301.18~~ 1333.73.** No person shall sell, offer for sale, 4801  
or install for use any new central air conditioner, refrigerator, 4802  
refrigerator-freezer, freezer, kitchen range or oven, dishwasher, 4803  
clothes washer, clothes dryer, furnace, water heater, room air 4804  
conditioner, television set, humidifier, home heating equipment 4805  
other than furnaces, or other consumer product subject to an 4806  
energy efficiency standard promulgated under section 325 of the 4807  
"Energy Policy and Conservation Act," 89 Stat. 923, 42 U.S.C.A. 4808  
6295, as amended, that is not in compliance with applicable 4809  
standards promulgated under that section. This section does not 4810  
apply to the sale, offering for sale, or installation of any such 4811  
category of consumer product for which no applicable energy 4812  
efficiency standard has been promulgated pursuant to such federal 4813  
act. Whoever violates this section is guilty of a minor 4814  
misdemeanor on a first offense, and on subsequent offenses is 4815  
guilty of a misdemeanor of the first degree. 4816

**Sec. 1743.08.** A company or association organized as an 4817  
elevator company may purchase and hold real and personal estate; 4818  
may erect, purchase, and own the necessary buildings, offices, and 4819  
machinery for carrying on the business of receiving, storing, 4820  
delivering, and forwarding grain of all kinds; and may add to and 4821  
connect with this the business of a general storage warehousemen 4822  
~~and warehouse or~~ forwarders of all kinds of produce and 4823  
merchandise. It shall not deal as buyer or seller on its own 4824

account or for others. In the prosecution of its business it shall 4825  
be governed by the same laws, not inconsistent with this section, 4826  
as govern individuals in such employment. 4827

When such company erects or owns an elevator building, and 4828  
uses it for the purpose of receiving or delivering grain from or 4829  
to any railroad company, as freight carried or to be carried over 4830  
any part of its railroads, such railroad company may subscribe to 4831  
or purchase shares in the elevator company's capital stock, to an 4832  
amount not exceeding one third of the entire capital stock of the 4833  
elevator company, in the name of an officer of the railroad 4834  
company, and hold it as trustee. The railroad company is liable 4835  
upon such stock, in its corporate capacity, to the same extent and 4836  
in the manner a natural person buying it would be. 4837

**Sec. 2307.39.** (A) Except as provided in division (C) of this 4838  
section, any person may bring a civil action in a court of this 4839  
state against an individual, corporation, or other person who is a 4840  
resident of, incorporated under the laws of, or otherwise engaged 4841  
in the conduct of business in a foreign nation or a province, 4842  
territory, or other political subdivision of a foreign nation, 4843  
against a foreign nation, or against a province, territory, or 4844  
other political subdivision of a foreign nation upon a cause of 4845  
action that arises out of or relates to a contingent or other 4846  
contract, agreement, or undertaking, whether or not it bears a 4847  
reasonable relation to this state, if the contract, agreement, or 4848  
undertaking contains both of the following provisions: 4849

(1) An agreement by the parties to be governed in their 4850  
rights and duties under the contract, agreement, or undertaking, 4851  
in whole or in part, by the law of this state; 4852

(2) An agreement by the parties to submit to the jurisdiction 4853  
of the courts of this state. 4854

(B) The court shall not stay or dismiss a civil action 4855

brought in accordance with division (A) of this section on the 4856  
ground of inconvenient forum. In the civil action, the court shall 4857  
apply the law of this state as agreed upon by the parties. 4858

(C) This section applies to a transaction covered by section 4859  
~~1301.05~~ 1301.301 of the Revised Code unless the transaction is 4860  
subject to a limitation on choice of law specified in division (B) 4861  
of that section. This section does not apply to a contract, 4862  
agreement, or undertaking for labor or personal services or for a 4863  
consumer transaction, as defined by section 1345.01 of the Revised 4864  
Code. 4865

(D) This section does not limit or deny, and shall not be 4866  
construed as limiting or denying the enforcement of a provision 4867  
respecting choice of law or choice of forum in a contract, 4868  
agreement, or undertaking to which this section does not apply. 4869

**Sec. 2923.17.** (A) No person shall knowingly acquire, have, 4870  
carry, or use any dangerous ordnance. 4871

(B) No person shall manufacture or process an explosive at 4872  
any location in this state unless the person first has been issued 4873  
a license, certificate of registration, or permit to do so from a 4874  
fire official of a political subdivision of this state or from the 4875  
office of the fire marshal. 4876

(C) Division (A) of this section does not apply to: 4877

(1) Officers, agents, or employees of this or any other state 4878  
or the United States, members of the armed forces of the United 4879  
States or the organized militia of this or any other state, and 4880  
law enforcement officers, to the extent that any such person is 4881  
authorized to acquire, have, carry, or use dangerous ordnance and 4882  
is acting within the scope of the person's duties; 4883

(2) Importers, manufacturers, dealers, and users of 4884  
explosives, having a license or user permit issued and in effect 4885

pursuant to the "Organized Crime Control Act of 1970," 84 Stat. 4886  
952, 18 U.S.C. 843, and any amendments or additions thereto or 4887  
reenactments thereof, with respect to explosives and explosive 4888  
devices lawfully acquired, possessed, carried, or used under the 4889  
laws of this state and applicable federal law; 4890

