

CHAPTER 227

UNIFORM WAREHOUSE RECEIPTS

227.01 WAREHOUSE RECEIPTS; ISSUANCE.

See, Uniform Laws Annotated, Volume III, for decisions in other states.

The uniform warehouse receipts act originated in Minnesota with L. 1913, c. 161, and the act has been adopted by all the states and territories in the United States except the Territory of Hawaii. The following Minnesota Law Review articles are applicable to chapter 227:

Negotiability of a bill of lading under the federal bills of lading act. 1 MLR 69.

Desirability of adoption of the uniform bills of lading act. 1 MLR 285.

Uniform fraudulent conveyance act. 7 MLR 453.

Factors' acts; right to pledge; negotiable documents of title. 12 MLR 640.

Protection of a holder of a warehouse receipt. 15 MLR 292.

227.03 FORM OF RECEIPT; WHAT TERMS MAY BE INSERTED.

The legislature, having determined the policy, may delegate to the railroad and warehouse commission power of administration and authority to make rules and regulations, a rule ordering warehousemen to endorse upon the face of warehouse receipts their statutory liability. OAG May 10, 1937 (371-B-14).

227.05 NEGOTIABLE RECEIPT.

Where the commission permits issuance of non-negotiable public terminal warehouse receipts, a non-negotiable form of receipt must be used. A receipt negotiable in form should not be amended by stamping thereon the word "non-negotiable." OAG June 23, 1939 (645-B-23).

227.08 DELIVERY OF GOODS; DUTY OF WAREHOUSEMAN; LIABILITY.

Where the circumstances of a public warehouseman's misappropriation of storage grain are such as to indicate to the commission merchant to whom it is shipped and through whom it is sold that the misappropriation is not an isolated transaction but one of a series or in accordance with the shipper's general practice, the commission merchant is put upon inquiry as to the character of grain in subsequent shipments; and if such inquiry would disclose misappropriation to a man of reasonable business prudence, the commission merchant who sells the subsequent shipments is liable to the owners of the grain for its value. *Christensen v St. James Farmers Grain Co.* 190 M 299, 251 NW 686.

Storage tickets are in the usual form of negotiable warehouse receipts prescribed by this section. The law permits the mingling of stored grain with other grain of like grade but does not authorize the sale of the grain by the warehouseman. *Christensen v St. James Farmers Grain Co.* 190 M 299, 251 NW 686.

227.11 NEGOTIABLE RECEIPTS MUST BE CANCELED WHEN GOODS DELIVERED.

A scrap of paper giving the gross and net weight of a load of grain delivered at a public grain warehouse, handed to the person delivering the load, by the warehouseman, and not intended to evidence a storage contract, but merely as a temporary expedient until proper storage tickets were made out, does not come within the provision of the statute prohibiting the reception in evidence in a civil action

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of any slips, memoranda, or other form of receipts embracing a storage contract, different from that prescribed by the statute. *Piper v Monarch Elevator Co.* 150 M 468, 185 NW 511.

227.14 LOST OR DESTROYED RECEIPTS.

A warehouseman is liable for negligence when it is established that goods in his care are destroyed by fire. The burden of proof is upon the warehouseman to prove that the loss did not occur through his negligence. This burden is not merely a burden of going forward with the evidence, nor a shifting burden, but a burden of establishing by a preponderance of the evidence freedom from negligence. *Rustad v Gt. Northern*, 122 M 453, 142 NW 727.

227.17 INTERPLEADER OF ADVERSE CLAIMANTS.

Interpleader, requirement of privity. 19 MLR 812.

227.20 NON-EXISTENCE OR MISDESCRIPTION OF GOODS; LIABILITY.

Protection of a holder of a warehouse receipt. 15 MLR 292.
Law of misrepresentation. 22 MLR 971.

227.21 LIABILITY FOR CARE OF GOODS.

The common law liability of a common carrier of goods as an insurer does not terminate until delivery to the consignee, or, if there is no delivery, until notice to him of arrival and a reasonable opportunity of removal afforded him. At the termination of such reasonable time, the liability of the common carrier is that of a warehouseman. *Rustad v Gt. Northern*, 122 M 453, 142 NW 727.

Where under agreement the warehouseman was required to deliver to the Commodity Credit Corporation the same quantity and quality of grain he received and insure it and collect insurance in case of loss, the warehouseman is liable to the corporation for damage by fire to its grain in storage, notwithstanding the warehouse receipts stated the warehouseman was not liable in case of fire. *Michigan Ins. Co. v National Surety*, 59 F. Supp. 493, 156 F(2d) 329.

