

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1961



ENROLLED

HOUSE BILL No. 282

(By Mr. Singleton and Mr. Seibert)



PASSED March 6, 1961

In Effect Ninety Days from Passage

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of West Virginia MAR 17 1961

JOE F. BURDETT  
SECRETARY OF STATE

282

**ENROLLED**

**House Bill No. 282**

(By MR. SPEAKER, MR. SINGLETON, and MR. SEIBERT)

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[Passed March 8, 1961; in effect ninety days from passage.]

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AN ACT to amend chapter thirty-eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, designated article fifteen, relating to trust receipts and trust receipts financing, by adopting the Uniform Trust Receipts Act.

*Be it enacted by the Legislature of West Virginia:*

That chapter thirty-eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new article, designated article fifteen, to read as follows:

**Article 15. Uniform Trust Receipts Act.**

Section 1. *Definitions.*—In this act, unless the context

2 or subject matter otherwise requires:

3 “Buyer in the ordinary course of trade” means a per-  
4 son to whom goods are sold and delivered for new value  
5 and who acts in good faith and without actual knowledge

6 of any limitation on the trustee's liberty of sale, includ-  
7 ing one who takes by conditional sale or under a pre-  
8 existing mercantile contract with the trustee to buy the  
9 goods delivered, or like goods, for cash or on credit.

10 "Buyer in the ordinary course of trade" does not include  
11 a pledgee, or mortgagee, a lienor, or a transferee in bulk.

12 "Document" means any document of title to goods.

13 "Entruster" means the person who has or directly or by  
14 agent takes a security interest in goods, documents or in-  
15 struments under a trust receipt transaction, and any suc-  
16 cessor in interest of such person. A person in the busi-  
17 ness of selling goods or instruments for profit, who at  
18 the outset of the transaction has, as against the buyer,  
19 general property in such goods or instruments, and who  
20 sells the same to the buyer on credit, retaining title or  
21 other security interest under a purchase money mortgage  
22 or conditional sales contract or otherwise, is excluded.

23 "Goods" means any chattels personal other than:  
24 money, things in action, or things so affixed to land as  
25 to become a part thereof.

26 "Instrument" means

27 (a) Any negotiable instrument as defined in the uni-  
28 form negotiable instrument law and amendment there-  
29 to, or

30 (b) any certificate of stock, or bond or debenture for  
31 the payment of money issued by a public or private cor-  
32 poration as part of a series, or

33 (c) any interim, deposit, or participation certificate or  
34 receipt, or other credit or investment instrument of a  
35 sort marketed in the ordinary course of business or  
36 finance, of which the trustee, after the trust receipt trans-  
37 action, appears by virtue of possession and the face of the  
38 instrument to be the owner. "Instrument" does not in-  
39 clude any document of title to goods.

40 "Lien creditor" means any creditor who has acquired  
41 a specific lien on the goods, documents or instruments by  
42 attachment, levy, or by any other similar operation of  
43 law or judicial process, including a distraining landlord.

44 "New value" includes new advances or loans made, or  
45 new obligation incurred, or the release or surrender of a  
46 valid and existing security interest, or the release of a  
47 claim to proceeds under section ten; but "new value"

48 shall not be construed to include extensions or renewals of  
49 existing obligations of the trustee, nor obligations sub-  
50 stituted for such existing obligations.

51 "Person" means, as the case may be, an individual,  
52 trustee, receiver or other fiduciary, partnership, corpora-  
53 tion, business trust, or other association, and two or more  
54 persons having a joint or common interest.

55 "Possession", as used in this act with reference to posses-  
56 sion taken or retained by the entruster, means actual  
57 possession of goods, documents or instruments, or, in the  
58 case of goods, such constructive possession as, by means  
59 of tags or signs or other outward marks placed and re-  
60 maining in conspicuous places, may reasonably be ex-  
61 pected in fact to indicate to the third party in question  
62 that the entruster has control over or interest in the  
63 goods.