(3) Importers, manufacturers, and dealers having a license to 4891  
deal in destructive devices or their ammunition, issued and in 4892  
effect pursuant to the "Gun Control Act of 1968," 82 Stat. 1213, 4893  
18 U.S.C. 923, and any amendments or additions thereto or 4894  
reenactments thereof, with respect to dangerous ordnance lawfully 4895  
acquired, possessed, carried, or used under the laws of this state 4896  
and applicable federal law; 4897

(4) Persons to whom surplus ordnance has been sold, loaned, 4898  
or given by the secretary of the army pursuant to 70A Stat. 262 4899  
and 263, 10 U.S.C. 4684, 4685, and 4686, and any amendments or 4900  
additions thereto or reenactments thereof, with respect to 4901  
dangerous ordnance when lawfully possessed and used for the 4902  
purposes specified in such section; 4903

(5) Owners of dangerous ordnance registered in the national 4904  
firearms registration and transfer record pursuant to the act of 4905  
October 22, 1968, 82 Stat. 1229, 26 U.S.C. 5841, and any 4906  
amendments or additions thereto or reenactments thereof, and 4907  
regulations issued thereunder. 4908

(6) Carriers, ~~warehousemen~~ warehouses, and others engaged in 4909  
the business of transporting or storing goods for hire, with 4910  
respect to dangerous ordnance lawfully transported or stored in 4911  
the usual course of their business and in compliance with the laws 4912  
of this state and applicable federal law; 4913

(7) The holders of a license or temporary permit issued and 4914  
in effect pursuant to section 2923.18 of the Revised Code, with 4915  
respect to dangerous ordnance lawfully acquired, possessed, 4916

carried, or used for the purposes and in the manner specified in 4917  
such license or permit. 4918

(D) Whoever violates division (A) of this section is guilty 4919  
of unlawful possession of dangerous ordnance, a felony of the 4920  
fifth degree. 4921

(E) Whoever violates division (B) of this section is guilty 4922  
of illegally manufacturing or processing explosives, a felony of 4923  
the second degree. 4924

**Sec. 2981.01.** (A) Forfeitures under this chapter shall be 4925  
governed by all of the following purposes: 4926

(1) To provide economic disincentives and remedies to deter 4927  
and offset the economic effect of offenses by seizing and 4928  
forfeiting contraband, proceeds, and certain instrumentalities; 4929

(2) To ensure that seizures and forfeitures of 4930  
instrumentalities are proportionate to the offense committed; 4931

(3) To protect third parties from wrongful forfeiture of 4932  
their property; 4933

(4) To prioritize restitution for victims of offenses. 4934

(B) As used in this chapter: 4935

(1) "Aircraft" has the same meaning as in section 4561.01 of 4936  
the Revised Code. 4937

(2) "Computers," "computer networks," "computer systems," 4938  
"computer software," and "telecommunications device" have the same 4939  
meanings as in section 2913.01 of the Revised Code. 4940

(3) "Financial institution" means a bank, credit union, 4941  
savings and loan association, or a licensee or registrant under 4942  
Chapter 1321. of the Revised Code. 4943

(4) "Firearm" and "dangerous ordnance" have the same meanings 4944  
as in section 2923.11 of the Revised Code. 4945

(5) "Innocent person" includes any bona fide purchaser of property that is subject to forfeiture, including any person who establishes a valid claim to or interest in the property in accordance with section 2923.04 of the Revised Code, and any victim of an alleged offense.

(6) "Instrumentality" means property otherwise lawful to possess that is used in or intended to be used in an offense. An "instrumentality" may include, but is not limited to, a firearm, a mobile instrumentality, a computer, a computer network, a computer system, computer software, a telecommunications device, money, and any other means of exchange.

(7) "Law enforcement agency" includes, but is not limited to, the state board of pharmacy, the enforcement division of the department of taxation, and the office of the prosecutor.

(8) "Mobile instrumentality" means an instrumentality that is inherently mobile and used in the routine transport of persons. "Mobile instrumentality" includes, but is not limited to, any vehicle, any watercraft, and any aircraft.

(9) "Money" has the same meaning as in section ~~1301.01~~ 1301.201 of the Revised Code.

(10) "Offense" means any act or omission that could be charged as a criminal offense or a delinquent act, whether or not a formal criminal prosecution or delinquent child proceeding began at the time the forfeiture is initiated. Except as otherwise specified, an offense for which property may be forfeited includes any felony and any misdemeanor. The commission of an "offense" includes the commission of a delinquent act.

