

By the Committee on Banking and Insurance; and Senator Wise

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1                   A bill to be entitled  
2           An act relating to the Uniform Commercial Code;  
3           revising and providing provisions of the Uniform  
4           Commercial Code relating to electronic documents of  
5           title, warehouse receipts, bills of lading, and other  
6           documents of title to conform to the revised Article 7  
7           of the Uniform Commercial Code as prepared by the  
8           National Conference of Commissioners on Uniform State  
9           Laws; amending ss. 668.50 and 671.304, F.S.;  
10          correcting cross-references; amending ss. 671.201,  
11          672.103, 672.104, 674.104, 677.102, and 679.1021,  
12          F.S.; revising and providing definitions; revising  
13          provisions pertaining to definitions applicable to  
14          certain provisions of the code, to conform cross-  
15          references to revisions made by this act; amending s.  
16          672.310, F.S.; revising time when certain delivery  
17          payments are due; amending ss. 559.9232, 672.323,  
18          672.401, 672.503, 672.505, 672.506, 672.509, 672.605,  
19          672.705, 674.2101, 677.201, 677.202, 677.203, 677.205,  
20          677.206, 677.207, 677.208, 677.301, 677.302, 677.304,  
21          677.305, 677.401, 677.402, 677.403, 677.404, 677.502,  
22          677.503, 677.505, 677.506, 677.507, 677.508, 677.509,  
23          677.602, 677.603, 679.2031, 679.2071, 679.3011,  
24          679.3101, 679.3121, 679.3131, 679.3141, 679.3171,  
25          679.338, 680.1031, 680.514, and 680.526, F.S.;  
26          revising provisions to conform to changes made by this  
27          act; making editorial changes; amending s. 677.103,  
28          F.S.; revising and providing application in relation  
29          of chapter to treaty, statute, tariff, classification,

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30 or regulation; amending s. 677.104, F.S.; providing  
31 when certain documents of title are nonnegotiable;  
32 amending s. 677.105, F.S.; authorizing an issuer of  
33 the electronic document to issue a tangible document  
34 of title as a substitute for the electronic document  
35 under certain conditions; authorizing an issuer of a  
36 tangible document to issue an electronic document of  
37 title as a substitute for the tangible document under  
38 certain conditions; creating s. 677.106, F.S.;

39 providing when certain persons have control of an  
40 electronic document of title; amending s. 677.204,  
41 F.S.; revising liability of certain damages;  
42 authorizing a warehouse receipt or storage agreement  
43 to provide certain requirements; amending s. 677.209,  
44 F.S.; revising conditions for a warehouse to establish  
45 a lien against a bailor; providing when and against  
46 whom the lien is effective; amending s. 677.210, F.S.;

47 revising provisions relating to the enforcement of  
48 liens; amending s. 677.303, F.S.; prohibiting  
49 liability for certain carriers; amending s. 677.307,  
50 F.S.; revising conditions under which a carrier has a  
51 lien on goods covered by a bill of lading; amending s.  
52 677.308, F.S.; revising provisions relating to the  
53 enforcement of a carrier's lien; amending s. 677.309,  
54 F.S.; revising provisions relating to the contractual  
55 limitation of a carrier's liability; amending s.  
56 677.501, F.S.; providing requirements for negotiable  
57 tangible documents of title and negotiable electronic  
58 documents of title; amending s. 677.504, F.S.;

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59 providing condition under which the rights of the  
60 transferee may be defeated; amending s. 677.601, F.S.;  
61 revising provisions relating to lost, stolen, or  
62 destroyed documents of title; amending s. 678.1031,  
63 F.S.; providing that certain documents of title are  
64 not financial assets; amending s. 679.2081, F.S.;  
65 providing requirements for secured parties having  
66 control of an electronic document; providing an  
67 effective date.

68  
69 Be It Enacted by the Legislature of the State of Florida:

70  
71 Section 1. Paragraph (f) of subsection (2) of section  
72 559.9232, Florida Statutes, is amended to read:

73 559.9232 Definitions; exclusion of rental-purchase  
74 agreements from certain regulations.—

75 (2) A rental-purchase agreement that complies with this act  
76 shall not be construed to be, nor be governed by, any of the  
77 following:

78 (f) A security interest as defined in s. 671.201(38)~~(35)~~.

79 Section 2. Present subsections (25) through (43) of section  
80 671.201, Florida Statutes, are renumbered as subsections (28)  
81 through (46), respectively, new subsections (25), (26), and (27)  
82 are added to that section, and present subsections (5), (6),  
83 (10), (15), (16), (21), and (42) are amended, to read:

84 671.201 General definitions.—Unless the context otherwise  
85 requires, words or phrases defined in this section, or in the  
86 additional definitions contained in other chapters of this code  
87 which apply to particular chapters or parts thereof, have the

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88 meanings stated. Subject to definitions contained in other  
89 chapters of this code which apply to particular chapters or  
90 parts thereof, the term:

91 (5) "Bearer" means a person in control of a negotiable  
92 electronic document of title or a person in possession of a  
93 negotiable instrument, a negotiable tangible document of title,  
94 or a certificated security that is payable to bearer or indorsed  
95 in blank.

96 (6) "Bill of lading" means a document of title evidencing  
97 the receipt of goods for shipment issued by a person engaged in  
98 the business of directly or indirectly transporting or  
99 forwarding goods. The term does not include a warehouse receipt.

100 (10) "Conspicuous," with reference to a term, means so  
101 written, displayed, or presented that a reasonable person  
102 against which ~~whom~~ it is to operate ought to have noticed it.  
103 Whether a term is "conspicuous" is a decision for the court.  
104 Conspicuous terms include the following:

105 (a) A heading in capitals ~~in a size~~ equal to or greater in  
106 size larger than ~~that of~~ the surrounding text, or in contrasting  
107 a type, font, or color ~~in contrast~~ to the surrounding text of  
108 the same or lesser size; and.

109 (b) Language in the body of a record or display in larger  
110 type ~~larger than that of~~ the surrounding text; ~~in a type, font,~~  
111 ~~or color in contrast to the surrounding text of the same size;~~  
112 or set off from surrounding text of the same size by symbols or  
113 other marks that call attention to the language.

114 (15) "Delivery," with respect to an electronic document of  
115 title, means voluntary transfer of control and "delivery," with  
116 respect to instruments ~~instrument,~~ tangible document of title,

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117 ~~or~~ chattel paper, or certificated securities, means voluntary  
118 transfer of possession.

119 (16) "Document of title" means a record:

120 (a) includes bill of lading, dock warrant, dock receipt,  
121 warehouse receipt or order for the delivery of goods, and any  
122 other document That in the regular course of business or  
123 financing is treated as adequately evidencing that the person in  
124 possession or control of the record ~~it~~ is entitled to receive,  
125 control, hold, and dispose of the record ~~document~~ and the goods  
126 the record ~~it~~ covers; and

127 (b) That purports to be issued by or addressed to a bailee  
128 and to cover goods in the bailee's possession which are either  
129 identified or are fungible portions of an identified mass. The  
130 term includes a bill of lading, transport document, dock  
131 warrant, dock receipt, warehouse receipt, and order for delivery  
132 of goods. An electronic document of title means a document of  
133 title evidenced by a record consisting of information stored in  
134 an electronic medium. A tangible document of title means a  
135 document of title evidenced by a record consisting of  
136 information that is inscribed on a tangible medium. ~~To be a~~  
137 document of title, a document must purport to be issued by or  
138 addressed to a bailee and purport to cover goods in the bailee's  
139 possession which are either identified or are fungible portions  
140 of an identified mass.

141 (21) "Holder" means:

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

145 (b) The person in possession of a negotiable tangible

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146 document of title if the goods are deliverable either to bearer  
147 or to the order of the person in possession; ~~or-~~

148 (c) The person in control of a negotiable electronic  
149 document of title.

150 (25) Subject to subsection (27), a person has "notice" of a  
151 fact if the person:

152 (a) Has actual knowledge of it;

153 (b) Has received a notice or notification of it; or

154 (c) From all the facts and circumstances known to the  
155 person at the time in question, has reason to know that it  
156 exists. A person "knows" or has "knowledge" of a fact when the  
157 person has actual knowledge of it. "Discover" or "learn" or a  
158 word or phrase of similar import refers to knowledge rather than  
159 to reason to know. The time and circumstances under which a  
160 notice or notification may cease to be effective are not  
161 determined by this section.

162 (26) A person "notifies" or "gives" a notice or  
163 notification to another person by taking such steps as may be  
164 reasonably required to inform the other person in ordinary  
165 course, whether or not the other person actually comes to know  
166 of it. Subject to subsection (27), a person "receives" a notice  
167 or notification when:

168 (a) It comes to that person's attention; or

169 (b) It is duly delivered in a form reasonable under the  
170 circumstances at the place of business through which the  
171 contract was made or at another location held out by that person  
172 as the place for receipt of such communications.

173 (27) Notice, knowledge, or a notice or notification  
174 received by an organization is effective for a particular

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175 transaction from the time when it is brought to the attention of  
176 the individual conducting that transaction, and, in any event,  
177 from the time when it would have been brought to the  
178 individual's attention if the organization had exercised due  
179 diligence. An organization exercises due diligence if it  
180 maintains reasonable routines for communicating significant  
181 information to the person conducting the transaction and there  
182 is reasonable compliance with the routines. Due diligence does  
183 not require an individual acting for the organization to  
184 communicate information unless such communication is part of the  
185 individual's regular duties or the individual has reason to know  
186 of the transaction and that the transaction would be materially  
187 affected by the information.

188 (45)-(42) "Warehouse receipt" means a document of title  
189 ~~receipt~~ issued by a person engaged in the business of storing  
190 goods for hire.

191 Section 3. Paragraph (d) of subsection (16) of section  
192 668.50, Florida Statutes, is amended to read:

193 668.50 Uniform Electronic Transaction Act.—

194 (16) TRANSFERABLE RECORDS.—

195 (d) Except as otherwise agreed, a person having control of  
196 a transferable record is the holder, as defined in s.  
197 671.201~~(21)~~, of the transferable record and has the same rights  
198 and defenses as a holder of an equivalent record or writing  
199 under the Uniform Commercial Code, including, if the applicable  
200 statutory requirements under s. 673.3021, s. 677.501, or s.  
201 679.330 ~~679.308~~ are satisfied, the rights and defenses of a  
202 holder in due course, a holder to which a negotiable document of  
203 title has been duly negotiated, or a purchaser, respectively.

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204 Delivery, possession, and indorsement are not required to obtain  
205 or exercise any of the rights under this paragraph.

206 Section 4. Subsection (5) of section 671.304, Florida  
207 Statutes, is amended to read:

208 671.304 Laws not repealed; precedence where code provisions  
209 in conflict with other laws; certain statutory remedies  
210 retained.—

211 (5) The effectiveness of any financing statement or  
212 continuation statement filed before ~~prior to~~ January 1, 1980, or  
213 any continuation statement filed on or after October 1, 1984,  
214 which states that the debtor is a transmitting utility as  
215 provided in s. 679.515(6) continues ~~679.403(6) shall continue~~  
216 until a termination statement is filed, except that if this act  
217 requires a filing in an office where there was no previous  
218 financing statement, a new financing statement conforming to s.  
219 680.109(4), Florida Statutes 1979, shall be filed in that  
220 office.

221 Section 5. Subsection (3) of section 672.103, Florida  
222 Statutes, is amended to read:

223 672.103 Definitions and index of definitions.—

224 (3) The following definitions in other chapters apply to  
225 this chapter:

226 "Check," s. 673.1041.

227 "Consignee," s. 677.102.

228 "Consignor," s. 677.102.

229 "Consumer goods," s. 679.1021.

230 "Control," s. 677.106.

231 "Dishonor," s. 673.5021.

232 "Draft," s. 673.1041.



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233 Section 6. Subsection (2) of section 672.104, Florida  
234 Statutes, is amended to read:

235 672.104 Definitions: "merchant"; "between merchants";  
236 "financing agency."—

237 (2) "Financing agency" means a bank, finance company or  
238 other person who in the ordinary course of business makes  
239 advances against goods or documents of title or who by  
240 arrangement with either the seller or the buyer intervenes in  
241 ordinary course to make or collect payment due or claimed under  
242 the contract for sale, as by purchasing or paying the seller's  
243 draft or making advances against it or by merely taking it for  
244 collection whether or not documents of title accompany or are  
245 associated with the draft. "Financing agency" includes also a  
246 bank or other person who similarly intervenes between persons  
247 who are in the position of seller and buyer in respect to the  
248 goods (s. 672.707).

249 Section 7. Subsection (3) of section 672.310, Florida  
250 Statutes, is amended to read:

251 672.310 Open time for payment or running of credit;  
252 authority to ship under reservation.—Unless otherwise agreed:

253 (3) If delivery is authorized and made by way of documents  
254 of title otherwise than by subsection (2) then payment is due  
255 regardless of where the goods are to be received at the time and  
256 place at which the buyer is to receive delivery of the tangible  
257 documents or at the time the buyer is to receive delivery of the  
258 electronic documents and at the seller's place of business or,  
259 if none, the seller's residence ~~regardless of where the goods~~  
260 ~~are to be received~~; and

261 Section 8. Section 672.323, Florida Statutes, is amended to

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262 read:

263 672.323 Form of bill of lading required in overseas  
264 shipment; "overseas."—

265 (1) Where the contract contemplates overseas shipment and  
266 contains a term "C.I.F." or "C. & F. or F.O.B. vessel," the  
267 seller unless otherwise agreed shall ~~must~~ obtain a negotiable  
268 bill of lading stating that the goods have been loaded in ~~on~~  
269 board or, in the case of a term "C.I.F." or "C. & F.," received  
270 for shipment.