64 "Purchase" means taking by sale, conditional sale,  
65 lease, mortgage, or pledge, legal or equitable.

66 "Purchaser" means any person taking by purchase. A  
67 pledgee, mortgagee or other claimant of a security in-

68 terest created by contract is, insofar as concerns his specific  
69 security, a purchaser and not a creditor.

70 "Security interest" means a property interest in goods,  
71 documents or instruments, limited in extent to securing  
72 performance of some obligation of the trustee or of some  
73 third person to the entruster, and includes the interest of  
74 a pledgee, and title, whether or not expressed to be  
75 absolute, whenever such title is in substance taken or  
76 retained for security only.

77 "Transferee in bulk" means a mortgagee or a pledgee  
78 or a buyer of the trustee's business substantially as a  
79 whole.

80 "Trustee" means the person having or taking possession  
81 of goods, documents or instruments under a trust receipt  
82 transaction, and any successor in interest of such person.  
83 The use of the word "trustee" herein shall not be inter-  
84 preted or construed to imply the existence of a trust or  
85 any right or duty of a trustee in the sense of equity juris-  
86 prudence other than as provided by this act.

87 "Value" means any consideration sufficient to support  
88 a simple contract. An antecedent or preexisting claim,

89 whether for money or not and whether against the trans-  
90 feror or against another person, constitutes value where  
91 goods, documents or instruments are taken either in satis-  
92 faction thereof or as security therefor.

Sec. 2. *What Constitutes Trust Receipt Transaction and*

2 *Trust Receipt.*—1. A trust receipt transaction within the  
3 meaning of this act is any transaction to which an en-  
4 trustor and a trustee are parties, for one of the purposes  
5 set forth in subsection three, whereby:

- 6 (a) The entruster or any third person delivers to the  
7 trustee goods, documents or instruments in which the  
8 entruster (i) prior to the transaction has, or for new  
9 value (ii) by the transaction acquires or (iii) as the re-  
10 sult thereof is to acquire promptly, a security interest; or  
11 (b) the entruster gives new value in reliance upon  
12 the transfer by the trustee to such entruster of a security  
13 interest in instruments or documents which are actually  
14 exhibited to such entruster, or to his agent in that behalf,  
15 at a place of business of either entruster or agent, but  
16 possession of which is retained by the trustee: *Provided,*  
17 That the delivery under paragraph (a) or the giving of

18 new value under paragraph (b) either (i) be against the  
19 signing and delivery by the trustee of a writing desig-  
20 nating the goods, documents or instruments concerned,  
21 and reciting that a security interest therein remains in  
22 or will remain in, or has passed to or will pass to, the  
23 entruster, or (ii) be pursuant to a prior or concurrent  
24 written and signed agreement of the trustee to give such  
25 a writing.

26 The security interest of the entruster may be derived  
27 from the trustee or from any other person, and by pledge  
28 or by transfer of title or otherwise.

29 If the trustee's rights in the goods, documents or in-  
30 struments are subject to a prior trust receipt transaction,  
31 or to a prior equitable pledge, section nine and section  
32 three, respectively, of this act, determine the priorities.

33 2. A writing such as is described in subsection one,  
34 paragraph (i), signed by the trustee, and given in or pur-  
35 suant to such a transaction, is designated in this act as a  
36 "trust receipt". No further formality of execution or au-  
37 thentication shall be necessary to the validity of a trust  
38 receipt.

39 3. A transaction shall not be deemed a trust receipt  
40 transaction unless the possession of the trustee thereunder  
41 is for a purpose substantially equivalent to any one of the  
42 following:

43 (a) In the case of goods, documents or instruments, for  
44 the purpose of selling or exchanging them, or of procuring  
45 their sale or exchange; or

46 (b) in the case of goods or documents, for the purpose  
47 of manufacturing or processing the goods delivered or cov-  
48 ered by the documents, with the purpose of ultimate sale,  
49 or for the purpose of loading, unloading, storing, shipping,  
50 trans-shipment or otherwise dealing with them in a man-  
51 ner preliminary to or necessary to their sale; or

52 (c) in the case of instruments, for the purpose of de-  
53 livering them to a principal, under whom the trustee is  
54 holding them, or for consummation of some transaction  
55 involving delivery to a depository or registrar, or for  
56 their presentation, collection or renewal.