(11) "Proceeds" means both of the following:

(a) In cases involving unlawful goods, services, or activities, "proceeds" means any property derived directly or indirectly from an offense. "Proceeds" may include, but is not

limited to, money or any other means of exchange. "Proceeds" is 4977  
not limited to the net gain or profit realized from the offense. 4978

(b) In cases involving lawful goods or services that are sold 4979  
or provided in an unlawful manner, "proceeds" means the amount of 4980  
money or other means of exchange acquired through the illegal 4981  
transactions resulting in the forfeiture, less the direct costs 4982  
lawfully incurred in providing the goods or services. The lawful 4983  
costs deduction does not include any part of the overhead expenses 4984  
of, or income taxes paid by, the entity providing the goods or 4985  
services. The alleged offender or delinquent child has the burden 4986  
to prove that any costs are lawfully incurred. 4987

(12) "Property" means "property" as defined in section 4988  
2901.01 of the Revised Code and any benefit, privilege, claim, 4989  
position, interest in an enterprise, or right derived, directly or 4990  
indirectly, from the offense. 4991

(13) "Property subject to forfeiture" includes contraband and 4992  
proceeds and may include instrumentalities as provided in this 4993  
chapter. 4994

(14) "Prosecutor" has the same meaning as in section 2935.01 4995  
of the Revised Code. When relevant, "prosecutor" also includes the 4996  
attorney general. 4997

(15) "Vehicle" has the same meaning as in section 4501.01 of 4998  
the Revised Code. 4999

(16) "Watercraft" has the same meaning as in section 1547.01 5000  
of the Revised Code. 5001

(C) The penalties and procedures under Chapters 2923., 2925., 5002  
and 2933. of the Revised Code remain in effect to the extent that 5003  
they do not conflict with this chapter. 5004

**Sec. 3719.14.** (A) A common carrier or ~~warehouse~~ warehouse 5005  
while engaged in lawfully transporting or storing any controlled 5006

substance or an employee of a common carrier or ~~warehouse~~ 5007  
warehouse of that nature who is acting within the scope of the 5008  
employee's employment may control and possess any controlled 5009  
substance. 5010

(B) Any law enforcement official may purchase, collect, or 5011  
possess any controlled substance or may offer to sell any 5012  
controlled substance, or any counterfeit controlled substance as 5013  
defined in section 2925.01 of the Revised Code, when the purchase, 5014  
collection, possession, or offer to sell is necessary to do so in 5015  
the performance of the official's official duties. This division 5016  
does not permit a law enforcement official to sell any controlled 5017  
substance in the performance of the official's official duties. A 5018  
peace officer, as defined in section 3719.141 of the Revised Code, 5019  
may sell a controlled substance in the performance of the 5020  
officer's official duties only as provided in that section. 5021

(C) Any employee or agent of a person who is entitled to 5022  
possession of a controlled substance or whose possession of a 5023  
controlled substance is for the purpose of aiding any law 5024  
enforcement official in the official's official duties temporarily 5025  
may possess any controlled substance. 5026

**Sec. 3767.29.** No person shall abandon, discard, or knowingly 5027  
permit to remain on premises under ~~his~~ the person's control, in a 5028  
place accessible to children, any abandoned or discarded icebox, 5029  
refrigerator, or other airtight or semi-airtight container which 5030  
has a capacity of one and one-half cubic feet or more and an 5031  
opening of fifty square inches or more and which has a door or lid 5032  
equipped with hinge, latch, or other fastening device capable of 5033  
securing such door or lid, without rendering said equipment 5034  
harmless to human life by removing such hinges, latches, or other 5035  
hardware which may cause a person to be confined therein. This 5036  
section shall not apply to an icebox, refrigerator, or other 5037



airtight or semi-airtight container located in that part of a 5038  
building occupied by a dealer, ~~warehouseman~~ warehouse, or 5039  
~~repairman~~ repairer. 5040

**Sec. 4517.01.** As used in sections 4517.01 to 4517.65 of the 5041  
Revised Code: 5042

(A) "Persons" includes individuals, firms, partnerships, 5043  
associations, joint stock companies, corporations, and any 5044  
combinations of individuals. 5045

(B) "Motor vehicle" means motor vehicle as defined in section 5046  
4501.01 of the Revised Code and also includes "all-purpose 5047  
vehicle" and "off-highway motorcycle" as those terms are defined 5048  
in section 4519.01 of the Revised Code. "Motor vehicle" does not 5049  
include a snowmobile as defined in section 4519.01 of the Revised 5050  
Code or manufactured and mobile homes. 5051

(C) "New motor vehicle" means a motor vehicle, the legal 5052  
title to which has never been transferred by a manufacturer, 5053  
remanufacturer, distributor, or dealer to an ultimate purchaser. 5054

(D) "Ultimate purchaser" means, with respect to any new motor 5055  
vehicle, the first person, other than a dealer purchasing in the 5056  
capacity of a dealer, who in good faith purchases such new motor 5057  
vehicle for purposes other than resale. 5058

(E) "Business" includes any activities engaged in by any 5059  
person for the object of gain, benefit, or advantage either direct 5060  
or indirect. 5061

(F) "Engaging in business" means commencing, conducting, or 5062  
continuing in business, or liquidating a business when the 5063  
liquidator thereof holds self out to be conducting such business; 5064  
making a casual sale or otherwise making transfers in the ordinary 5065  
course of business when the transfers are made in connection with 5066  
the disposition of all or substantially all of the transferor's 5067

assets is not engaging in business. 5068

(G) "Retail sale" or "sale at retail" means the act or 5069  
attempted act of selling, bartering, exchanging, or otherwise 5070  
disposing of a motor vehicle to an ultimate purchaser for use as a 5071  
consumer. 5072