271 (2) Where in a case within subsection (1) a tangible bill  
272 of lading has been issued in a set of parts, unless otherwise  
273 agreed if the documents are not to be sent from abroad the buyer  
274 may demand tender of the full set; otherwise only one part of  
275 the bill of lading need be tendered. Even if the agreement  
276 expressly requires a full set:

277 (a) Due tender of a single part is acceptable within the  
278 provisions of this chapter on cure of improper delivery (s.  
279 672.508(1)); and

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

284 (3) A shipment by water or by air or a contract  
285 contemplating such shipment is "overseas" insofar as by usage of  
286 trade or agreement it is subject to the commercial, financing or  
287 shipping practices characteristic of international deepwater  
288 commerce.

289 Section 9. Subsections (2) and (3) of section 672.401,  
290 Florida Statutes, are amended to read:

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291           672.401 Passing of title; reservation for security; limited  
292 application of this section.—Each provision of this chapter with  
293 regard to the rights, obligations and remedies of the seller,  
294 the buyer, purchasers or other third parties applies  
295 irrespective of title to the goods except where the provision  
296 refers to such title. Insofar as situations are not covered by  
297 the other provisions of this chapter and matters concerning  
298 title become material the following rules apply:

299           (2) Unless otherwise explicitly agreed title passes to the  
300 buyer at the time and place at which the seller completes her or  
301 his performance with reference to the physical delivery of the  
302 goods, despite any reservation of a security interest and even  
303 though a document of title is to be delivered at a different  
304 time or place; and in particular and despite any reservation of  
305 a security interest by the bill of lading:

306           (a) If the contract requires or authorizes the seller to  
307 send the goods to the buyer but does not require him or her ~~the~~  
308 ~~seller~~ to deliver them at destination, title passes to the buyer  
309 at the time and place of shipment; but

310           (b) If the contract requires delivery at destination, title  
311 passes on tender there.

312           (3) Unless otherwise explicitly agreed where delivery is to  
313 be made without moving the goods:

314           (a) If the seller is to deliver a tangible document of  
315 title, title passes at the time when and the place where he or  
316 she ~~the seller~~ delivers such documents and if the seller is to  
317 deliver an electronic document of title, title passes when the  
318 seller delivers the document; or

319           (b) If the goods are at the time of contracting already

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320 identified and no documents of title are to be delivered, title  
321 passes at the time and place of contracting.

322 Section 10. Subsections (4) and (5) of section 672.503,  
323 Florida Statutes, are amended to read:

324 672.503 Manner of seller's tender of delivery.—

325 (4) Where goods are in the possession of a bailee and are  
326 to be delivered without being moved:

327 (a) Tender requires that the seller either tender a  
328 negotiable document of title covering such goods or procure  
329 acknowledgment by the bailee of the buyer's right to possession  
330 of the goods; but

331 (b) Tender to the buyer of a nonnegotiable document of  
332 title or of a record directing ~~written direction~~ to the bailee  
333 to deliver is sufficient tender unless the buyer seasonably  
334 objects, and, except as otherwise provided in chapter 679,  
335 receipt by the bailee of notification of the buyer's rights  
336 fixes those rights as against the bailee and all third persons;  
337 but risk of loss of the goods and of any failure by the bailee  
338 to honor the nonnegotiable document of title or to obey the  
339 direction remains on the seller until the buyer has had a  
340 reasonable time to present the document or direction, and a  
341 refusal by the bailee to honor the document or to obey the  
342 direction defeats the tender.

343 (5) Where the contract requires the seller to deliver  
344 documents:

345 (a) He or she shall ~~must~~ tender all such documents in  
346 correct form, except as provided in this chapter with respect to  
347 bills of lading in a set (s. 672.323(2)); and

348 (b) Tender through customary banking channels is sufficient

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349 and dishonor of a draft accompanying or associated with the  
350 documents constitutes nonacceptance or rejection.

351 Section 11. Section 672.505, Florida Statutes, is amended  
352 to read:

353 672.505 Seller's shipment under reservation.—

354 (1) Where the seller has identified goods to the contract  
355 by or before shipment:

356 (a) His or her ~~The seller's~~ procurement of a negotiable  
357 bill of lading to his or her own order or otherwise reserves in  
358 him or her ~~the seller~~ a security interest in the goods. His or  
359 her procurement of the bill to the order of a financing agency  
360 or of the buyer indicates in addition only the seller's  
361 expectation of transferring that interest to the person named.

362 (b) A nonnegotiable bill of lading to himself or herself or  
363 his or her nominee reserves possession of the goods as security  
364 but except in a case of conditional delivery (s. 672.507(2)) a  
365 nonnegotiable bill of lading naming the buyer as consignee  
366 reserves no security interest even though the seller retains  
367 possession or control of the bill of lading.

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

375 Section 12. Subsection (2) of section 672.506, Florida  
376 Statutes, is amended to read:

377 672.506 Rights of financing agency.—

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

383 Section 13. Subsection (2) of section 672.509, Florida  
384 Statutes, is amended to read:

385 672.509 Risk of loss in the absence of breach.—

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

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

390 (b) On acknowledgment by the bailee of the buyer's right to  
391 possession of the goods; or

392 (c) After her or his receipt of possession or control of a  
393 nonnegotiable document of title or other ~~written~~ direction to  
394 deliver in a record, as provided in s. 672.503(4) (b).

395 Section 14. Subsection (2) of section 672.605, Florida  
396 Statutes, is amended to read:

397 672.605 Waiver of buyer's objections by failure to  
398 particularize.—

399 (2) Payment against documents made without reservation of  
400 rights precludes recovery of the payment for defects apparent in  
401 ~~on the face of~~ the documents.

402 Section 15. Subsections (2) and (3) of section 672.705,  
403 Florida Statutes, are amended to read:

404 672.705 Seller's stoppage of delivery in transit or  
405 otherwise.—

406 (2) As against such buyer the seller may stop delivery

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407 until:

408 (a) Receipt of the goods by the buyer; or

409 (b) Acknowledgment to the buyer by any bailee of the goods  
410 except a carrier that the bailee holds the goods for the buyer;  
411 or

412 (c) Such acknowledgment to the buyer by a carrier by  
413 reshipment or as a warehouse ~~warehouseman~~; or

414 (d) Negotiation to the buyer of any negotiable document of  
415 title covering the goods.

416 (3) (a) To stop delivery the seller shall ~~must~~ so notify as  
417 to enable the bailee by reasonable diligence to prevent delivery  
418 of the goods.

419 (b) After such notification the bailee shall ~~must~~ hold and  
420 deliver the goods according to the directions of the seller but  
421 the seller is liable to the bailee for any ensuing charges or  
422 damages.

423 (c) If a negotiable document of title has been issued for  
424 goods the bailee is not obliged to obey a notification to stop  
425 until surrender of possession or control of the document.

426 (d) A carrier who has issued a nonnegotiable bill of lading  
427 is not obliged to obey a notification to stop received from a  
428 person other than the consignor.

429 Section 16. Subsection (3) of section 674.104, Florida  
430 Statutes, is amended to read:

431 674.104 Definitions and index of definitions.—

432 (3) The following definitions in other chapters apply to  
433 this chapter:

434 "Acceptance," s. 673.4091.

435 "Alteration," s. 673.4071.

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436 "Cashier's check," s. 673.1041.  
437 "Certificate of deposit," s. 673.1041.  
438 "Certified check," s. 673.4091.  
439 "Check," s. 673.1041.  
440 "Control," s. 677.106.  
441 "Good faith," s. 673.1031.  
442 "Holder in due course," s. 673.3021.  
443 "Instrument," s. 673.1041.  
444 "Notice of dishonor," s. 673.5031.  
445 "Order," s. 673.1031.  
446 "Ordinary care," s. 673.1031.  
447 "Person entitled to enforce," s. 673.3011.  
448 "Presentment," s. 673.5011.  
449 "Promise," s. 673.1031.  
450 "Prove," s. 673.1031.  
451 "Teller's check," s. 673.1041.  
452 "Unauthorized signature," s. 673.4031.  
453 Section 17. Subsection (3) of section 674.2101, Florida  
454 Statutes, is amended to read:

455 674.2101 Security interest of collecting bank in items,  
456 accompanying documents, and proceeds.—

457 (3) Receipt by a collecting bank of a final settlement for  
458 an item is a realization on its security interest in the item,  
459 accompanying documents, and proceeds. So long as the bank does  
460 not receive final settlement for the item or give up possession  
461 of the item or possession or control of the accompanying or  
462 associated documents for purposes other than collection, the  
463 security interest continues to that extent and is subject to  
464 chapter 679, but:



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465 (a) No security agreement is necessary to make the security  
466 interest enforceable (s. 679.2031(2)(c)1.);

467 (b) No filing is required to perfect the security interest;  
468 and

469 (c) The security interest has priority over conflicting  
470 perfected security interests in the item, accompanying  
471 documents, or proceeds.

472 Section 18. Section 677.102, Florida Statutes, is amended  
473 to read:

474 677.102 Definitions and index of definitions.—

475 (1) In this chapter, unless the context otherwise requires:

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

479 (b) "Carrier" means a person that issues a bill of lading.

480 (c) ~~(b)~~ "Consignee" means a the person named in a bill of  
481 lading to which ~~whom~~ or to whose order the bill promises  
482 delivery.

483 (d) ~~(e)~~ "Consignor" means a the person named in a bill of  
484 lading as the person from which ~~whom~~ the goods have been  
485 received for shipment.

486 (e) ~~(d)~~ "Delivery order" means a record that contains an  
487 ~~written~~ order to deliver goods directed to a warehouse  
488 ~~warehouseman~~, carrier, or other person that ~~who~~ in the ordinary  
489 course of business issues warehouse receipts or bills of lading.

490 (f) "Good faith" means honesty in fact and the observance  
491 of reasonable commercial standards of fair dealing.

492 ~~(e) "Document" means document of title as defined in the~~  
493 ~~general definitions in chapter 671 (s. 671.201).~~

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494 (g)~~(f)~~ "Goods" means all things that ~~which~~ are treated as  
495 movable for the purposes of a contract of storage or  
496 transportation.

497 (h)~~(g)~~ "Issuer" means a bailee who issues a document of  
498 title or, in the case of ~~except that in relation to~~ an  
499 unaccepted delivery order, ~~it means~~ the person who orders the  
500 possessor of goods to deliver. The term ~~Issuer~~ includes a ~~any~~  
501 person for which ~~whom~~ an agent or employee purports to act in  
502 issuing a document if the agent or employee has real or apparent  
503 authority to issue documents, notwithstanding that the issuer  
504 received no goods or that the goods were misdescribed or that in  
505 any other respect the agent or employee violated his or her  
506 instructions.

507 (i) "Person entitled under the document" means the holder,  
508 in the case of a negotiable document of title, or the person to  
509 which delivery of the goods is to be made by the terms of, or  
510 pursuant to instructions in a record under, a nonnegotiable  
511 document of title.

512 (j) "Record" means information that is inscribed on a  
513 tangible medium or that is stored in an electronic or other  
514 medium and is retrievable in perceivable form.

515 (k) "Shipper" means a person that enters into a contract of  
516 transportation with a carrier.

517 (l) "Sign" means, with present intent to authenticate or  
518 adopt a record:

- 519 1. To execute or adopt a tangible symbol; or  
520 2. To attach to or logically associate with the record an  
521 electronic sound, symbol, or process.

522 (m)~~(h)~~ "Warehouse" means ~~"Warehouseman" is~~ a person engaged

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523 in the business of storing goods for hire.

524 ~~(2) Other definitions applying to this chapter or to~~  
525 ~~specified parts thereof, and the sections in which they appear~~  
526 ~~are:~~

527 ~~"Duly negotiate," s. 677.501.~~

528 ~~"Person entitled under the document," s. 677.403(4).~~

529 ~~(3)~~ Definitions in other chapters applying to this chapter  
530 and the sections in which they appear are:

531 "Contract for sale," s. 672.106.

532 ~~"Overseas," s. 672.323.~~

533 "Lessee in ordinary course of business," s. 680.1031.

534 "Receipt" of goods, s. 672.103.

535 (3)(4) In addition, chapter 671 contains general  
536 definitions and principles of construction and interpretation  
537 applicable throughout this chapter.