Sec. 3. *Attempted Creation or Continuance of Pledge*  
2 *Without Delivery or Retention of Possession.*—1. An at-  
3 tempted pledge or agreement to pledge not accompanied

4 by delivery of possession, which does not fulfill the re-  
5 quirements of a trust receipt transaction, shall be valid  
6 as against creditors of the pledgor only as follows:

7 (a) to the extent that new value is given by the pledgee  
8 in reliance thereon, such pledge or agreement to pledge  
9 shall be valid as against all creditors with or without  
10 notice, for ten days from the time the new value is given;

11 (b) to the extent that the value given by the pledgee  
12 is not new value, and in the case of new value after the  
13 lapse of ten days from the giving thereof, the pledge shall  
14 have validity as against lien creditors without notice, who  
15 become such as prescribed in section eight, only as of the  
16 time the pledgee takes possession, and without relation  
17 back.

18 2. Purchasers (including entrusters) for value and with-  
19 out notice of the pledgee's interest shall take free of any  
20 such pledge or agreement to pledge unless, prior to the  
21 purchase, it has been perfected by possession taken.

22 3. Where, under circumstances not constituting a trust  
23 receipt transaction, a person, for a temporary and limited  
24 purpose, delivery goods, documents, or instruments, in

25 which he holds a pledgee's or other security interest, to  
26 the person holding the beneficial interest therein, the  
27 transaction has like effect with a purported pledge for  
28 new value under this section.

Sec. 4. *Contract to Give Trust Receipt.*—1. A contract  
2 to give a trust receipt, if in writing and signed by the  
3 trustee, shall, with reference to goods, documents or in-  
4 struments thereafter delivered by the entruster to the  
5 trustee in reliance on such contract, be equivalent in all  
6 respects to a trust receipt.

7 2. Such a contract shall as to such goods, documents, or  
8 instruments be specifically enforceable against the trust-  
9 tee; but this subsection shall not enlarge the scope of the  
10 entruster's rights against creditors of the trustee as lim-  
11 ited by this act.

Sec. 5. *Validity Between the Parties.*—Between the en-  
2 truster and the trustee the terms of the trust receipt shall,  
3 save as otherwise provided by this act, be valid and en-  
4 forceable. But no provision for forfeiture of the trustee's  
5 interest shall be valid except as provided in subsection  
6 five of section six.

*Sec. 6. Repossession, and Entruster's Rights on Default.*

2 —1. The entruster shall be entitled as against the trustee  
3 to possession of the goods, documents or instruments on  
4 default, and as may be otherwise specified in the trust  
5 receipt.

6 2. An entruster entitled to possession under the terms  
7 of the trust receipt or of subsection one may take such  
8 possession without legal process, whenever that is possible  
9 without breach of the peace.

10 3. (a) After possession taken, the entruster shall, sub-  
11 ject to subdivision (b) and subsection five, hold such  
12 goods, documents or instruments with the rights and  
13 duties of a pledgee.

14 (b) An entruster in possession may on or after default,  
15 give notice to the trustee of intention to sell, and may,  
16 not less than five days after the serving or sending of such  
17 notice, sell the goods, documents or instruments for the  
18 trustee's account, at public or private sale, and may at a  
19 public sale himself become a purchaser. The proceeds of  
20 any such sale, whether public or private, shall be applied  
21 (i) to the payment of the expense thereof, (ii) to the

22 payment of the expenses of re-taking, keeping and storing  
23 the goods, documents, or instruments, (iii) to the satis-  
24 faction of the trustee's indebtedness. The trustee shall  
25 receive any surplus and shall be liable to the entruster  
26 for any deficiency. Notice of sale shall be deemed suffi-  
27 ciently given if in writing, and either (i) personally  
28 served on the trustee, or (ii) sent by post-paid ordinary  
29 mail to the trustee's last known business address.