(H) "Retail installment contract" includes any contract in 5073  
the form of a note, chattel mortgage, conditional sales contract, 5074  
lease, agreement, or other instrument payable in one or more 5075  
installments over a period of time and arising out of the retail 5076  
sale of a motor vehicle. 5077

(I) "Farm machinery" means all machines and tools used in the 5078  
production, harvesting, and care of farm products. 5079

(J) "Dealer" or "motor vehicle dealer" means any new motor 5080  
vehicle dealer, any motor vehicle leasing dealer, and any used 5081  
motor vehicle dealer. 5082

(K) "New motor vehicle dealer" means any person engaged in 5083  
the business of selling at retail, displaying, offering for sale, 5084  
or dealing in new motor vehicles pursuant to a contract or 5085  
agreement entered into with the manufacturer, remanufacturer, or 5086  
distributor of the motor vehicles. 5087

(L) "Used motor vehicle dealer" means any person engaged in 5088  
the business of selling, displaying, offering for sale, or dealing 5089  
in used motor vehicles, at retail or wholesale, but does not mean 5090  
any new motor vehicle dealer selling, displaying, offering for 5091  
sale, or dealing in used motor vehicles incidentally to engaging 5092  
in the business of selling, displaying, offering for sale, or 5093  
dealing in new motor vehicles, any person engaged in the business 5094  
of dismantling, salvaging, or rebuilding motor vehicles by means 5095  
of using used parts, or any public officer performing official 5096  
duties. 5097

(M) "Motor vehicle leasing dealer" means any person engaged 5098

in the business of regularly making available, offering to make 5099  
available, or arranging for another person to use a motor vehicle 5100  
pursuant to a bailment, lease, sublease, or other contractual 5101  
arrangement under which a charge is made for its use at a periodic 5102  
rate for a term of thirty days or more, and title to the motor 5103  
vehicle is in and remains in the motor vehicle leasing dealer who 5104  
originally leases it, irrespective of whether or not the motor 5105  
vehicle is the subject of a later sublease, and not in the user, 5106  
but does not mean a manufacturer or its affiliate leasing to its 5107  
employees or to dealers. 5108

(N) "Salesperson" means any person employed by a dealer or 5109  
manufactured home broker to sell, display, and offer for sale, or 5110  
deal in motor vehicles for a commission, compensation, or other 5111  
valuable consideration, but does not mean any public officer 5112  
performing official duties. 5113

(O) "Casual sale" means any transfer of a motor vehicle by a 5114  
person other than a new motor vehicle dealer, used motor vehicle 5115  
dealer, motor vehicle salvage dealer, as defined in division (A) 5116  
of section 4738.01 of the Revised Code, salesperson, motor vehicle 5117  
auction owner, manufacturer, or distributor acting in the capacity 5118  
of a dealer, salesperson, auction owner, manufacturer, or 5119  
distributor, to a person who purchases the motor vehicle for use 5120  
as a consumer. 5121

(P) "Motor vehicle show" means a display of current models of 5122  
motor vehicles whereby the primary purpose is the exhibition of 5123  
competitive makes and models in order to provide the general 5124  
public the opportunity to review and inspect various makes and 5125  
models of motor vehicles at a single location. 5126

(Q) "Motor vehicle auction owner" means any person who is 5127  
engaged wholly or in part in the business of auctioning motor 5128  
vehicles. 5129

(R) "Manufacturer" means a person who manufactures, 5130  
assembles, or imports motor vehicles, including motor homes, but 5131  
does not mean a person who only assembles or installs a body, 5132  
special equipment unit, finishing trim, or accessories on a motor 5133  
vehicle chassis supplied by a manufacturer or distributor. 5134

(S) "Tent-type fold-out camping trailer" means any vehicle 5135  
intended to be used, when stationary, as a temporary shelter with 5136  
living and sleeping facilities, and that is subject to the 5137  
following properties and limitations: 5138

(1) A minimum of twenty-five per cent of the fold-out portion 5139  
of the top and sidewalls combined must be constructed of canvas, 5140  
vinyl, or other fabric, and form an integral part of the shelter. 5141

(2) When folded, the unit must not exceed: 5142

(a) Fifteen feet in length, exclusive of bumper and tongue; 5143

(b) Sixty inches in height from the point of contact with the 5144  
ground; 5145

(c) Eight feet in width; 5146

(d) One ton gross weight at time of sale. 5147

(T) "Distributor" means any person authorized by a motor 5148  
vehicle manufacturer to distribute new motor vehicles to licensed 5149  
new motor vehicle dealers, but does not mean a person who only 5150  
assembles or installs a body, special equipment unit, finishing 5151  
trim, or accessories on a motor vehicle chassis supplied by a 5152  
manufacturer or distributor. 5153

(U) "Flea market" means a market place, other than a dealer's 5154  
location licensed under this chapter, where a space or location is 5155  
provided for a fee or compensation to a seller to exhibit and 5156  
offer for sale or trade, motor vehicles to the general public. 5157

(V) "Franchise" means any written agreement, contract, or 5158  
understanding between any motor vehicle manufacturer or 5159

remanufacturer engaged in commerce and any motor vehicle dealer 5160  
that purports to fix the legal rights and liabilities of the 5161  
parties to such agreement, contract, or understanding. 5162