538 Section 19. Section 677.103, Florida Statutes, is amended  
539 to read:

540 677.103 Relation of chapter to treaty, statute, ~~tariff,~~  
541 classification, or regulation.—

542 (1) Except as otherwise provided in this chapter, this  
543 chapter is subject to the extent that any treaty or statute of  
544 the United States to the extent the treaty or statute,  
545 ~~regulatory statute of this state or tariff, classification or~~  
546 ~~regulation filed or issued pursuant thereto is applicable, the~~  
547 ~~provisions of this chapter are subject thereto.~~

548 (2) This chapter does not modify or repeal any law  
549 prescribing the form or content of a document of title or the  
550 services or facilities to be afforded by a bailee, or otherwise  
551 regulating a bailee's business in respects not specifically

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552 treated in this chapter. However, a violation of such a law does  
553 not affect the status of a document of title that otherwise is  
554 within the definition of a document of title.

555 (3) This chapter modifies, limits, and supersedes the  
556 federal Electronic Signatures in Global and National Commerce  
557 Act, 15 U.S.C. ss. 7001, et seq., but does not modify, limit, or  
558 supersede s. 101(c) of that act, 15 U.S.C. s. 7001(c), or  
559 authorize electronic delivery of any of the notices described in  
560 s. 103(b) of that act, 15 U.S.C. s. 7003(b).

561 (4) To the extent that there is a conflict between any  
562 provisions of the laws of this state regarding electronic  
563 transactions and this chapter, this chapter governs.

564 Section 20. Section 677.104, Florida Statutes, is amended  
565 to read:

566 677.104 Negotiable and nonnegotiable ~~warehouse receipt,~~  
567 ~~bill of lading or other~~ document of title.-

568 (1) Except as otherwise provided in subsection (3), a  
569 ~~warehouse receipt, bill of lading or other~~ document of title is  
570 negotiable:

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

573 ~~(b) Where recognized in overseas trade, if it runs to a~~  
574 ~~named person or assigns.~~

575 (2) A document of title other than one described in  
576 subsection (1) ~~Any other document~~ is nonnegotiable. A bill of  
577 lading that states in which it is stated that the goods are  
578 consigned to a named person is not made negotiable by a  
579 provision that the goods are to be delivered only against an a  
580 ~~written~~ order in a record signed by the same or another named

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581 person.

582 (3) A document of title is nonnegotiable if, at the time it  
583 is issued, the document has a conspicuous legend, however  
584 expressed, that it is nonnegotiable.

585 Section 21. Section 677.105, Florida Statutes, is amended  
586 to read:

587 677.105 Reissuance in alternative medium ~~Construction~~  
588 ~~against negative implication.~~

589 (1) Upon request of a person entitled under an electronic  
590 document of title, the issuer of the electronic document may  
591 issue a tangible document of title as a substitute for the  
592 electronic document if:

593 (a) The person entitled under the electronic document  
594 surrenders control of the document to the issuer; and

595 (b) The tangible document when issued contains a statement  
596 that it is issued in substitution for the electronic document.

597 (2) Upon issuance of a tangible document of title in  
598 substitution for an electronic document of title in accordance  
599 with subsection (1):

600 (a) The electronic document ceases to have any effect or  
601 validity; and

602 (b) The person that procured issuance of the tangible  
603 document warrants to all subsequent persons entitled under the  
604 tangible document that the warrantor was a person entitled under  
605 the electronic document when the warrantor surrendered control  
606 of the electronic document to the issuer.

607 (3) Upon request of a person entitled under a tangible  
608 document of title, the issuer of the tangible document may issue  
609 an electronic document of title as a substitute for the tangible

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610 document if:

611 (a) The person entitled under the tangible document  
612 surrenders possession of the document to the issuer; and

613 (b) The electronic document when issued contains a  
614 statement that it is issued in substitution for the tangible  
615 document.

616 (4) Upon issuance of an electronic document of title in  
617 substitution for a tangible document of title is accordance with  
618 subsection (3):

619 (a) The tangible document ceases to have any effect or  
620 validity; and

621 (b) The person that procured issuance of the electronic  
622 document warrants to all subsequent persons entitled under the  
623 electronic document that the warrantor was a person entitled  
624 under the tangible document when the warrantor surrendered  
625 possession of the tangible document to the issuer. ~~The omission~~  
626 ~~from either part II or part III of this chapter of a provision~~  
627 ~~corresponding to a provision made in the other part does not~~  
628 ~~imply that a corresponding rule of law is not applicable.~~

629 Section 22. Section 677.106, Florida Statutes, is created  
630 to read:

631 677.106 Control of electronic document of title.-

632 (1) A person has control of an electronic document of title  
633 if a system employed for evidencing the transfer of interests in  
634 the electronic document reliably establishes that person as the  
635 person to which the electronic document was issued or  
636 transferred.

637 (2) A system satisfies subsection (1), and a person is  
638 deemed to have control of an electronic document of title, if

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639 the document is created, stored, and assigned in a manner that:

640 (a) A single authoritative copy of the document exists  
641 which is unique, identifiable, and, except as otherwise provided  
642 in paragraphs (d), (e), and (f), unalterable;

643 (b) The authoritative copy identifies the person asserting  
644 control as:

645 1. The person to which the document was issued; or  
646 2. If the authoritative copy indicates that the document  
647 has been transferred, the person to which the document was most  
648 recently transferred;

649 (c) The authoritative copy is communicated to and  
650 maintained by the person asserting control or its designated  
651 custodian;

652 (d) Copies or amendments that add or change an identified  
653 assignee of the authoritative copy can be made only with the  
654 consent of the person asserting control;

655 (e) Each copy of the authoritative copy and any copy of a  
656 copy is readily identifiable as a copy that is not the  
657 authoritative copy; and

658 (f) Any amendment of the authoritative copy is readily  
659 identifiable as authorized or unauthorized.

660 Section 23. Section 677.201, Florida Statutes, is amended  
661 to read:

662 677.201 Persons that ~~Who~~ may issue a warehouse receipt;  
663 storage under ~~government~~ bond.—

664 (1) A warehouse receipt may be issued by any warehouse  
665 ~~warehouseman~~.

666 (2) If ~~Where~~ goods, including distilled spirits and  
667 agricultural commodities, are stored under a statute requiring a

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668 bond against withdrawal or a license for the issuance of  
669 receipts in the nature of warehouse receipts, a receipt issued  
670 for the goods is deemed to be ~~has like effect as~~ a warehouse  
671 receipt even if ~~though~~ issued by a person that ~~who~~ is the owner  
672 of the goods and is not a warehouse ~~warehouseman~~.

673 Section 24. Section 677.202, Florida Statutes, is amended  
674 to read:

675 677.202 Form of warehouse receipt; effect of omission  
676 ~~essential terms; optional terms.~~

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

678 (2) Unless a warehouse receipt provides for ~~embodies within~~  
679 ~~its written or printed terms~~ each of the following, the  
680 warehouse warehouseman is liable for damages caused to a person  
681 injured by its ~~by the~~ omission ~~to a person injured thereby~~:

682 (a) A statement of the location of the warehouse facility  
683 where the goods are stored;

684 (b) The date of issue of the receipt;

685 (c) The unique identification code ~~consecutive number~~ of  
686 the receipt;

687 (d) A statement whether the goods received will be  
688 delivered to the bearer, to a named ~~specified~~ person, or to a  
689 named ~~specified~~ person or its ~~his or her~~ order;

690 (e) The rate of storage and handling charges, unless ~~except~~  
691 ~~that where~~ goods are stored under a field warehousing  
692 arrangement, in which case a statement of that fact is  
693 sufficient on a nonnegotiable receipt;

694 (f) A description of the goods or ~~of~~ the packages  
695 containing them;

696 (g) The signature of the warehouse or its ~~warehouseman~~,



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697 ~~which may be made by his or her authorized agent;~~

698 (h) If the receipt is issued for goods that the warehouse  
699 owns ~~of which the warehouseman is owner~~, either solely, ~~or~~  
700 jointly, or in common with others, a statement of the fact of  
701 that such ownership; and

702 (i) A statement of the amount of advances made and of  
703 liabilities incurred for which the warehouse ~~warehouseman~~ claims  
704 a lien or security interest, unless (s. 677.209). ~~If the precise~~  
705 ~~amount of such~~ advances made or ~~of such~~ liabilities incurred ~~is,~~  
706 at the time of the issue of the receipt ~~is,~~ unknown to the  
707 warehouse ~~warehouseman~~ or to its ~~his or her~~ agent that issued  
708 the receipt, in which case ~~who issues it,~~ a statement of the  
709 fact that advances have been made or liabilities incurred and  
710 the purpose of the advances or liabilities ~~thereof~~ is  
711 sufficient.

712 (3) A warehouse ~~warehouseman~~ may insert in its ~~his or her~~  
713 receipt any ~~other~~ terms that ~~which~~ are not contrary to the  
714 provisions of this code and do not impair its ~~his or her~~  
715 obligation of delivery under s. 677.403 ~~(s. 677.403)~~ or its ~~his~~  
716 ~~or her~~ duty of care under s. 677.204 ~~(s. 677.204)~~. Any contrary  
717 provision is ~~provisions shall be~~ ineffective.

718 Section 25. Section 677.203, Florida Statutes, is amended  
719 to read:

720 677.203 Liability of nonreceipt or misdescription.—A party  
721 to or purchaser for value in good faith of a document of title,  
722 other than a bill of lading, that relies ~~relying in either case~~  
723 upon the description ~~therein~~ of the goods in the document may  
724 recover from the issuer damages caused by the nonreceipt or  
725 misdescription of the goods, except to the extent that:

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726       (1) The document conspicuously indicates that the issuer  
 727 does not know whether all or any part ~~or all~~ of the goods in  
 728 fact were received or conform to the description, such as a case  
 729 in which ~~as where~~ the description is in terms of marks or labels  
 730 or kind, quantity or condition, or the receipt or description is  
 731 qualified by "contents, condition and quality unknown," "said to  
 732 contain," or words of similar import ~~the like~~, if such  
 733 indication ~~is~~ be true; ~~r~~ or

734       (2) The party or purchaser otherwise has notice of the  
 735 nonreceipt or misdescription.

736       Section 26. Section 677.204, Florida Statutes, is amended  
 737 to read:

738       677.204 Duty of care; contractual limitation of warehouse's  
 739 ~~warehouseman's~~ liability.—

740       (1) A warehouse ~~warehouseman~~ is liable for damages for loss  
 741 of or injury to the goods caused by its ~~his or her~~ failure to  
 742 exercise ~~such~~ care with ~~in~~ regard to the goods that ~~them~~ as a  
 743 reasonably careful person would exercise under similar ~~like~~  
 744 circumstances. ~~but~~ Unless otherwise agreed, the warehouse ~~he or~~  
 745 ~~she~~ is not liable for damages that ~~which~~ could not have been  
 746 avoided by the exercise of that ~~such~~ care.

747       (2) Damages may be limited by a term in the warehouse  
 748 receipt or storage agreement limiting the amount of liability in  
 749 case of loss or damage, and setting forth a specific liability  
 750 per article or item, or value per unit of weight, or any other  
 751 negotiated limitation of damages as agreed between the parties  
 752 beyond which the warehouse is ~~warehouseman shall not be liable;~~  
 753 ~~provided, however, that such liability may on written.~~ Such a  
 754 limitation is not effective with respect to the warehouse's

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755 liability for conversion to its own use. On request of the  
756 bailor in a record at the time of signing the ~~such~~ storage  
757 agreement or within a reasonable time after receipt of the  
758 warehouse receipt, the warehouse's liability may be increased on  
759 part or all of the goods covered by the storage agreement or the  
760 warehouse receipt. In this event, thereunder, in which event  
761 increased rates may be charged based on an ~~such~~ increased  
762 valuation of the goods, but that no such increase shall be  
763 ~~permitted contrary to a lawful limitation of liability contained~~  
764 ~~in the warehouseman's tariff, if any. No such limitation is~~  
765 ~~effective with respect to the warehouseman's liability for~~  
766 ~~conversion to his or her own use.~~

767 (3) Reasonable provisions as to the time and manner of  
768 presenting claims and commencing actions based on the bailment  
769 may be included in the warehouse receipt or storage agreement.

770 (4) ~~(3)~~ This section does not impair or repeal any statute  
771 which imposes a higher responsibility upon the warehouse  
772 ~~warehouseman~~ or invalidates contractual limitations which would  
773 be permissible under this chapter.

774 Section 27. Section 677.205, Florida Statutes, is amended  
775 to read:

776 677.205 Title under warehouse receipt defeated in certain  
777 cases.—A buyer in ~~the~~ ordinary course of business of fungible  
778 goods sold and delivered by a warehouse that ~~warehouseman who~~ is  
779 also in the business of buying and selling such goods takes the  
780 goods free of any claim under a warehouse receipt even if the  
781 receipt is negotiable and ~~though it~~ has been duly negotiated.

782 Section 28. Section 677.206, Florida Statutes, is amended  
783 to read:

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784           677.206 Termination of storage at warehouse's  
785 ~~warehouseman's~~ option.-

786           (1) A warehouse, by giving notice to ~~warehouseman~~ ~~may~~ ~~on~~  
787 ~~notifying~~ the person on whose account the goods are held and any  
788 other person known to claim an interest in the goods, may  
789 require payment of any charges and removal of the goods from the  
790 warehouse at the termination of the period of storage fixed by  
791 the document of title, including nonnegotiable warehouse  
792 receipt, or, if a ~~no~~ period is not fixed, within a stated period  
793 not less than 30 days after the warehouse gives notice  
794 ~~notification~~. If the goods are not removed before the date  
795 specified in the notice notification, the warehouse ~~warehouseman~~  
796 may sell them pursuant to s. 677.210 ~~in accordance with the~~  
797 ~~provisions of the section on enforcement of a warehouseman's~~  
798 ~~lien (s. 677.210)~~.