30 (c) A purchaser in good faith and for value from an  
31 entruster in possession takes free of the trustee's interest,  
32 even in a case in which the entruster is liable to the  
33 trustee for conversion.

34 4. Surrender of the trustee's interest to the entruster  
35 shall be valid, on any terms upon which the trustee and  
36 entruster may, after default, agree.

37 5. As to articles manufactured by style or model, the  
38 terms of the trust receipt may provide for forfeiture of  
39 the trustee's interest, at the election of the entruster, in  
40 the event of the trustee's default, against cancellation of  
41 the trustee's then remaining indebtedness: *Provided*, That  
42 in the case of the original maturity of such an indebted-

43 ness there must be cancelled not less than eighty per cent  
44 cent of the purchase price to the trustee or of the orig-  
45 inal indebtedness, whichever is greater; or, in the case of  
46 a first renewal, not less than seventy per cent, or, in the  
47 case of a second or further renewal, not less than sixty  
48 per cent.

Sec. 7. *General Effect of Entruster's Filing or Taking*

2 *Possession.*—1. (a) If the entruster within the period of  
3 thirty days specified in subsection one of section eight  
4 files as in this act provided, such filing shall be effective  
5 to preserve his security interest in documents or goods  
6 against all persons, save as otherwise provided by sections  
7 eight, nine, ten, eleven, fourteen and fifteen of this act.  
8 (b) Filing after the lapse of the said period shall be  
9 valid; but in such event, save as provided in subdivision  
10 two-(b) of section nine, the entruster's security interest  
11 shall be deemed to be created by the trustee as of the  
12 time of such filing, without relation back, as against all  
13 persons not having notice of such interest.

14 2. The taking of possession by the entruster shall, so  
15 long as such possession is retained, have the effect of

16 filing, in the case of goods or documents; and of notice  
17 of the entruster's security interest to all persons, in the  
18 case of instruments.

Sec. 8. *Validity Against Creditors.*—1. The entruster's  
2 security interest in goods, documents or instruments un-  
3 der the written terms of a trust receipt transaction, shall  
4 without any filing be valid as against all creditors of the  
5 trustee, with or without notice, for thirty days after de-  
6 livery of the goods, documents or instruments to the trus-  
7 tee, and thereafter except as in this act otherwise pro-  
8 vided.

9 But where the trustee at the time of the trust receipt  
10 transaction has and retains instruments, or documents,  
11 the thirty days shall be reckoned from the time such in-  
12 struments, or documents, are actually shown to the en-  
13 truster, or from the time that the entruster gives new  
14 value under the transaction, whichever is prior.

15 2. Save as provided in subsection one, the entruster's  
16 security interest shall be void as against lien creditors  
17 who become such after such thirty-day period and with-  
18 out notice of such interest and before filing.

19 (a) Where a creditor secures the issuance of process  
20 which within a reasonable time after such issuance re-  
21 sults in attachment of or levy on the goods, he is deemed  
22 to have become a lien creditor as of the date of the issu-  
23 ance of the process.

24 (b) Unless prior to the acquisition of notice by all credi-  
25 tors filing has occurred or possession has been taken by  
26 the entruster, (i) an assignee for the benefit of creditors,  
27 from the time of assignment, or (ii) a receiver in equity  
28 from the time of his appointment, or (iii) a trustee in  
29 bankruptcy or judicial insolvency proceedings from the  
30 time of filing of the petition in bankruptcy or judicial in-  
31 solvency by or against the trustee, shall, on behalf of all  
32 creditors, stand in the position of a lien creditor without  
33 notice, without reference to whether he personally has  
34 or has not, in fact, notice of the entruster's interest.