(W) "Franchisee" means a person who receives new motor 5163  
vehicles from the franchisor under a franchise agreement and who 5164  
offers, sells, and provides service for such new motor vehicles to 5165  
the general public. 5166

(X) "Franchisor" means a new motor vehicle manufacturer, 5167  
remanufacturer, or distributor who supplies new motor vehicles 5168  
under a franchise agreement to a franchisee. 5169

(Y) "Dealer organization" means a state or local trade 5170  
association the membership of which is comprised predominantly of 5171  
new motor vehicle dealers. 5172

(Z) "Factory representative" means a representative employed 5173  
by a manufacturer, remanufacturer, or by a factory branch 5174  
primarily for the purpose of promoting the sale of its motor 5175  
vehicles, parts, or accessories to dealers or for supervising or 5176  
contacting its dealers or prospective dealers. 5177

(AA) "Administrative or executive management" means those 5178  
individuals who are not subject to federal wage and hour laws. 5179

(BB) "Good faith" means honesty in the conduct or transaction 5180  
concerned and the observance of reasonable commercial standards of 5181  
fair dealing in the trade as is defined in ~~division (S) of section~~ 5182  
~~1301.01~~ 1301.201 of the Revised Code, including, but not limited 5183  
to, the duty to act in a fair and equitable manner so as to 5184  
guarantee freedom from coercion, intimidation, or threats of 5185  
coercion or intimidation; provided however, that recommendation, 5186  
endorsement, exposition, persuasion, urging, or argument shall not 5187  
be considered to constitute a lack of good faith. 5188

(CC) "Coerce" means to compel or attempt to compel by failing 5189  
to act in good faith or by threat of economic harm, breach of 5190

contract, or other adverse consequences. Coerce does not mean to 5191  
argue, urge, recommend, or persuade. 5192

(DD) "Relevant market area" means any area within a radius of 5193  
ten miles from the site of a potential new dealership, except that 5194  
for manufactured home or recreational vehicle dealerships the 5195  
radius shall be twenty-five miles. The ten-mile radius shall be 5196  
measured from the dealer's established place of business that is 5197  
used exclusively for the purpose of selling, displaying, offering 5198  
for sale, or dealing in motor vehicles. 5199

(EE) "Wholesale" or "at wholesale" means the act or attempted 5200  
act of selling, bartering, exchanging, or otherwise disposing of a 5201  
motor vehicle to a transferee for the purpose of resale and not 5202  
for ultimate consumption by that transferee. 5203

(FF) "Motor vehicle wholesaler" means any person licensed as 5204  
a dealer under the laws of another state and engaged in the 5205  
business of selling, displaying, or offering for sale used motor 5206  
vehicles, at wholesale, but does not mean any motor vehicle dealer 5207  
as defined in this section. 5208

(GG)(1) "Remanufacturer" means a person who assembles or 5209  
installs passenger seating, walls, a roof elevation, or a body 5210  
extension on a conversion van with the motor vehicle chassis 5211  
supplied by a manufacturer or distributor, a person who modifies a 5212  
truck chassis supplied by a manufacturer or distributor for use as 5213  
a public safety or public service vehicle, a person who modifies a 5214  
motor vehicle chassis supplied by a manufacturer or distributor 5215  
for use as a limousine or hearse, or a person who modifies an 5216  
incomplete motor vehicle cab and chassis supplied by a new motor 5217  
vehicle dealer or distributor for use as a tow truck, but does not 5218  
mean either of the following: 5219

(a) A person who assembles or installs passenger seating, a 5220  
roof elevation, or a body extension on a recreational vehicle as 5221

defined in division (Q) and referred to in division (B) of section 5222  
4501.01 of the Revised Code; 5223

(b) A person who assembles or installs special equipment or 5224  
accessories for handicapped persons, as defined in section 4503.44 5225  
of the Revised Code, upon a motor vehicle chassis supplied by a 5226  
manufacturer or distributor. 5227

(2) For the purposes of division (GG)(1) of this section, 5228  
"public safety vehicle or public service vehicle" means a fire 5229  
truck, ambulance, school bus, street sweeper, garbage packing 5230  
truck, or cement mixer, or a mobile self-contained facility 5231  
vehicle. 5232

(3) For the purposes of division (GG)(1) of this section, 5233  
"limousine" means a motor vehicle, designed only for the purpose 5234  
of carrying nine or fewer passengers, that a person modifies by 5235  
cutting the original chassis, lengthening the wheelbase by forty 5236  
inches or more, and reinforcing the chassis in such a way that all 5237  
modifications comply with all applicable federal motor vehicle 5238  
safety standards. No person shall qualify as or be deemed to be a 5239  
remanufacturer who produces limousines unless the person has a 5240  
written agreement with the manufacturer of the chassis the person 5241  
utilizes to produce the limousines to complete properly the 5242  
remanufacture of the chassis into limousines. 5243