799           (2) If a warehouse ~~warehouseman~~ in good faith believes that  
800 ~~the~~ goods are about to deteriorate or decline in value to less  
801 than the amount of its ~~his or her~~ lien within the time provided  
802 ~~prescribed~~ in subsection (1) and s. 677.210 ~~for notification,~~  
803 ~~advertisement and sale~~, the warehouse ~~warehouseman~~ may specify  
804 in the notice given under subsection (1) ~~notification~~ any  
805 reasonable shorter time for removal of the goods and, if ~~in case~~  
806 the goods are not removed, may sell them at public sale held not  
807 less than 1 week after a single advertisement or posting.

808           (3) If, as a result of a quality or condition of the goods  
809 of which the warehouse did not have ~~warehouseman had no~~ notice  
810 at the time of deposit, the goods are a hazard to other  
811 property, ~~or to~~ the warehouse facilities, or other ~~to~~ persons,  
812 the warehouse ~~warehouseman~~ may sell the goods at public or

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813 private sale without advertisement or posting on reasonable  
814 notification to all persons known to claim an interest in the  
815 goods. If the warehouse, ~~warehouseman~~ after a reasonable effort,  
816 is unable to sell the goods, it ~~he or she~~ may dispose of them in  
817 any lawful manner and does not ~~shall~~ incur ~~no~~ liability by  
818 reason of that ~~such~~ disposition.

819 (4) A warehouse shall ~~The warehouseman must~~ deliver the  
820 goods to any person entitled to them under this chapter upon due  
821 demand made at any time before ~~prior to~~ sale or other  
822 disposition under this section.

823 (5) A warehouse ~~The warehouseman~~ may satisfy its ~~his or her~~  
824 lien from the proceeds of any sale or disposition under this  
825 section but shall ~~must~~ hold the balance for delivery on the  
826 demand of any person to which the warehouse ~~whom he or she~~ would  
827 have been bound to deliver the goods.

828 Section 29. Section 677.207, Florida Statutes, is amended  
829 to read:

830 677.207 Goods shall ~~must~~ be kept separate; fungible goods.-

831 (1) Unless the warehouse receipt ~~otherwise~~ provides  
832 otherwise, a warehouse shall ~~warehouseman must~~ keep separate the  
833 goods covered by each receipt so as to permit at all times  
834 identification and delivery of those goods. However, ~~except that~~  
835 different lots of fungible goods may be commingled.

836 (2) If different lots of fungible goods are ~~so~~ commingled,  
837 the goods are owned in common by the persons entitled thereto  
838 and the warehouse ~~warehouseman~~ is severally liable to each owner  
839 for that owner's share. If, ~~where~~ because of overissue, a mass  
840 of fungible goods is insufficient to meet all the receipts ~~which~~  
841 the warehouse ~~warehouseman~~ has issued against it, the persons

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842 entitled include all holders to whom overissued receipts have  
843 been duly negotiated.

844 Section 30. Section 677.208, Florida Statutes, is amended  
845 to read:

846 677.208 Altered warehouse receipts.—If ~~Where~~ a blank in a  
847 negotiable warehouse receipt has been filled in without  
848 authority, a good faith purchaser for value and without notice  
849 of the lack ~~want~~ of authority may treat the insertion as  
850 authorized. Any other unauthorized alteration leaves any  
851 tangible or electronic warehouse receipt enforceable against the  
852 issuer according to its original tenor.

853 Section 31. Section 677.209, Florida Statutes, is amended  
854 to read:

855 677.209 Lien of warehouse ~~warehouseman~~.—

856 (1) A warehouse ~~warehouseman~~ has a lien against the bailor  
857 on the goods covered by a warehouse receipt or storage agreement  
858 or on the proceeds thereof in its ~~his or her~~ possession for  
859 charges for storage or transportation, including demurrage and  
860 terminal charges ~~(including demurrage and terminal charges),~~  
861 insurance, labor, or other charges, present or future, in  
862 relation to the goods, and for expenses necessary for  
863 preservation of the goods or reasonably incurred in their sale  
864 pursuant to law. If the person on whose account the goods are  
865 held is liable for similar ~~like~~ charges or expenses in relation  
866 to other goods whenever deposited and it is stated in the  
867 warehouse receipt or storage agreement that a lien is claimed  
868 for charges and expenses in relation to other goods, the  
869 warehouse ~~warehouseman~~ also has a lien against the goods covered  
870 by the warehouse receipt or storage agreement or on the proceeds

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871 thereof in its possession ~~him or her~~ for those ~~such~~ charges and  
 872 expenses, whether or not the other goods have been delivered by  
 873 the warehouse ~~warehouseman~~. However, as ~~But~~ against a person to  
 874 which ~~whom~~ a negotiable warehouse receipt is duly negotiated, a  
 875 warehouse's ~~warehouseman's~~ lien is limited to charges in an  
 876 amount or at a rate specified in ~~on~~ the warehouse receipt or, if  
 877 no charges are so specified, ~~then~~ to a reasonable charge for  
 878 storage of the specific goods covered by the receipt subsequent  
 879 to the date of the receipt.

880 (2) A warehouse ~~The warehouseman~~ may also reserve a  
 881 security interest against the bailor for the ~~a~~ maximum amount  
 882 specified on the receipt for charges other than those specified  
 883 in subsection (1), such as for money advanced and interest. The  
 884 ~~Such a~~ security interest is governed by chapter 679 ~~the chapter~~  
 885 ~~on secured transactions (chapter 679)~~.

886 (3) A warehouse's ~~warehouseman's~~ lien for charges and  
 887 expenses under subsection (1) or a security interest under  
 888 subsection (2) is also effective against any person that ~~who~~ so  
 889 entrusted the bailor with possession of the goods that a pledge  
 890 of them by the bailor ~~him or her~~ to a good faith ~~good faith~~  
 891 purchaser for value would have been valid. However, the lien or  
 892 security interest ~~but~~ is not effective against a person that  
 893 before issuance of a document of title had a legal interest or a  
 894 perfected security interest in the goods and that did not:

895 (a) Deliver or entrust the goods or any document of title  
 896 covering the goods to the bailor or the bailor's nominee with:  
 897 1. Actual or apparent authority to ship, store, or sell;  
 898 2. Power to obtain delivery under s. 677.403; or  
 899 3. Power of disposition under s. 672.403, s. 680.304(2), s.

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900 680.305(2), s. 679.320, or s. 679.321(3) or other statute or  
901 rule of law; or

902 (b) Acquiesce in the procurement by the bailor or its  
903 nominee of any document as to whom the document confers no right  
904 in the goods covered by it under s. 677.503.

905 (4) A warehouse's lien on household goods for charges and  
906 expenses in relation to the goods under subsection (1) is also  
907 effective against all persons if the depositor was the legal  
908 possessor of the goods at the time of deposit. In this  
909 subsection, the term "household goods" means furniture,  
910 furnishings, or personal effects used by the depositor in a  
911 dwelling.

912 (5)(4) A warehouse warehouseman loses its his or her lien  
913 on any goods that it which he or she voluntarily delivers or  
914 which he or she unjustifiably refuses to deliver.

915 Section 32. Section 677.210, Florida Statutes, is amended  
916 to read:

917 677.210 Enforcement of warehouse's ~~warehouseman's~~ lien.—

918 (1) Except as provided in subsection (2), a warehouse's  
919 ~~warehouseman's~~ lien may be enforced by public or private sale of  
920 the goods, in bulk or in packages ~~in block or in parcels~~, at any  
921 time or place and on any terms that ~~which~~ are commercially  
922 reasonable, after notifying all persons known to claim an  
923 interest in the goods. The ~~Such~~ notification shall ~~must~~ include  
924 a statement of the amount due, the nature of the proposed sale,  
925 and the time and place of any public sale. The fact that a  
926 better price could have been obtained by a sale at a different  
927 time or in a different method from that selected by the  
928 warehouse ~~warehouseman~~ is not of itself sufficient to establish



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929 that the sale was not made in a commercially reasonable manner.  
930 The warehouse sells in a commercially reasonable manner if the  
931 warehouse ~~If the warehouseman either~~ sells the goods in the  
932 usual manner in any recognized market therefor, ~~or if he or she~~  
933 sells at the price current in that ~~such~~ market at the time of  
934 the ~~his or her~~ sale, or ~~if he or she has~~ otherwise sells ~~sold~~ in  
935 conformity with commercially reasonable practices among dealers  
936 in the type of goods sold, ~~he or she has sold in a commercially~~  
937 ~~reasonable manner~~. A sale of more goods than apparently  
938 necessary to be offered to ensure satisfaction of the obligation  
939 is not commercially reasonable except in cases covered by the  
940 preceding sentence.

941 (2) A warehouse may enforce its ~~warehouseman's~~ lien on  
942 goods, other than goods stored by a merchant in the course of  
943 its ~~his or her~~ business, only if the following requirements are  
944 satisfied ~~may be enforced only as follows:~~

945 (a) All persons known to claim an interest in the goods  
946 shall ~~must~~ be notified.

947 (b) The notification must be delivered in person or sent by  
948 registered or certified letter to the last known address of any  
949 person to be notified.

950 (c) The notification must include an itemized statement of  
951 the claim, a description of the goods subject to the lien, a  
952 demand for payment within a specified time not less than 10 days  
953 after receipt of the notification, and a conspicuous statement  
954 that unless the claim is paid within that time the goods will be  
955 advertised for sale and sold by auction at a specified time and  
956 place.

957 (d) The sale must conform to the terms of the notification.

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958 (e) The sale must be held at the nearest suitable place to  
959 ~~that~~ where the goods are held or stored.

960 (f) After the expiration of the time given in the  
961 notification, an advertisement of the sale shall ~~must~~ be  
962 published once a week for 2 weeks consecutively in a newspaper  
963 of general circulation where the sale is to be held. The  
964 advertisement shall ~~must~~ include a description of the goods, the  
965 name of the person on whose account they are being held, and the  
966 time and place of the sale. The sale shall ~~must~~ take place at  
967 least 15 days after the first publication. If there is no  
968 newspaper of general circulation where the sale is to be held,  
969 the advertisement shall ~~must~~ be posted at least 10 days before  
970 the sale in not fewer ~~less~~ than 6 conspicuous places in the  
971 neighborhood of the proposed sale.

972 (3) Before any sale pursuant to this section any person  
973 claiming a right in the goods may pay the amount necessary to  
974 satisfy the lien and the reasonable expenses incurred in  
975 complying with ~~under~~ this section. In that event, the goods may  
976 ~~must~~ not be sold, but shall ~~must~~ be retained by the warehouse  
977 ~~warehouseman~~ subject to the terms of the receipt and this  
978 chapter.

979 (4) A warehouse ~~The warehouseman~~ may buy at any public sale  
980 held pursuant to this section.

981 (5) A purchaser in good faith of goods sold to enforce a  
982 warehouse's ~~warehouseman's~~ lien takes the goods free of any  
983 rights of persons against which ~~whom~~ the lien was valid, despite  
984 the warehouse's noncompliance ~~by the warehouseman~~ with the  
985 ~~requirements~~ of this section.

986 (6) A warehouse ~~The warehouseman~~ may satisfy its ~~his or her~~

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987 lien from the proceeds of any sale pursuant to this section but  
988 shall ~~must~~ hold the balance, if any, for delivery on demand to  
989 any person to which the warehouse ~~whom he or she~~ would have been  
990 bound to deliver the goods.

991 (7) The rights provided by this section shall be in  
992 addition to all other rights allowed by law to a creditor  
993 against a ~~his or her~~ debtor.

994 (8) If ~~Where~~ a lien is on goods stored by a merchant in the  
995 course of its ~~his or her~~ business, the lien may be enforced in  
996 accordance with ~~either~~ subsection (1) or subsection (2).

997 (9) A warehouse ~~The warehouseman~~ is liable for damages  
998 caused by failure to comply with the requirements for sale under  
999 this section, and in case of willful violation, is liable for  
1000 conversion.

1001 Section 33. Section 677.301, Florida Statutes, is amended  
1002 to read:

1003 677.301 Liability for nonreceipt or misdescription; "said  
1004 to contain"; "shipper's weight, load, and count"; improper  
1005 handling.—

1006 (1) A consignee of a nonnegotiable bill of lading which ~~who~~  
1007 has given value in good faith, or a holder to which ~~whom~~ a  
1008 negotiable bill has been duly negotiated, relying in either case  
1009 upon the description ~~therein~~ of the goods in the bill, or upon  
1010 the date ~~therein~~ shown in the bill, may recover from the issuer  
1011 damages caused by the misdating of the bill or the nonreceipt or  
1012 misdescription of the goods, except to the extent that the bill  
1013 ~~document~~ indicates that the issuer does not know whether any  
1014 part or all of the goods in fact were received or conform to the  
1015 description, such as in the case in which ~~where~~ the description

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1016 is in terms of marks or labels or kind, quantity, or condition  
 1017 or the receipt or description is qualified by "contents or  
 1018 condition of contents of packages unknown," "said to contain,"  
 1019 "shipper's weight, load, and count" or words of similar import  
 1020 ~~the like, if that such~~ indication is ~~be~~ true.