Sec. 9. *Limitations on Entruster's Protection Against*

2 *Purchasers.*—1. Purchasers of Negotiable Documents or  
3 Instruments.

4 (a) Nothing in this act shall limit the rights of pur-  
5 chasers in good faith and for value from the trustee of

6 negotiable instruments or negotiable documents, and pur-  
7 chasers taking from the trustee for value, in good faith,  
8 and by transfer in the customary manner instruments in  
9 such form as are by common practice purchased and sold  
10 as if negotiable, shall hold such instruments free of the  
11 entruster's interest; and filing under this act shall not be  
12 deemed to constitute notice of the entruster's interest to  
13 purchasers in good faith and for value of such documents  
14 or instruments, other than transferees in bulk.

15 (b) The entrusting (directly, by agent, or through the  
16 intervention of a third person) of goods, documents or  
17 instruments by an entruster to a trustee, under a trust  
18 receipt transaction or a transaction falling within section  
19 three of this act, shall be equivalent to the like entrusting  
20 of any documents or instruments which the trustee may  
21 procure in substitution, or which represent the same goods  
22 or instruments or the proceeds thereof, and which the  
23 trustee negotiates to a purchaser in good faith and for  
24 value.

25 2. Where a purchaser from the trustee is not protected

26 under subsection one hereof, the following rules shall  
27 govern:

28 (a) Sales by trustee in the ordinary course of trade.

29 (i) Where the trustee, under the trust receipt trans-  
30 action, has liberty of sale and sells to a buyer in the  
31 ordinary course of trade, whether before or after the ex-  
32 piration of the thirty-day period specified in subsection  
33 one of section eight of this act, and whether or not filing  
34 has taken place, such buyer takes free of the entruster's  
35 security interest in the goods so sold, and no filing shall  
36 constitute notice of the entruster's security interest to  
37 such a buyer.

38 (ii) No limitation placed by the entruster on the liberty  
39 of sale granted to the trustee shall affect a buyer in the  
40 ordinary course of trade, unless the limitation is actually  
41 known to the latter.

42 (b) Purchasers other than buyers in the ordinary course  
43 of trade.

44 In the absence of filing, the entruster's security interest  
45 in goods shall be valid, as against purchasers, save as  
46 provided in this section; but any purchaser, not a buyer

47 in the ordinary course of trade, who, in good faith and  
48 without notice of the entruster's security interest and be-  
49 fore filing, either (i) gives new value before the expira-  
50 tion of the thirty-day period specified in subsection one  
51 of section eight, or (ii) gives value after said period and  
52 who in either event before filing also obtains delivery of  
53 goods from a trustee shall hold the subject matter of his  
54 purchase free of the entruster's security interest; but a  
55 transferee in bulk can take only under (ii) of this sub-  
56 division (b).

57 (c) Liberty of Sale.

58 If the entruster consents to the placing of goods subject  
59 to a trust receipt transaction in the trustee's stock in  
60 trade or in his sales or exhibition rooms, or allows such  
61 goods to be so placed or kept, such consent or allowance  
62 shall have like effect as granting the trustee liberty of  
63 sale.

64 3. As to all cases covered by this section the purchase  
65 of goods, documents or instruments on credit shall con-  
66 stitute a purchase for new value, but the entruster shall  
67 be entitled to any debt owing to the trustee and any

68 security therefor, by reason of such purchase; except  
69 that the entruster's right shall be subject to any set-off  
70 or defense valid against the trustee and accruing before  
71 the purchaser has actual notice of the entruster's interest.