(4) For the purposes of division (GG)(1) of this section, 5244  
"hearse" means a motor vehicle, designed only for the purpose of 5245  
transporting a single casket, that is equipped with a compartment 5246  
designed specifically to carry a single casket that a person 5247  
modifies by cutting the original chassis, lengthening the 5248  
wheelbase by ten inches or more, and reinforcing the chassis in 5249  
such a way that all modifications comply with all applicable 5250  
federal motor vehicle safety standards. No person shall qualify as 5251  
or be deemed to be a remanufacturer who produces hearses unless 5252  
the person has a written agreement with the manufacturer of the 5253

chassis the person utilizes to produce the hearses to complete 5254  
properly the remanufacture of the chassis into hearses. 5255

(5) For the purposes of division (GG)(1) of this section, 5256  
"mobile self-contained facility vehicle" means a mobile classroom 5257  
vehicle, mobile laboratory vehicle, bookmobile, bloodmobile, 5258  
testing laboratory, and mobile display vehicle, each of which is 5259  
designed for purposes other than for passenger transportation and 5260  
other than the transportation or displacement of cargo, freight, 5261  
materials, or merchandise. A vehicle is remanufactured into a 5262  
mobile self-contained facility vehicle in part by the addition of 5263  
insulation to the body shell, and installation of all of the 5264  
following: a generator, electrical wiring, plumbing, holding 5265  
tanks, doors, windows, cabinets, shelving, and heating, 5266  
ventilating, and air conditioning systems. 5267

(6) For the purposes of division (GG)(1) of this section, 5268  
"tow truck" means both of the following: 5269

(a) An incomplete cab and chassis that are purchased by a 5270  
remanufacturer from a new motor vehicle dealer or distributor of 5271  
the cab and chassis and on which the remanufacturer then installs 5272  
in a permanent manner a wrecker body it purchases from a 5273  
manufacturer or distributor of wrecker bodies, installs an 5274  
emergency flashing light pylon and emergency lights upon the mast 5275  
of the wrecker body or rooftop, and installs such other related 5276  
accessories and equipment, including push bumpers, front grille 5277  
guards with pads and other custom-ordered items such as painting, 5278  
special lettering, and safety striping so as to create a complete 5279  
motor vehicle capable of lifting and towing another motor vehicle. 5280

(b) An incomplete cab and chassis that are purchased by a 5281  
remanufacturer from a new motor vehicle dealer or distributor of 5282  
the cab and chassis and on which the remanufacturer then installs 5283  
in a permanent manner a car carrier body it purchases from a 5284  
manufacturer or distributor of car carrier bodies, installs an 5285



emergency flashing light pylon and emergency lights upon the 5286  
rooftop, and installs such other related accessories and 5287  
equipment, including push bumpers, front grille guards with pads 5288  
and other custom-ordered items such as painting, special 5289  
lettering, and safety striping. 5290

As used in division (GG)(6)(b) of this section, "car carrier 5291  
body" means a mechanical or hydraulic apparatus capable of lifting 5292  
and holding a motor vehicle on a flat level surface so that one or 5293  
more motor vehicles can be transported, once the car carrier is 5294  
permanently installed upon an incomplete cab and chassis. 5295

(HH) "Operating as a new motor vehicle dealership" means 5296  
engaging in activities such as displaying, offering for sale, and 5297  
selling new motor vehicles at retail, operating a service facility 5298  
to perform repairs and maintenance on motor vehicles, offering for 5299  
sale and selling motor vehicle parts at retail, and conducting all 5300  
other acts that are usual and customary to the operation of a new 5301  
motor vehicle dealership. For the purposes of this chapter only, 5302  
possession of either a valid new motor vehicle dealer franchise 5303  
agreement or a new motor vehicle dealers license, or both of these 5304  
items, is not evidence that a person is operating as a new motor 5305  
vehicle dealership. 5306

(II) "Outdoor power equipment" means garden and small utility 5307  
tractors, walk-behind and riding mowers, chainsaws, and tillers. 5308

(JJ) "Remote service facility" means premises that are 5309  
separate from a licensed new motor vehicle dealer's sales facility 5310  
by not more than one mile and that are used by the dealer to 5311  
perform repairs, warranty work, recall work, and maintenance on 5312  
motor vehicles pursuant to a franchise agreement entered into with 5313  
a manufacturer of motor vehicles. A remote service facility shall 5314  
be deemed to be part of the franchise agreement and is subject to 5315  
all the rights, duties, obligations, and requirements of Chapter 5316  
4517. of the Revised Code that relate to the performance of motor 5317

vehicle repairs, warranty work, recall work, and maintenance work 5318  
by new motor vehicle dealers. 5319

**Sec. 4729.51.** (A) No person other than a registered wholesale 5320  
distributor of dangerous drugs shall possess for sale, sell, 5321  
distribute, or deliver, at wholesale, dangerous drugs, except as 5322  
follows: 5323

(1) A pharmacist who is a licensed terminal distributor of 5324  
dangerous drugs or who is employed by a licensed terminal 5325  
distributor of dangerous drugs may make occasional sales of 5326  
dangerous drugs at wholesale; 5327

(2) A licensed terminal distributor of dangerous drugs having 5328  
more than one establishment or place may transfer or deliver 5329  
dangerous drugs from one establishment or place for which a 5330  
license has been issued to the terminal distributor to another 5331  
establishment or place for which a license has been issued to the 5332  
terminal distributor if the license issued for each establishment 5333  
or place is in effect at the time of the transfer or delivery. 5334