1021 (2) If ~~When~~ goods are loaded by the ~~an~~ issuer of a bill of  
 1022 lading: who is a common carrier,

1023 (a) The issuer shall ~~must~~ count the packages of goods if  
 1024 shipped in packages ~~package freight~~ and ascertain the kind and  
 1025 quantity if shipped in bulk; and freight.

1026 (b) Words ~~In~~ such as ~~eases~~ "shipper's weight, load, and  
 1027 count" or ~~other~~ words of similar import indicating that the  
 1028 description was made by the shipper are ineffective except as to  
 1029 goods ~~freight~~ concealed in ~~by~~ packages.

1030 (3) If ~~When~~ bulk goods are ~~freight is~~ loaded by a shipper  
 1031 that ~~who~~ makes available to the issuer of a bill of lading  
 1032 adequate facilities for weighing those goods, the ~~such freight,~~  
 1033 ~~an~~ issuer shall ~~who is a common carrier~~ ~~must~~ ascertain the kind  
 1034 and quantity within a reasonable time after receiving the  
 1035 shipper's written request of the shipper to do so. In that case  
 1036 ~~such cases~~ "shipper's weight, load, and count" or ~~other~~ words of  
 1037 similar import ~~like purport~~ are ineffective.

1038 (4) The issuer of a bill of lading, ~~may~~ by including  
 1039 ~~inserting~~ in the bill the words "shipper's weight, load, and  
 1040 count" or ~~other~~ words of similar import, ~~may like purport~~  
 1041 indicate that the goods were loaded by the shipper, ~~†~~ and if that  
 1042 ~~such~~ statement is ~~be~~ true, the issuer is ~~shall~~ not ~~be~~ liable for  
 1043 damages caused by the improper loading. However, ~~But their~~  
 1044 omission of such words does not imply liability for ~~such~~ damages

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1045 caused by improper loading.

1046 (5) A ~~The shipper guarantees shall be deemed to have~~  
1047 ~~guaranteed to an~~ the issuer the accuracy at the time of shipment  
1048 of the description, marks, labels, number, kind, quantity,  
1049 condition and weight, as furnished by the shipper, ~~him or her;~~  
1050 and the shipper shall indemnify the issuer against damage caused  
1051 by inaccuracies in those ~~such~~ particulars. This ~~The~~ right of ~~the~~  
1052 ~~issuer to such~~ indemnity does not ~~shall in no way~~ limit the  
1053 issuer's ~~his or her~~ responsibility or ~~and~~ liability under the  
1054 contract of carriage to any person other than the shipper.

1055 Section 34. Section 677.302, Florida Statutes, is amended  
1056 to read:

1057 677.302 Through bills of lading and similar documents of  
1058 title.-

1059 (1) The issuer of a through bill of lading, or other  
1060 document of title embodying an undertaking to be performed in  
1061 part by a person ~~persons~~ acting as its agent ~~agents~~ or by a  
1062 performing carrier, ~~connecting carriers~~ is liable to any person  
1063 ~~anyone~~ entitled to recover on the bill or other document for any  
1064 breach by the ~~such~~ other person ~~persons~~ or the performing ~~by a~~  
1065 ~~connecting~~ carrier of its obligation under the bill or other  
1066 document. However, ~~but~~ to the extent that the bill or other  
1067 document covers an undertaking to be performed overseas or in  
1068 territory not contiguous to the continental United States or an  
1069 undertaking including matters other than transportation, this  
1070 liability for breach by the other person or the performing  
1071 carrier may be varied by agreement of the parties.

1072 (2) If ~~Where~~ goods covered by a through bill of lading or  
1073 other document of title embodying an undertaking to be performed

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1074 in part by a person ~~persons~~ other than the issuer are received  
 1075 by that ~~any such~~ person, the person ~~he or she~~ is subject, with  
 1076 respect to its ~~his or her~~ own performance while the goods are in  
 1077 its ~~his or her~~ possession, to the obligation of the issuer. The  
 1078 person's ~~His or her~~ obligation is discharged by delivery of the  
 1079 goods to another ~~such~~ person pursuant to the bill or other  
 1080 document, and does not include liability for breach by any other  
 1081 person ~~such persons~~ or by the issuer.

1082 (3) The issuer of a ~~such~~ through bill of lading or other  
 1083 document of title described in subsection (1) is ~~shall be~~  
 1084 entitled to recover from the performing ~~connecting~~ carrier, or  
 1085 ~~such~~ other person in possession of the goods when the breach of  
 1086 the obligation under the bill or other document occurred:7

1087 (a) The amount it may be required to pay to any person  
 1088 ~~anyone~~ entitled to recover on the bill or other document for the  
 1089 breach therefor, as may be evidenced by any receipt, judgment,  
 1090 or transcript of judgment; thereof, and

1091 (b) The amount of any expense reasonably incurred by the  
 1092 insurer ~~it~~ in defending any action commenced ~~brought~~ by any  
 1093 person ~~anyone~~ entitled to recover on the bill or other document  
 1094 for the breach therefor.

1095 Section 35. Section 677.303, Florida Statutes, is amended  
 1096 to read:

1097 677.303 Diversion; reconsignment; change of instructions.-

1098 (1) Unless the bill of lading otherwise provides, a ~~the~~  
 1099 carrier may deliver the goods to a person or destination other  
 1100 than that stated in the bill or may otherwise dispose of the  
 1101 goods, without liability for misdelivery, on instructions from:

1102 (a) The holder of a negotiable bill; ~~or~~

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1103 (b) The consignor on a nonnegotiable bill, even if the  
 1104 consignee has given notwithstanding contrary instructions ~~from~~  
 1105 ~~the consignee; or~~

1106 (c) The consignee on a nonnegotiable bill in the absence of  
 1107 contrary instructions from the consignor, if the goods have  
 1108 arrived at the billed destination or if the consignee is in  
 1109 possession of the tangible bill or in control of the electronic  
 1110 bill; or

1111 (d) The consignee on a nonnegotiable bill, if the consignee  
 1112 ~~he or she~~ is entitled as against the consignor to dispose of the  
 1113 goods them.

1114 (2) Unless ~~such~~ instructions described in subsection (1)  
 1115 are included in noted on a negotiable bill of lading, a person  
 1116 to which whom the bill is duly negotiated may can hold the  
 1117 bailee according to the original terms.

1118 Section 36. Section 677.304, Florida Statutes, is amended  
 1119 to read:

1120 677.304 Tangible bills of lading in a set.—

1121 (1) Except as where customary in international overseas  
 1122 transportation, a tangible bill of lading may must not be issued  
 1123 in a set of parts. The issuer is liable for damages caused by  
 1124 violation of this subsection.

1125 (2) If Where a tangible bill of lading is lawfully issued  
 1126 ~~drawn~~ in a set of parts, each of which contains an  
 1127 identification code is numbered and is expressed to be valid  
 1128 only if the goods have not been delivered against any other  
 1129 part, the whole of the parts constitutes constitute one bill.

1130 (3) If Where a tangible negotiable bill of lading is  
 1131 lawfully issued in a set of parts and different parts are

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1132 negotiated to different persons, the title of the holder to  
1133 which ~~whom~~ the first due negotiation is made prevails as to both  
1134 the document of title and the goods even if ~~though~~ any later  
1135 holder may have received the goods from the carrier in good  
1136 faith and discharged the carrier's obligation by surrendering  
1137 its ~~surrender of his or her~~ part.

1138 (4) A ~~Any~~ person that ~~who~~ negotiates or transfers a single  
1139 part of a tangible bill of lading issued ~~drawn~~ in a set is  
1140 liable to holders of that part as if it were the whole set.

1141 (5) The bailee shall ~~is obliged to~~ deliver in accordance  
1142 with part IV of this chapter against the first presented part of  
1143 a tangible bill of lading lawfully drawn in a set. ~~Such~~ Delivery  
1144 in this manner discharges the bailee's obligation on the whole  
1145 bill.

1146 Section 37. Section 677.305, Florida Statutes, is amended  
1147 to read:

1148 677.305 Destination bills.—

1149 (1) Instead of issuing a bill of lading to the consignor at  
1150 the place of shipment, a carrier, ~~may~~ at the request of the  
1151 consignor, may procure the bill to be issued at destination or  
1152 at any other place designated in the request.

1153 (2) Upon request of any person ~~anyone~~ entitled as against  
1154 the carrier to control the goods while in transit and on  
1155 surrender of possession or control of any outstanding bill of  
1156 lading or other receipt covering such goods, the issuer, subject  
1157 to s. 677.105, may procure a substitute bill to be issued at any  
1158 place designated in the request.

1159 Section 38. Section 677.307, Florida Statutes, is amended  
1160 to read:



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1161 677.307 Lien of carrier.—

1162 (1) A carrier has a lien on the goods covered by a bill of  
1163 lading or on the proceeds thereof in its possession for charges  
1164 after ~~subsequent to~~ the date of the carrier's ~~its~~ receipt of the  
1165 goods for storage or transportation, including demurrage and  
1166 terminal charges, ~~(including demurrage and terminal charges)~~ and  
1167 for expenses necessary for preservation of the goods incident to  
1168 their transportation or reasonably incurred in their sale  
1169 pursuant to law. However, ~~But~~ against a purchaser for value of a  
1170 negotiable bill of lading, a carrier's lien is limited to  
1171 charges stated in the bill or the applicable tariffs, or, if no  
1172 charges are stated, then to a reasonable charge.

1173 (2) A lien for charges and expenses under subsection (1) on  
1174 goods that ~~which~~ the carrier was required by law to receive for  
1175 transportation is effective against the consignor or any person  
1176 entitled to the goods unless the carrier had notice that the  
1177 consignor lacked authority to subject the goods to those ~~such~~  
1178 charges and expenses. Any other lien under subsection (1) is  
1179 effective against the consignor and any person that ~~who~~  
1180 permitted the bailor to have control or possession of the goods  
1181 unless the carrier had notice that the bailor lacked ~~such~~  
1182 authority.

1183 (3) A carrier loses its ~~his or her~~ lien on any goods that  
1184 it ~~which the carrier~~ voluntarily delivers or ~~which he or she~~  
1185 unjustifiably refuses to deliver.

1186 Section 39. Section 677.308, Florida Statutes, is amended  
1187 to read:

1188 677.308 Enforcement of carrier's lien.—

1189 (1) A carrier's lien on goods may be enforced by public or

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1190 private sale of the goods, in bulk ~~block~~ or in packages ~~parcels~~,  
1191 at any time or place and on any terms that ~~which~~ are  
1192 commercially reasonable, after notifying all persons known to  
1193 claim an interest in the goods. The ~~Such~~ notification shall ~~must~~  
1194 include a statement of the amount due, the nature of the  
1195 proposed sale, and the time and place of any public sale. The  
1196 fact that a better price could have been obtained by a sale at a  
1197 different time or in a method ~~method~~ different from that  
1198 selected by the carrier is not of itself sufficient to establish  
1199 that the sale was not made in a commercially reasonable manner.  
1200 ~~If~~ The carrier ~~either~~ sells ~~the~~ goods in a commercially  
1201 reasonable ~~the usual manner in any recognized market therefor or~~  
1202 if the carrier ~~he or she~~ sells the goods in the usual manner in  
1203 any recognized market therefor, sells at the price current in  
1204 that ~~such~~ market at the time of the ~~his or her~~ sale, or if the  
1205 ~~carrier has~~ otherwise sells ~~sold~~ in conformity with commercially  
1206 reasonable practices among dealers in the type of goods sold ~~he~~  
1207 ~~or she has sold in a commercially reasonable manner.~~ A sale of  
1208 more goods than apparently necessary to be offered to ensure  
1209 satisfaction of the obligation is not commercially reasonable,  
1210 except in cases covered by the preceding sentence.

1211 (2) Before any sale pursuant to this section, any person  
1212 claiming a right in the goods may pay the amount necessary to  
1213 satisfy the lien and the reasonable expenses incurred in  
1214 complying with ~~under~~ this section. In that event, the goods may  
1215 ~~must~~ not be sold, but shall ~~must~~ be retained by the carrier,  
1216 subject to the terms of the bill of lading and this chapter.

1217 (3) The carrier may buy at any public sale pursuant to this  
1218 section.

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1219 (4) A purchaser in good faith of goods sold to enforce a  
 1220 carrier's lien takes the goods free of any rights of persons  
 1221 against which ~~whom~~ the lien was valid, despite the carrier's  
 1222 noncompliance ~~by the carrier~~ with ~~the requirements of~~ this  
 1223 section.

1224 (5) A ~~The~~ carrier may satisfy its ~~his or her~~ lien from the  
 1225 proceeds of any sale pursuant to this section but shall ~~must~~  
 1226 hold the balance, if any, for delivery on demand to any person  
 1227 to which ~~whom~~ the carrier would have been bound to deliver the  
 1228 goods.