Sec. 10. *Entruster's Right to Proceeds.*—Where, under  
2 terms of the trust receipt transaction, the trustee has  
3 no liberty of sale or other disposition, or, having liberty  
4 of sale or other disposition, is to account to the entruster  
5 for the proceeds of any disposition of the goods, docu-  
6 ments or instruments, the entruster shall be entitled, to  
7 the extent to which and as against all classes of persons  
8 as to whom his security interest was valid at the time of  
9 disposition by the trustee, as follows:

10 (a) To the debts described in section nine (three); and  
11 also

12 (b) to any proceeds or the value of any proceeds  
13 (whether such proceeds are identifiable or not) of the  
14 goods, documents or instruments, if said proceeds were  
15 received by the trustee within ten days prior to either  
16 application for appointment of a receiver of the trustee,  
17 or the filing of a petition in bankruptcy or judicial in-

18 solvency proceedings by or against the trustee, or demand  
19 made by the entruster for prompt accounting; and to a pri-  
20 ority to the amount of such proceeds or value; and also  
21 (c) to any other proceeds of the goods, documents or  
22 instruments which are identifiable, unless the provision  
23 for accounting has been waived by the entruster by words  
24 or conduct; and knowledge by the entruster of the ex-  
25 istence of proceeds, without demand for accounting made  
26 within ten days from such knowledge, shall be deemed  
27 such a waiver.

Sec. 11. *Liens in Course of Business Good Against En-*  
2 *truster.*—Specific liens arising out of contractual acts  
3 of the trustee with reference to the processing, ware-  
4 housing, shipping or otherwise dealing with specific goods  
5 in the usual course of the trustee's business preparatory  
6 to their sale shall attach against the interest of the  
7 entruster in said goods as well as against the interest of  
8 the trustee, whether or not filing has occurred under this  
9 act; but this section shall not obligate the entruster per-  
10 sonally for any debt secured by such lien; nor shall it  
11 be construed to include the lien of a landlord.

Sec. 12. *Entruster not Responsible on Sale by Trustee.*

2 —An entruster holding a security interest shall not,  
3 merely by virtue of such interest or of his having given  
4 the trustee liberty of sale or other disposition, be respon-  
5 sible as principal or as vendor under any sale or contract  
6 to sell made by the trustee.

Sec. 13. *Filing and Refiling Concerning Trust Receipt*

2 *Transactions Covering Documents or Goods.*—1. Any  
3 entruster undertaking or contemplating trust receipt  
4 transactions with reference to documents or goods is  
5 entitled to file with the secretary of state a statement,  
6 signed by the entruster and the trustee, containing:

7 (a) A designation of the entruster and the trustee, and  
8 of the chief place of business of each within this state, if  
9 any; and if the entruster has no place of business within  
10 the state, a designation of his chief place of business out-  
11 side the state; and

12 (b) a statement that the entruster is engaged, or ex-  
13 pects to be engaged, in financing under trust receipt trans-  
14 actions the acquisition of goods by the trustee; and

15 (c) a description of the kind or kinds of goods covered  
16 or to be covered by such financing.

17 2. The following form of statement (or any other form  
18 of statement containing substantially the same informa-  
19 tion) shall suffice for the purposes of this act:

20 "Statement of Trust Receipt Financing

21 "The entruster, ..... whose chief place  
22 of business within this state is at ....., (or  
23 who has no place of business within this state and whose  
24 chief place of business outside this state is at.....,)  
25 is or expects to be engaged in financing under trust re-  
26 ceipt transactions the acquisition by the trustee,.....  
27.....whose chief place of business within this state  
28 is at ..... of goods of the following  
29 description:

30 [coffee, silk, automobiles, or the like.]

31 [Signed] ..... Entruster

32 [Signed] ..... Trustee."

33 3. It shall be the duty of the filing officer to mark each  
34 statement filed with a consecutive file number, and with  
35 the date and hour of filing, and to keep such statement

36 in a separate file; and to note and index the filing in a  
37 suitable index, indexed according to the name of the  
38 trustee and containing a notation of the trustee's chief  
39 place of business as given in the statement. The fee for  
40 such filing shall be five dollars.

41 4. Presentation for filing of the statement described in  
42 subsection one, and payment of the filing fee, shall consti-  
43 tute filing under this act, in favor of the entruster, as  
44 to any documents or goods falling within the description  
45 in the statement which are within one year from the date  
46 of such filing, or have been, within thirty days previous  
47 to such filing, the subject-matter of a trust receipt trans-  
48 action between the entruster and the trustee.