(B)(1) No registered wholesale distributor of dangerous drugs 5335  
shall possess for sale, or sell, at wholesale, dangerous drugs to 5336  
any person other than the following: 5337

(a) A licensed health professional authorized to prescribe 5338  
drugs; 5339

(b) An optometrist licensed under Chapter 4725. of the 5340  
Revised Code who holds a topical ocular pharmaceutical agents 5341  
certificate; 5342

(c) A registered wholesale distributor of dangerous drugs; 5343

(d) A manufacturer of dangerous drugs; 5344

(e) A licensed terminal distributor of dangerous drugs, 5345  
subject to division (B)(2) of this section; 5346

- (f) Carriers or ~~warehouseers~~ warehouses for the purpose of carriage or storage; 5347  
5348
- (g) Terminal or wholesale distributors of dangerous drugs who are not engaged in the sale of dangerous drugs within this state; 5349  
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- (h) An individual who holds a current license, certificate, or registration issued under Title 47 of the Revised Code and has been certified to conduct diabetes education by a national certifying body specified in rules adopted by the state board of pharmacy under section 4729.68 of the Revised Code, but only with respect to insulin that will be used for the purpose of diabetes education and only if diabetes education is within the individual's scope of practice under statutes and rules regulating the individual's profession; 5351  
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- (i) An individual who holds a valid certificate issued by a nationally recognized S.C.U.B.A. diving certifying organization approved by the pharmacy board in rule, but only with respect to medical oxygen that will be used for the purpose of emergency care or treatment at the scene of a diving emergency; 5360  
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- (j) A business entity that is a corporation formed under division (B) of section 1701.03 of the Revised Code, a limited liability company formed under Chapter 1705. of the Revised Code, or a professional association formed under Chapter 1785. of the Revised Code if the entity has a sole shareholder who is a licensed health professional authorized to prescribe drugs and is authorized to provide the professional services being offered by the entity; 5365  
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- (k) A business entity that is a corporation formed under division (B) of section 1701.03 of the Revised Code, a limited liability company formed under Chapter 1705. of the Revised Code, a partnership or a limited liability partnership formed under Chapter 1775. of the Revised Code, or a professional association 5373  
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formed under Chapter 1785. of the Revised Code, if, to be a 5378  
shareholder, member, or partner, an individual is required to be 5379  
licensed, certified, or otherwise legally authorized under Title 5380  
XLVII of the Revised Code to perform the professional service 5381  
provided by the entity and each such individual is a licensed 5382  
health professional authorized to prescribe drugs. 5383

(2) No registered wholesale distributor of dangerous drugs 5384  
shall possess dangerous drugs for sale at wholesale, or sell such 5385  
drugs at wholesale, to a licensed terminal distributor of 5386  
dangerous drugs, except to: 5387

(a) A terminal distributor who has a category I license, only 5388  
dangerous drugs described in category I, as defined in division 5389  
(A)(1) of section 4729.54 of the Revised Code; 5390

(b) A terminal distributor who has a category II license, 5391  
only dangerous drugs described in category I and category II, as 5392  
defined in divisions (A)(1) and (2) of section 4729.54 of the 5393  
Revised Code; 5394

(c) A terminal distributor who has a category III license, 5395  
dangerous drugs described in category I, category II, and category 5396  
III, as defined in divisions (A)(1), (2), and (3) of section 5397  
4729.54 of the Revised Code; 5398

(d) A terminal distributor who has a limited category I, II, 5399  
or III license, only the dangerous drugs specified in the 5400  
certificate furnished by the terminal distributor in accordance 5401  
with section 4729.60 of the Revised Code. 5402

(C)(1) Except as provided in division (C)(4) of this section, 5403  
no person shall sell, at retail, dangerous drugs. 5404

(2) Except as provided in division (C)(4) of this section, no 5405  
person shall possess for sale, at retail, dangerous drugs. 5406

(3) Except as provided in division (C)(4) of this section, no 5407

person shall possess dangerous drugs. 5408

(4) Divisions (C)(1), (2), and (3) of this section do not 5409  
apply to a registered wholesale distributor of dangerous drugs, a 5410  
licensed terminal distributor of dangerous drugs, or a person who 5411  
possesses, or possesses for sale or sells, at retail, a dangerous 5412  
drug in accordance with Chapters 3719., 4715., 4723., 4725., 5413  
4729., 4730., 4731., and 4741. of the Revised Code. 5414

Divisions (C)(1), (2), and (3) of this section do not apply 5415  
to an individual who holds a current license, certificate, or 5416  
registration issued under Title XLVII of the Revised Code and has 5417  
been certified to conduct diabetes education by a national 5418  
certifying body specified in rules adopted by the state board of 5419  
pharmacy under section 4729.68 of the Revised Code, but only to 5420  
the extent that the individual possesses insulin or personally 5421  
supplies insulin solely for the purpose of diabetes education and 5422  
only if diabetes education is within the individual's scope of 5423  
practice under statutes and rules regulating the individual's 5424  
profession. 5425