1229 (6) The rights provided by this section are ~~shall be~~ in  
 1230 addition to all other rights allowed by law to a creditor  
 1231 against a ~~his or her~~ debtor.

1232 (7) A carrier's lien may be enforced pursuant to ~~in~~  
 1233 ~~accordance with~~ either subsection (1) or the procedure set forth  
 1234 in s. 677.210(2).

1235 (8) A ~~The~~ carrier is liable for damages caused by failure  
 1236 to comply with the requirements for sale under this section and,  
 1237 in case of willful violation, is liable for conversion.

1238 Section 40. Section 677.309, Florida Statutes, is amended  
 1239 to read:

1240 677.309 Duty of care; contractual limitation of carrier's  
 1241 liability.—

1242 (1) A carrier that ~~who~~ issues a bill of lading, whether  
 1243 negotiable or nonnegotiable, shall ~~must~~ exercise the degree of  
 1244 care in relation to the goods which a reasonably careful person  
 1245 would exercise under similar ~~like~~ circumstances. This subsection  
 1246 does not affect ~~repeal or change~~ any statute, regulation, law or  
 1247 rule of law that ~~which~~ imposes liability upon a common carrier

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1248 for damages not caused by its negligence.

1249 (2) Damages may be limited by a term in the bill of lading  
1250 or in a transportation agreement ~~provision~~ that the carrier's  
1251 liability may shall not exceed a value stated in the bill or  
1252 transportation agreement ~~document~~ if the carrier's rates are  
1253 dependent upon value and the consignor ~~by the carrier's tariff~~  
1254 is afforded an opportunity to declare a higher value and the  
1255 consignor ~~or a value as lawfully provided in the tariff, or~~  
1256 ~~where no tariff is filed he or she is otherwise~~ advised of the  
1257 ~~such~~ opportunity. However, ~~;~~ ~~but no~~ such a limitation is not  
1258 effective with respect to the carrier's liability for conversion  
1259 to its own use.

1260 (3) Reasonable provisions as to the time and manner of  
1261 presenting claims and commencing ~~instituting~~ actions based on  
1262 the shipment may be included in the bill of lading or a  
1263 transportation agreement ~~tariff~~.

1264 Section 41. Section 677.401, Florida Statutes, is amended  
1265 to read:

1266 677.401 Irregularities in issue of receipt or bill or  
1267 conduct of issuer.—The obligations imposed by this chapter on an  
1268 issuer apply to a document of title even if ~~regardless of the~~  
1269 ~~fact that~~:

1270 (1) The document does ~~may~~ not comply with the requirements  
1271 of this chapter or of any other statute, rule of law, law or  
1272 regulation regarding its issuance ~~issue~~, form, or content; ~~or~~

1273 (2) The issuer ~~may have~~ violated laws regulating the  
1274 conduct of its ~~his or her~~ business; ~~or~~

1275 (3) The goods covered by the document were owned by the  
1276 bailee when ~~at the time~~ the document was issued; or

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1277 (4) The person issuing the document is not a warehouse but  
1278 the document ~~does not come within the definition of warehouseman~~  
1279 ~~if it~~ purports to be a warehouse receipt.

1280 Section 42. Section 677.402, Florida Statutes, is amended  
1281 to read:

1282 677.402 Duplicate document of title ~~receipt or bill;~~  
1283 overissue. ~~Neither~~ A duplicate or ~~nor~~ any other document of  
1284 title purporting to cover goods already represented by an  
1285 outstanding document of the same issuer does not confer ~~confers~~  
1286 any right in the goods, except as provided in the case of  
1287 tangible bills of lading in a set of parts, overissue of  
1288 documents for fungible goods, and substitutes for lost, stolen  
1289 or destroyed documents, or substitute documents issued pursuant  
1290 to s. 677.105. ~~But~~ The issuer is liable for damages caused by  
1291 its ~~his or her~~ overissue or failure to identify a duplicate  
1292 document ~~as such~~ by a conspicuous notation ~~on its face~~.

1293 Section 43. Section 677.403, Florida Statutes, is amended  
1294 to read:

1295 677.403 Obligation of bailee ~~warehouseman or carrier~~ to  
1296 deliver; excuse.-

1297 (1) A ~~The~~ bailee shall ~~must~~ deliver the goods to a person  
1298 entitled under a ~~the~~ document of title if the person ~~who~~  
1299 complies with subsections (2) and (3), unless and to the extent  
1300 that the bailee establishes any of the following:

1301 (a) Delivery of the goods to a person whose receipt was  
1302 rightful as against the claimant;

1303 (b) Damage to or delay, loss or destruction of the goods  
1304 for which the bailee is not liable, but the burden of  
1305 establishing negligence in such cases when value of such damage,

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1306 delay, loss, or destruction exceeds \$10,000 is on the person  
1307 entitled under the document;~~;~~

1308 (c) Previous sale or other disposition of the goods in  
1309 lawful enforcement of a lien or on a warehouse's warehouseman's  
1310 lawful termination of storage;

1311 (d) The exercise by a seller of its ~~his or her~~ right to  
1312 stop delivery pursuant to s. 672.705 or by a lessor of its right  
1313 to stop delivery pursuant to s. 680.526 ~~the provisions of the~~  
1314 ~~chapter on sales (s. 672.705);~~

1315 (e) A diversion, reconsignment, or other disposition  
1316 pursuant to s. 677.303 ~~the provisions of this chapter (s.~~  
1317 ~~677.303) or tariff regulating such right;~~

1318 (f) Release, satisfaction, or any other ~~fact affording a~~  
1319 personal defense against the claimant; or

1320 (g) Any other lawful excuse.

1321 (2) A person claiming goods covered by a document of title  
1322 shall ~~must~~ satisfy the bailee's lien if ~~where~~ the bailee so  
1323 requests or if ~~where~~ the bailee is prohibited by law from  
1324 delivering the goods until the charges are paid.

1325 (3) Unless a ~~the~~ person claiming the goods is a person ~~one~~  
1326 against which ~~whom~~ the document of title does not confer a  
1327 ~~confers no~~ right under s. 677.503(1);~~;~~

1328 (a) The person claiming under a document shall ~~he or she~~  
1329 ~~must~~ surrender possession or control of any outstanding  
1330 negotiable document covering the goods for cancellation or  
1331 indication of partial deliveries; and

1332 (b) for cancellation or notation of partial deliveries any  
1333 ~~outstanding negotiable document covering the goods,~~ and The  
1334 bailee shall ~~must~~ cancel the document or conspicuously indicate

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1335 in the document ~~note~~ the partial delivery ~~thereon~~ or the bailee  
1336 is ~~be~~ liable to any person to which ~~whom~~ the document is duly  
1337 negotiated.

1338 ~~(4) "Person entitled under the document" means holder in~~  
1339 ~~the case of a negotiable document, or the person to whom~~  
1340 ~~delivery is to be made by the terms of or pursuant to written~~  
1341 ~~instructions under a nonnegotiable document.~~

1342 Section 44. Section 677.404, Florida Statutes, is amended  
1343 to read:

1344 677.404 No liability for good faith delivery pursuant to  
1345 document of title ~~receipt or bill.~~—A bailee that ~~who~~ in good  
1346 faith ~~including observance of reasonable commercial standards~~  
1347 has received goods and delivered or otherwise disposed of the  
1348 goods ~~them~~ according to the terms of the document of title or  
1349 pursuant to this chapter is not liable for the goods ~~therefor.~~  
1350 ~~This rule applies even if:~~

1351 (1) ~~though~~ The person from which the bailee ~~whom~~ ~~he~~ or ~~she~~  
1352 received the goods did not have ~~had~~ ~~no~~ authority to procure the  
1353 document or to dispose of the goods; or

1354 (2) ~~The and even though~~ the person to which the bailee ~~whom~~  
1355 ~~he~~ or ~~she~~ delivered the goods did not have ~~had~~ ~~no~~ authority to  
1356 receive the goods ~~them~~.

1357 Section 45. Section 677.501, Florida Statutes, is amended  
1358 to read:

1359 677.501 Form of negotiation and requirements of "due  
1360 negotiation."—

1361 (1) The following rules apply to a negotiable tangible  
1362 document of title:

1363 (a) If the document's original terms run ~~running~~ to the

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1364 order of a named person, the document is negotiated by the named  
1365 person's indorsement and delivery. After the named person's ~~his~~  
1366 ~~or her~~ indorsement in blank or to bearer, any person may ~~can~~  
1367 negotiate the document ~~it~~ by delivery alone.

1368 (b) If the document's original

1369 ~~(2) (a) A negotiable document of title is also negotiated by~~  
1370 ~~delivery alone when by its original terms~~ run ~~it runs~~ to bearer,  
1371 it is negotiated by delivery alone.

1372 (c) If the document's original terms run

1373 ~~(b) When a document running~~ to the order of a named person  
1374 and it is delivered to the named person, ~~him or her~~ the effect  
1375 is the same as if the document had been negotiated.

1376 (d) (3) Negotiation of the ~~a negotiable document of title~~  
1377 after it has been indorsed to a named ~~specified~~ person requires  
1378 indorsement by the named person and ~~special indorsee as well as~~  
1379 delivery.

1380 (e) (4) A negotiable document of title is duly negotiated if  
1381 ~~"duly negotiated"~~ when it is negotiated in the manner stated in  
1382 this subsection ~~section~~ to a holder that ~~who~~ purchases it in  
1383 good faith, without notice of any defense against or claim to it  
1384 on the part of any person, and for value, unless it is  
1385 established that the negotiation is not in the regular course of  
1386 business or financing or involves receiving the document in  
1387 settlement or payment of a money obligation.

1388 (2) The following rules apply to a negotiable electronic  
1389 document of title:

1390 (a) If the document's original terms run to the order of a  
1391 named person or to bearer, the document is negotiated by  
1392 delivery of the document to another person. Indorsement by the



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1393 named person is not required to negotiate the document.

1394 (b) If the document's original terms run to the order of a  
1395 named person and the named person has control of the document,  
1396 the effect is the same as if the document had been negotiated.

1397 (c) A document is duly negotiated if it is negotiated in  
1398 the manner stated in this subsection to a holder that purchases  
1399 it in good faith, without notice of any defense against or claim  
1400 to it on the part of any person, and for value, unless it is  
1401 established that the negotiation is not in the regular course of  
1402 business or financing or involves taking delivery of the  
1403 document in settlement or payment of a monetary obligation.

1404 (3)~~(5)~~ Indorsement of a nonnegotiable document of title  
1405 neither makes it negotiable nor adds to the transferee's rights.

1406 (4)~~(6)~~ The naming in a negotiable bill of lading of a  
1407 person to be notified of the arrival of the goods does not limit  
1408 the negotiability of the bill or ~~not~~ constitute notice to a  
1409 purchaser of the bill ~~thereof~~ of any interest of that ~~such~~  
1410 person in the goods.

1411 Section 46. Section 677.502, Florida Statutes, is amended  
1412 to read:

1413 677.502 Rights acquired by due negotiation.—

1414 (1) Subject to ss. ~~the following section and to the~~  
1415 ~~provisions of s. 677.205 and 677.503 on fungible goods,~~ a holder  
1416 to which ~~whom~~ a negotiable document of title has been duly  
1417 negotiated acquires thereby:

1418 (a) Title to the document;

1419 (b) Title to the goods;

1420 (c) All rights accruing under the law of agency or  
1421 estoppel, including rights to goods delivered to the bailee

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1422 after the document was issued; and

1423 (d) The direct obligation of the issuer to hold or deliver  
1424 the goods according to the terms of the document free of any  
1425 defense or claim by the issuer ~~him or her~~ except those arising  
1426 under the terms of the document or under this chapter, ~~but~~ in  
1427 the case of a delivery order, the bailee's obligation accrues  
1428 only upon the bailee's acceptance of the delivery order and the  
1429 obligation acquired by the holder is that the issuer and any  
1430 indorser will procure the acceptance of the bailee.

1431 (2) Subject to the following section, title and rights so  
1432 acquired by due negotiation are not defeated by any stoppage of  
1433 the goods represented by the document of title or by surrender  
1434 of the ~~such~~ goods by the bailee, and are not impaired even if:

1435 (a) ~~though~~ The due negotiation or any prior due negotiation  
1436 constituted a breach of duty; ~~or even though~~

1437 (b) Any person has been deprived of possession of a  
1438 negotiable tangible ~~the~~ document or control of a negotiable  
1439 electronic document by misrepresentation, fraud, accident,  
1440 mistake, duress, loss, theft, or conversion; ~~or even though~~

1441 (c) A previous sale or other transfer of the goods or  
1442 document has been made to a third person.