49 5. At any time before expiration of the validity of the  
50 filing, as specified in subsection four, a like statement, or  
51 an affidavit by the entruster alone, setting out the infor-  
52 mation required by subsection one, may be filed in like  
53 manner as the original filing. Any filing of such further  
54 statement or affidavit shall be valid in like manner and  
55 for like period as an original filing, and shall also con-  
56 tinue the rank of the entruster's existing security interest

57 as against all junior interests. It shall be the duty of the  
58 filing officer to mark, file and index the further statement  
59 or affidavit in like manner as the original.

Sec. 14. *Limitations on Extent of Obligation Secured.*—

2 As against purchasers and creditors, the entruster's se-  
3 curity interest may extend to any obligation for which  
4 the goods, documents or instruments were security before  
5 the trust receipt transaction, and to any new value given  
6 or agreed to be given as a part of such transactions; but  
7 not, otherwise, to secure past indebtedness of the trustee;  
8 nor shall the obligation secured under any trust receipt  
9 transaction extend to obligations of the trustee to be sub-  
10 sequently created.

Sec. 15. *Act Not Applicable to Certain Transactions.*—

2 This act shall not apply to single transactions of legal  
3 or equitable pledge, not constituting a course of business,  
4 whether such transactions be unaccompanied by delivery  
5 of possession, or involve constructive delivery, or delivery  
6 and redelivery, actual or constructive, so far as such trans-  
7 actions involve only an entruster who is an individual  
8 natural person, and a trustee entrusted as a fiduciary

9 with handling investments or finances of the entruster;  
10 nor shall it apply to transactions of bailment or consign-  
11 ment in which the title of the bailor or consignor is not  
12 retained to secure an indebtedness to him of the bailee  
13 or consignee.

Sec. 16. *Election Among Filing Statutes.*—As to any  
2 transaction falling within the provisions both of this act  
3 and of any other act requiring filing or recording, the  
4 entruster shall not be required to comply with both, but  
5 by complying with the provisions of either at his election  
6 may have the protection given by the act complied with;  
7 except that buyers in the ordinary course of trade as  
8 described in subsection two of section nine, and lienors  
9 as described in section eleven, shall be protected as there-  
10 in provided, although the compliance of the entruster be  
11 with the filing or recording requirements of another act.

Sec. 17. *Cases Not Provided For.*—In any case not  
2 provided for in this act the rules of law and equity, in-  
3 cluding the law merchant, shall continue to apply to  
4 trust receipt transactions and purported pledge trans-  
5 actions not accompanied by delivery of possession.

Sec. 18. *Uniformity of Interpretation.*—This act shall  
2 be so interpreted and construed as to effectuate its gen-  
3 eral purpose to make uniform the law of the states which  
4 enact it.

Sec. 19. *Constitutionality.*—If any provision of this act  
2 or the application thereof to any person or circumstances  
3 is held invalid, such invalidity shall not affect other pro-  
4 visions or applications of the act which can be given  
5 effect without the invalid provision or application, and  
6 to this end the provisions of this act are declared to be  
7 severable.

Sec. 20. *Short Title.*—This act may be cited as the  
2 “Uniform Trust Receipts Act.”

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

*Samuel Davis, Jr.*  
Chairman Senate Committee

*Mrs. H. H. Withers*  
Chairman House Committee

Originated in the House.

Takes effect *ninety days from* passage.

*Thomas M. Nease*  
Clerk of the Senate

*C. A. Blankenship*  
Clerk of the House of Delegates

*Howard W. Carson*  
President of the Senate

*Julius W. Singletary*  
Speaker House of Delegates

The within *approved* this the *17<sup>th</sup>*  
day of *March*, 1961.

*W. W. Barron*  
Governor

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of West Virginia **MAR 17 1961**  
**JOE F. BURDETT**  
SECRETARY OF STATE