Divisions (C)(1), (2), and (3) of this section do not apply 5426  
to an individual who holds a valid certificate issued by a 5427  
nationally recognized S.C.U.B.A. diving certifying organization 5428  
approved by the pharmacy board in rule, but only to the extent 5429  
that the individual possesses medical oxygen or personally 5430  
supplies medical oxygen for the purpose of emergency care or 5431  
treatment at the scene of a diving emergency. 5432

(D) No licensed terminal distributor of dangerous drugs shall 5433  
purchase for the purpose of resale dangerous drugs from any person 5434  
other than a registered wholesale distributor of dangerous drugs, 5435  
except as follows: 5436

(1) A licensed terminal distributor of dangerous drugs may 5437  
make occasional purchases of dangerous drugs for resale from a 5438

pharmacist who is a licensed terminal distributor of dangerous 5439  
drugs or who is employed by a licensed terminal distributor of 5440  
dangerous drugs; 5441

(2) A licensed terminal distributor of dangerous drugs having 5442  
more than one establishment or place may transfer or receive 5443  
dangerous drugs from one establishment or place for which a 5444  
license has been issued to the terminal distributor to another 5445  
establishment or place for which a license has been issued to the 5446  
terminal distributor if the license issued for each establishment 5447  
or place is in effect at the time of the transfer or receipt. 5448

(E) No licensed terminal distributor of dangerous drugs shall 5449  
engage in the sale or other distribution of dangerous drugs at 5450  
retail or maintain possession, custody, or control of dangerous 5451  
drugs for any purpose other than the distributor's personal use or 5452  
consumption, at any establishment or place other than that or 5453  
those described in the license issued by the board of pharmacy to 5454  
such terminal distributor. 5455

(F) Nothing in this section shall be construed to interfere 5456  
with the performance of official duties by any law enforcement 5457  
official authorized by municipal, county, state, or federal law to 5458  
collect samples of any drug, regardless of its nature or in whose 5459  
possession it may be. 5460

**Sec. 5322.01.** As used in sections 5322.01 to 5322.05 of the 5461  
Revised Code: 5462

(A) "Self-service storage facility" means any real property 5463  
that is designed and used only for the purpose of renting or 5464  
leasing individual storage space in the facility under the 5465  
following conditions: 5466

(1) The occupants have access to the storage space only for 5467  
the purpose of storing and removing personal property; 5468

(2) The owner does not issue a warehouse receipt, bill of lading, or other document of title, as defined in ~~division (O) of~~ section ~~1301.01~~ 1301.201 of the Revised Code, for the personal property stored in the storage space;

(3) The property has fifty or more individual storage spaces.

"Self-service storage facility" does not include any garage used principally for parking motor vehicles, an establishment licensed pursuant to sections 915.14 to 915.24 of the Revised Code, or any property of a bank or savings and loan association that contains vaults, safe deposit boxes, or other receptacles for the uses, purposes, and benefits of the bank's or savings and loan association's customers.

(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 5500  
include interest on a debt, reasonable expenses incurred in the 5501  
collection of unpaid rent, or costs associated with the 5502  
enforcement of any other remedy provided by statute or contract. 5503

**Section 2.** That existing sections 1.01, 926.24, 926.26, 5504  
1301.01, 1301.02, 1301.04, 1301.05, 1301.06, 1301.07, 1301.08, 5505  
1301.09, 1301.10, 1301.11, 1301.13, 1301.14, 1301.15, 1301.16, 5506  
1301.18, 1301.21, 1302.01, 1302.05, 1302.23, 1302.36, 1302.42, 5507  
1302.44, 1302.47, 1302.49, 1302.50, 1302.53, 1302.63, 1302.79, 5508  
1303.01, 1304.01, 1304.20, 1304.51, 1304.53, 1304.59, 1305.02, 5509  
1306.02, 1306.15, 1307.01, 1307.02, 1307.04, 1307.06, 1307.07, 5510  
1307.08, 1307.09, 1307.10, 1307.11, 1307.12, 1307.13, 1307.14, 5511  
1307.15, 1307.16, 1307.17, 1307.18, 1307.19, 1307.20, 1307.21, 5512  
1307.22, 1307.23, 1307.24, 1307.25, 1307.26, 1307.27, 1307.28, 5513  
1307.29, 1307.30, 1307.31, 1307.32, 1307.33, 1307.34, 1307.35, 5514  
1307.36, 1307.37, 1307.38, 1307.39, 1307.40, 1308.01, 1308.02, 5515  
1309.102, 1309.203, 1309.207, 1309.208, 1309.301, 1309.310, 5516  
1309.312, 1309.313, 1309.314, 1309.317, 1309.331, 1309.338, 5517  
1309.601, 1310.01, 1310.47, 1310.60, 1310.64, 1310.65, 1310.72, 5518  
1310.73, 1310.74, 1311.55, 1311.57, 1333.23, 1743.08, 2307.39, 5519  
2923.17, 2981.01, 3719.14, 3767.29, 4517.01, 4729.51, and 5322.01 5520  
and sections 1301.03, 1301.12, 1302.11, 1307.03, 1307.05, and 5521  
1310.14 of the Revised Code are hereby repealed. 5522

**Section 3.** This act applies to transactions entered into on 5523  
or after the effective date of this act. 5524