1443 Section 47. Section 677.503, Florida Statutes, is amended  
1444 to read:

1445 677.503 Document of title to goods defeated in certain  
1446 cases.—

1447 (1) A document of title confers no right in goods against a  
1448 person that ~~who~~ before issuance of the document had a legal  
1449 interest or a perfected security interest in the goods ~~them~~ and  
1450 that did not ~~who~~ neither:

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1451 (a) Deliver or entrust the goods ~~Delivered or entrusted~~  
 1452 ~~them~~ or any document of title covering the goods ~~them~~ to the  
 1453 bailor or the bailor's nominee with:

1454 1. Actual or apparent authority to ship, store, or sell; ~~or~~  
 1455 ~~with~~

1456 2. Power to obtain delivery under s. 677.403; ~~this chapter~~  
 1457 ~~(s. 677.403)~~ or with

1458 3. Power of disposition under s. 672.403, s. 680.304(2), s.  
 1459 680.305(2), s. 679.320, or s. 679.321(3) ~~this code (ss. 672.403~~  
 1460 ~~and 679.320)~~ or other statute or rule of law; or ~~not~~

1461 (b) Acquiesce ~~Acquiesced~~ in the procurement by the bailor  
 1462 or its ~~the bailor's~~ nominee of any document ~~of title~~.

1463 (2) Title to goods based upon an unaccepted delivery order  
 1464 is subject to the rights of any person ~~anyone~~ to which ~~whom~~ a  
 1465 negotiable warehouse receipt or bill of lading covering the  
 1466 goods has been duly negotiated. That ~~Such a~~ title may be  
 1467 defeated under the next section to the same extent as the rights  
 1468 of the issuer or a transferee from the issuer.

1469 (3) Title to goods based upon a bill of lading issued to a  
 1470 freight forwarder is subject to the rights of any person ~~anyone~~  
 1471 to which ~~whom~~ a bill issued by the freight forwarder is duly  
 1472 negotiated. However, ~~but~~ delivery by the carrier in accordance  
 1473 with part IV of this chapter pursuant to its own bill of lading  
 1474 discharges the carrier's obligation to deliver.

1475 Section 48. Section 677.504, Florida Statutes, is amended  
 1476 to read:

1477 677.504 Rights acquired in the absence of due negotiation;  
 1478 effect of diversion; ~~seller's~~ stoppage of delivery.-

1479 (1) A transferee of a document of title, whether negotiable

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1480 or nonnegotiable, to which ~~whom~~ the document has been delivered  
1481 but not duly negotiated, acquires the title and rights that its  
1482 ~~which his or her~~ transferor had or had actual authority to  
1483 convey.

1484 (2) In the case of a transfer of a nonnegotiable document  
1485 of title, until but not after the bailee receives notice  
1486 ~~notification~~ of the transfer, the rights of the transferee may  
1487 be defeated:

1488 (a) By those creditors of the transferor which ~~who~~ could  
1489 treat the transfer sale as void under s. 672.402 or s. 680.308;  
1490 ~~or~~

1491 (b) By a buyer from the transferor in ordinary course of  
1492 business if the bailee has delivered the goods to the buyer or  
1493 received notification of the buyer's ~~his or her~~ rights; ~~or~~

1494 (c) By a lessee from the transferor in ordinary course of  
1495 business if the bailee has delivered the goods to the lessee or  
1496 received notification of the lessee's rights; or

1497 (d) ~~(e)~~ As against the bailee, by good-faith ~~good-faith~~  
1498 dealings of the bailee with the transferor.

1499 (3) A diversion or other change of shipping instructions by  
1500 the consignor in a nonnegotiable bill of lading which causes the  
1501 bailee not to deliver to the consignee defeats the consignee's  
1502 title to the goods if the goods ~~they~~ have been delivered to a  
1503 buyer or a lessee in ordinary course of business and, in any  
1504 event, defeats the consignee's rights against the bailee.

1505 (4) Delivery of the goods pursuant to a nonnegotiable  
1506 document of title may be stopped by a seller under s. 672.705 or  
1507 by a lessor under s. 680.526, ~~and~~ subject to the requirements  
1508 ~~requirement~~ of due notification ~~there provided~~. A bailee that

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1509 honors ~~honoring~~ the seller's or lessor's instructions is  
1510 entitled to be indemnified by the seller or lessor against any  
1511 resulting loss or expense.

1512 Section 49. Section 677.505, Florida Statutes, is amended  
1513 to read:

1514 677.505 Indorser not a guarantor for other parties.—The  
1515 indorsement of a tangible document of title issued by a bailee  
1516 does not make the indorser liable for any default by the bailee  
1517 or ~~by~~ previous indorsers.

1518 Section 50. Section 677.506, Florida Statutes, is amended  
1519 to read:

1520 677.506 Delivery without indorsement; right to compel  
1521 indorsement.—The transferee of a negotiable tangible document of  
1522 title has a specifically enforceable right to have its ~~his or~~  
1523 ~~her~~ transferor supply any necessary indorsement but the transfer  
1524 becomes a negotiation only as of the time the indorsement is  
1525 supplied.

1526 Section 51. Section 677.507, Florida Statutes, is amended  
1527 to read:

1528 677.507 Warranties on negotiation or delivery of document  
1529 of title ~~transfer of receipt or bill~~.—~~If~~ ~~Where~~ a person  
1530 negotiates or delivers ~~transfers~~ a document of title for value,  
1531 otherwise than as a mere intermediary under the next following  
1532 section, ~~then~~ unless otherwise agreed, the transferor, in  
1533 addition to any warranty made in selling or leasing the goods,  
1534 ~~person~~ warrants to its ~~his or her~~ immediate purchaser only that  
1535 ~~in addition to any warranty made in selling the goods:~~

1536 (1) ~~That~~ The document is genuine; ~~and~~

1537 (2) The transferor does not have ~~That he or she has no~~

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1538 knowledge of any fact that ~~which~~ would impair the document's ~~its~~  
1539 validity or worth; and

1540 (3) The ~~That his or her~~ negotiation or delivery ~~transfer~~ is  
1541 rightful and fully effective with respect to the title to the  
1542 document and the goods it represents.

1543 Section 52. Section 677.508, Florida Statutes, is amended  
1544 to read:

1545 677.508 Warranties of collecting bank as to documents of  
1546 title.—A collecting bank or other intermediary known to be  
1547 entrusted with documents of title on behalf of another or with  
1548 collection of a draft or other claim against delivery of  
1549 documents warrants by the ~~such~~ delivery of the documents only  
1550 its own good faith and authority. ~~This rule applies even if~~  
1551 ~~though~~ the collecting bank or other intermediary has purchased  
1552 or made advances against the claim or draft to be collected.

1553 Section 53. Section 677.509, Florida Statutes, is amended  
1554 to read:

1555 677.509 ~~Receipt or bill; when~~ Adequate compliance with  
1556 commercial contract. ~~The question~~ Whether a document of title is  
1557 adequate to fulfill the obligations of a contract for sale, ~~or~~  
1558 the conditions of a letter of credit, or a contract for lease is  
1559 determined ~~governed~~ by chapter 672, chapter 675, or chapter 680  
1560 ~~the chapters on sales (chapter 672) and on letters of credit~~  
1561 ~~(chapter 675)~~.

1562 Section 54. Section 677.601, Florida Statutes, is amended  
1563 to read:

1564 677.601 Lost, stolen, or destroyed ~~and missing~~ documents of  
1565 title.—

1566 (1) If a document of title ~~is~~ ~~has been~~ lost, stolen, or

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1567 destroyed, a court may order delivery of the goods or issuance  
1568 of a substitute document and the bailee may without liability to  
1569 any person comply with the ~~such~~ order. If the document was  
1570 negotiable, a court may not order delivery of the goods or the  
1571 issuance of a substitute document without the claimant's posting  
1572 claimant must post security unless it finds that approved by the  
1573 court to indemnify any person that ~~who~~ may suffer loss as a  
1574 result of nonsurrender of possession or control of the document  
1575 is adequately protected against the loss. If the document was  
1576 nonnegotiable ~~not negotiable~~, the court ~~such security~~ may  
1577 require security ~~be required at the discretion of the court~~. The  
1578 court may also ~~in its discretion~~ order payment of the bailee's  
1579 reasonable costs and attorney's counsel fees in any action under  
1580 this subsection.

1581 (2) A bailee that, ~~who~~ without a court order, delivers  
1582 goods to a person claiming under a missing negotiable document  
1583 of title is liable to any person injured thereby, ~~and~~ If the  
1584 delivery is not in good faith, the bailee is ~~becomes~~ liable for  
1585 conversion. Delivery in good faith is not conversion if ~~made in~~  
1586 ~~accordance with a filed classification or tariff or, where no~~  
1587 ~~classification or tariff is filed,~~ if the claimant posts  
1588 security with the bailee in an amount at least double the value  
1589 of the goods at the time of posting to indemnify any person  
1590 injured by the delivery which ~~who~~ files a notice of claim within  
1591 1 year after the delivery.

1592 Section 55. Section 677.602, Florida Statutes, is amended  
1593 to read:

1594 677.602 Judicial process against ~~Attachment of~~ goods  
1595 covered by ~~a~~ negotiable document of title. ~~Unless a~~ ~~Except where~~

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1596 ~~the~~ document of title was originally issued upon delivery of the  
1597 goods by a person that did not have ~~who had no~~ power to dispose  
1598 of them, a no lien does not attach ~~attaches~~ by virtue of any  
1599 judicial process to goods in the possession of a bailee for  
1600 which a negotiable document of title is outstanding unless  
1601 possession or control of the document is ~~be~~ first surrendered to  
1602 the bailee or the document's ~~its~~ negotiation is enjoined, ~~and~~  
1603 The bailee may ~~shall~~ not be compelled to deliver the goods  
1604 pursuant to process until possession or control of the document  
1605 is surrendered to the bailee or to him or her or impounded by  
1606 the court. A purchaser of ~~One who purchases~~ the document for  
1607 value without notice of the process or injunction takes free of  
1608 the lien imposed by judicial process.

1609 Section 56. Section 677.603, Florida Statutes, is amended  
1610 to read:

1611 677.603 Conflicting claims; interpleader.—If more than one  
1612 person claims title to or possession of the goods, the bailee is  
1613 excused from delivery until the bailee ~~he or she~~ has had a  
1614 reasonable time to ascertain the validity of the adverse claims  
1615 or to commence ~~bring~~ an action for ~~to compel all claimants to~~  
1616 ~~interplead and may compel such~~ interpleader. The bailee may  
1617 assert an interpleader, either in defending an action for  
1618 nondelivery of the goods, or by original action, ~~whichever is~~  
1619 ~~appropriate.~~

1620 Section 57. Subsection (7) is added to section 678.1031,  
1621 Florida Statutes, to read:

1622 678.1031 Rules for determining whether certain obligations  
1623 and interests are securities or financial assets.—

1624 (7) A document of title is not a financial asset unless s.



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1625 678.1021(1)(i)2. applies.

1626 Section 58. Subsection (2) of section 679.1021, Florida  
1627 Statutes, is amended to read:

1628 679.1021 Definitions and index of definitions.—

1629 (2) The following definitions in other chapters apply to  
1630 this chapter:

1631 "Applicant" s. 675.103.

1632 "Beneficiary" s. 675.103.

1633 "Broker" s. 678.1021.

1634 "Certificated security" s. 678.1021.

1635 "Check" s. 673.1041.

1636 "Clearing corporation" s. 678.1021.

1637 "Contract for sale" s. 672.106.

1638 "Control" s. 677.106.

1639 "Customer" s. 674.104.

1640 "Entitlement holder" s. 678.1021.

1641 "Financial asset" s. 678.1021.

1642 "Holder in due course" s. 673.3021.

1643 "Issuer" (with respect to a letter of credit  
1644 or letter-of-credit right) s. 675.103.

1645 "Issuer" (with respect to a security) s. 678.2011.

1646 "Issuer" (with respect to documents of title) s. 677.102.

1647 "Lease" s. 680.1031.

1648 "Lease agreement" s. 680.1031.

1649 "Lease contract" s. 680.1031.

1650 "Leasehold interest" s. 680.1031.

1651 "Lessee" s. 680.1031.

1652 "Lessee in ordinary course of  
1653 business" s. 680.1031.

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1654 "Lessor" s. 680.1031.  
1655 "Lessor's residual interest" s. 680.1031.  
1656 "Letter of credit" s. 675.103.  
1657 "Merchant" s. 672.104.  
1658 "Negotiable instrument" s. 673.1041.  
1659 "Nominated person" s. 675.103.  
1660 "Note" s. 673.1041.  
1661 "Proceeds of a letter of credit" s. 675.114.  
1662 "Prove" s. 673.1031.  
1663 "Sale" s. 672.106.  
1664 "Securities account" s. 678.5011.  
1665 "Securities intermediary" s. 678.1021.  
1666 "Security" s. 678.1021.  
1667 "Security certificate" s. 678.1021.  
1668 "Security entitlement" s. 678.1021.  
1669 "Uncertificated security" s. 678.1021.  
1670 Section 59. Subsection (2) of section 679.2031, Florida  
1671 Statutes, is amended to read:  
1672 679.2031 Attachment and enforceability of security  
1673 interest; proceeds; supporting obligations; formal requisites.-  
1674 (2) Except as otherwise provided in subsections (3) through  
1675 (10), a security interest is enforceable against the debtor and  
1676 third parties with respect to the collateral only if:  
1677 (a) Value has been given;  
1678 (b) The debtor has rights in the collateral or the power to  
1679 transfer rights in the collateral to a secured party; and  
1680 (c) One of the following conditions is met:  
1681 1. The debtor has authenticated a security agreement that  
1682 provides a description of the collateral and, if the security

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1683 interest covers timber to be cut, a description of the land  
1684 concerned;

1685         2. The collateral is not a certificated security and is in  
1686 the possession of the secured party under s. 679.3131 pursuant  
1687 to the debtor's security agreement;

1688         3. The collateral is a certificated security in registered  
1689 form and the security certificate has been delivered to the  
1690 secured party under s. 678.3011 pursuant to the debtor's  
1691 security agreement; or

1692         4. The collateral is deposit accounts, electronic chattel  
1693 paper, investment property, ~~or~~ letter-of-credit rights, or  
1694 electronic documents, and the secured party has control under s.  
1695 677.106, s. 679.1041, s. 679.1051, s. 679.1061, or s. 679.1071  
1696 pursuant to the debtor's security agreement.

1697         Section 60. Subsection (3) of section 679.2071, Florida  
1698 Statutes, is amended to read:

1699         679.2071 Rights and duties of secured party having  
1700 possession or control of collateral.—

1701         (3) Except as otherwise provided in subsection (4), a  
1702 secured party having possession of collateral or control of  
1703 collateral under s. 677.106, s. 679.1041, s. 679.1051, s.  
1704 679.1061, or s. 679.1071:

1705             (a) May hold as additional security any proceeds, except  
1706 money or funds, received from the collateral;

1707             (b) Shall apply money or funds received from the collateral  
1708 to reduce the secured obligation, unless remitted to the debtor;  
1709 and

1710             (c) May create a security interest in the collateral.

1711         Section 61. Subsection (2) of section 679.2081, Florida

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1712 Statutes, is amended to read:

1713       679.2081 Additional duties of secured party having control  
1714 of collateral.—

1715       (2) Within 10 days after receiving an authenticated demand  
1716 by the debtor:

1717       (a) A secured party having control of a deposit account  
1718 under s. 679.1041(1)(b) shall send to the bank with which the  
1719 deposit account is maintained an authenticated statement that  
1720 releases the bank from any further obligation to comply with  
1721 instructions originated by the secured party;

1722       (b) A secured party having control of a deposit account  
1723 under s. 679.1041(1)(c) shall:

1724       1. Pay the debtor the balance on deposit in the deposit  
1725 account; or

1726       2. Transfer the balance on deposit into a deposit account  
1727 in the debtor's name;

1728       (c) A secured party, other than a buyer, having control of  
1729 electronic chattel paper under s. 679.1051 shall:

1730       1. Communicate the authoritative copy of the electronic  
1731 chattel paper to the debtor or its designated custodian;

1732       2. If the debtor designates a custodian that is the  
1733 designated custodian with which the authoritative copy of the  
1734 electronic chattel paper is maintained for the secured party,  
1735 communicate to the custodian an authenticated record releasing  
1736 the designated custodian from any further obligation to comply  
1737 with instructions originated by the secured party and  
1738 instructing the custodian to comply with instructions originated  
1739 by the debtor; and

1740       3. Take appropriate action to enable the debtor or the

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1741 debtor's designated custodian to make copies of or revisions to  
1742 the authoritative copy which add or change an identified  
1743 assignee of the authoritative copy without the consent of the  
1744 secured party;

1745 (d) A secured party having control of investment property  
1746 under s. 678.1061(4)(b) or s. 679.1061(2) shall send to the  
1747 securities intermediary or commodity intermediary with which the  
1748 security entitlement or commodity contract is maintained an  
1749 authenticated record that releases the securities intermediary  
1750 or commodity intermediary from any further obligation to comply  
1751 with entitlement orders or directions originated by the secured  
1752 party; ~~and~~

1753 (e) A secured party having control of a letter-of-credit  
1754 right under s. 679.1071 shall send to each person having an  
1755 unfulfilled obligation to pay or deliver proceeds of the letter  
1756 of credit to the secured party an authenticated release from any  
1757 further obligation to pay or deliver proceeds of the letter of  
1758 credit to the secured party; ~~and-~~

1759 (f) A secured party having control of an electronic  
1760 document shall:

1761 1. Give control of the electronic document to the debtor or  
1762 its designated custodian;

1763 2. If the debtor designates a custodian that is the  
1764 designated custodian with which the authoritative copy of the  
1765 electronic document is maintained for the secured party,  
1766 communicate to the custodian an authenticated record releasing  
1767 the designated custodian from any further obligation to comply  
1768 with instructions originated by the secured party and  
1769 instructing the custodian to comply with instructions originated

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1770 by the debtor; and

1771 3. Take appropriate action to enable the debtor or its  
1772 designated custodian to make copies of or revisions to the  
1773 authenticated copy which add or change an identified assignee of  
1774 the authoritative copy without the consent of the secured party.

1775 Section 62. Subsection (3) of section 679.3011, Florida  
1776 Statutes, is amended to read:

1777 679.3011 Law governing perfection and priority of security  
1778 interests.—Except as otherwise provided in ss. 679.1091,  
1779 679.3031, 679.3041, 679.3051, and 679.3061, the following rules  
1780 determine the law governing perfection, the effect of perfection  
1781 or nonperfection, and the priority of a security interest in  
1782 collateral:

1783 (3) Except as otherwise provided in subsections (4) and  
1784 (5), while tangible negotiable documents, goods, instruments,  
1785 money, or tangible chattel paper is located in a jurisdiction,  
1786 the local law of that jurisdiction governs:

1787 (a) Perfection of a security interest in the goods by  
1788 filing a fixture filing;

1789 (b) Perfection of a security interest in timber to be cut;  
1790 and

1791 (c) The effect of perfection or nonperfection and the  
1792 priority of a nonpossessory security interest in the collateral.

1793 Section 63. Subsection (2) of section 679.3101, Florida  
1794 Statutes, is amended to read:

1795 679.3101 When filing required to perfect security interest  
1796 or agricultural lien; security interests and agricultural liens  
1797 to which filing provisions do not apply.—

1798 (2) The filing of a financing statement is not necessary to

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1799 perfect a security interest:

1800 (a) That is perfected under s. 679.3081(4), (5), (6), or  
1801 (7);

1802 (b) That is perfected under s. 679.3091 when it attaches;

1803 (c) In property subject to a statute, regulation, or treaty  
1804 described in s. 679.3111(1);

1805 (d) In goods in possession of a bailee which is perfected  
1806 under s. 679.3121(4) (a) or (b);

1807 (e) In certificated securities, documents, goods, or  
1808 instruments which is perfected without filing, control, or  
1809 possession under s. 679.3121(5), (6), or (7);

1810 (f) In collateral in the secured party's possession under  
1811 s. 679.3131;

1812 (g) In a certificated security which is perfected by  
1813 delivery of the security certificate to the secured party under  
1814 s. 679.3131;

1815 (h) In deposit accounts, electronic chattel paper,  
1816 electronic documents, investment property, or letter-of-credit  
1817 rights which is perfected by control under s. 679.3141;

1818 (i) In proceeds which is perfected under s. 679.3151; or

1819 (j) That is perfected under s. 679.3161.

1820 Section 64. Subsection (5) of section 679.3121, Florida  
1821 Statutes, is amended to read:

1822 679.3121 Perfection of security interests in chattel paper,  
1823 deposit accounts, documents, goods covered by documents,  
1824 instruments, investment property, letter-of-credit rights, and  
1825 money; perfection by permissive filing; temporary perfection  
1826 without filing or transfer of possession.—

1827 (5) A security interest in certificated securities,

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1828 negotiable documents, or instruments is perfected without filing  
1829 or the taking of possession or control for a period of 20 days  
1830 from the time it attaches to the extent that it arises for new  
1831 value given under an authenticated security agreement.

1832 Section 65. Subsection (1) of section 679.3131, Florida  
1833 Statutes, is amended to read:

1834 679.3131 When possession by or delivery to secured party  
1835 perfects security interest without filing.-

1836 (1) Except as otherwise provided in subsection (2), a  
1837 secured party may perfect a security interest in tangible  
1838 negotiable documents, goods, instruments, money, or tangible  
1839 chattel paper by taking possession of the collateral. A secured  
1840 party may perfect a security interest in certificated securities  
1841 by taking delivery of the certificated securities under s.  
1842 678.3011.

1843 Section 66. Subsections (1) and (2) of section 679.3141,  
1844 Florida Statutes, are amended to read:

1845 679.3141 Perfection by control.-

1846 (1) A security interest in investment property, deposit  
1847 accounts, letter-of-credit rights, ~~or~~ electronic chattel paper,  
1848 or electronic documents may be perfected by control of the  
1849 collateral under s. 677.106, s. 679.1041, s. 679.1051, s.  
1850 679.1061, or s. 679.1071.

1851 (2) A security interest in deposit accounts, electronic  
1852 chattel paper, ~~or~~ letter-of-credit rights, or electronic  
1853 documents is perfected by control under s. 677.106, s. 679.1041,  
1854 s. 679.1051, or s. 679.1071 when the secured party obtains  
1855 control and remains perfected by control only while the secured  
1856 party retains control.



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1857 Section 67. Subsections (2) and (4) of section 679.3171,  
1858 Florida Statutes, are amended to read:

1859 679.3171 Interests that take priority over or take free of  
1860 security interest or agricultural lien.—

1861 (2) Except as otherwise provided in subsection (5), a  
1862 buyer, other than a secured party, of tangible chattel paper,  
1863 tangible documents, goods, instruments, or a security  
1864 certificate takes free of a security interest or agricultural  
1865 lien if the buyer gives value and receives delivery of the  
1866 collateral without knowledge of the security interest or  
1867 agricultural lien and before it is perfected.

1868 (4) A licensee of a general intangible or a buyer, other  
1869 than a secured party, of accounts, electronic chattel paper,  
1870 electronic documents, general intangibles, or investment  
1871 property other than a certificated security takes free of a  
1872 security interest if the licensee or buyer gives value without  
1873 knowledge of the security interest and before it is perfected.

1874 Section 68. Subsection (2) of section 679.338, Florida  
1875 Statutes, is amended to read:

1876 679.338 Priority of security interest or agricultural lien  
1877 perfected by filed financing statement providing certain  
1878 incorrect information.—If a security interest or agricultural  
1879 lien is perfected by a filed financing statement providing  
1880 information described in s. 679.516(2)(d) which is incorrect at  
1881 the time the financing statement is filed:

1882 (2) A purchaser, other than a secured party, of the  
1883 collateral takes free of the security interest or agricultural  
1884 lien to the extent that, in reasonable reliance upon the  
1885 incorrect information, the purchaser gives value and, in the

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1886 case of tangible chattel paper, tangible documents, goods,  
1887 instruments, or a security certificate, receives delivery of the  
1888 collateral.

1889 Section 69. Paragraphs (a) and (o) of subsection (1) of  
1890 section 680.1031, Florida Statutes, are amended to read:

1891 680.1031 Definitions and index of definitions.—

1892 (1) In this chapter, unless the context otherwise requires:

1893 (a) "Buyer in ordinary course of business" means a person  
1894 who in good faith and without knowledge that the sale to him or  
1895 her is in violation of the ownership rights or security interest  
1896 or leasehold interest of a third party in the goods buys in  
1897 ordinary course from a person in the business of selling goods  
1898 of that kind but does not include a pawnbroker. Buying may be  
1899 for cash or by exchange of other property or on secured or  
1900 unsecured credit and includes acquiring ~~receiving~~ goods or  
1901 documents of title under a preexisting contract for sale but  
1902 does not include a transfer in bulk or as security for or in  
1903 total or partial satisfaction of a money debt.

1904 (o) "Lessee in ordinary course of business" means a person  
1905 who in good faith and without knowledge that the lease to him or  
1906 her is in violation of the ownership rights or security interest  
1907 or leasehold interest of a third party in the goods leases in  
1908 ordinary course from a person in the business of selling or  
1909 leasing goods of that kind but does not include a pawnbroker.  
1910 Leasing may be for cash or by exchange of other property or on  
1911 secured or unsecured credit and includes acquiring ~~receiving~~  
1912 goods or documents of title under a preexisting lease contract  
1913 but does not include a transfer in bulk or as security for or in  
1914 total or partial satisfaction of a money debt.

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1915 Section 70. Subsection (2) of section 680.514, Florida  
1916 Statutes, is amended to read:

1917 680.514 Waiver of lessee's objections.—

1918 (2) A lessee's failure to reserve rights when paying rent  
1919 or other consideration against documents precludes recovery of  
1920 the payment for defects apparent in ~~on the face of~~ the  
1921 documents.

1922 Section 71. Subsection (2) of section 680.526, Florida  
1923 Statutes, is amended to read:

1924 680.526 Lessor's stoppage of delivery in transit or  
1925 otherwise.—

1926 (2) In pursuing her or his remedies under subsection (1),  
1927 the lessor may stop delivery until:

1928 (a) Receipt of the goods by the lessee;

1929 (b) Acknowledgment to the lessee by any bailee of the  
1930 goods, except a carrier, that the bailee holds the goods for the  
1931 lessee; or

1932 (c) Such an acknowledgment to the lessee by a carrier via  
1933 reshipment or as a warehouse ~~warehouseman~~.

1934 Section 72. This act shall take effect July 1, 2010.