227.23 FUNGIBLE GOODS; COMMINGLING; AUTHORIZATION.

Right of holder of warehouse grain receipt as against purchaser from warehouseman. 9 MLR 690.

227.24 LIABILITY OF WAREHOUSEMAN TO DEPOSITORS OF COMMINGLED GOODS.

The evidence sustains a holding that plaintiffs were the owners of 168 head of cattle received by defendant at its yards to be unloaded, watered, fed, and reloaded for further transportation. The owners of the cattle which became intermingled with similar cattle, while in transit, so that their identification became impossible, may recover their proportional share of the net proceeds from the sale of the whole number so commingled. *Swanson v St. Paul Union Stock Yards Co.* 156 M 483, 195 NW 453.

227.27 WAREHOUSEMAN'S LIEN; CLAIMS INCLUDED.

The shipment by the owner of 26 cars of lumber to plaintiffs at different dates, though in continuous sequence, constitutes, in the instant case, one transaction and not separate and independent contracts. The evidence sustains the findings of the trial court to the effect that the property was delivered to plaintiffs for storage. *Brooks v Carpenter*, 154 M 502, 191 NW 1001.

227.28 AGAINST WHAT PROPERTY THE LIEN MAY BE ENFORCED.

Where the registered owner of a number of negotiable whiskey warehouse receipts owes money to the warehouse on some of the receipts covered by his con-

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tract, he may draw whiskey on any receipt on which he has paid the required amount, the receipts being severable. *Wilson v Faust*, 51 F. Supp. 744.

227.34 PERISHABLE AND HAZARDOUS GOODS; SALE; NOTICE.

Plaintiff stored with the defendant a quantity of Finnish silakka. When taken from storage it was spoiled. The evidence is sufficient to sustain a finding that the fish was spoiled while in storage and the injury was caused by the manner in which it was handled by defendant. *Dreves v Northern Cold Storage*, 135 M 63, 160 NW 200.

227.39 TRANSFER OF RECEIPTS.

Factors' right to pledge negotiable documents of title. 12 MLR 633, 662.

227.40 RECEIPT; WHO MAY NEGOTIATE.

Purchase for value; estoppel. 6 MLR 87.

Trust receipts. 8 MLR 144.

Non-negotiable instruments. 8 MLR 526.

Factors' right to pledge negotiable documents of title. 12 MLR 633, 662.

227.42 RECEIPTS; RIGHT OF TRANSFEREE.

Under the North Dakota statute, the warehouseman cannot give good title after the quantity of grain in the warehouse is less than the aggregate required to satisfy outstanding storage receipts. But the holder of the receipt may consent to the sale of the grain by the warehouseman. Such sale is lawful and gives title to the purchaser. In the instant case, the evidence warrants the conclusion that the receipt-holders acquiesced in the shipment of their grain by the warehouseman to the respondent for sale on commission, and justified the trial court in finding that appellant is estopped from asserting that there was a conversion of the grain. The question whether an estoppel exists is one of mixed law and fact. *Nieter v McCaull Dinsmore*, 159 M 395, 199 NW 85.

Persons holding storage tickets issued by a grain elevator are not estopped from asserting a wrongful disposition of the grain because they know that the elevator is shipping out grain and that two local elevators have capacity to hold but one-fourth of the grain produced in the territory. *Hoven v McCarthy*, 163 M 339, 204 NW 29.

Purchases for value; estoppel. 6 MLR 87.

Production of warehouse receipt holder. 15 MLR 292.

227.47 WHEN NEGOTIATION NOT IMPAIRED BY FRAUD, MISTAKE, OR DURESS.

Negotiability of bill of lading under the federal bills of lading act. 1 MLR 68.

Factor's right to pledge negotiable instruments of title. 12 MLR 633, 662.

227.54 DELIVERY OF GOODS WITHOUT OBTAINING NEGOTIABLE RECEIPT.

Where the circumstances of a public warehouseman's misappropriation of storage grain are such as to indicate to the commission merchant to whom it is shipped and through whom it is sold that the misappropriation is not an isolated transaction, the commission merchant is put upon inquiry as to the character of grain in subsequent shipments; and if such inquiry would lead a man of reasonable business prudence to suspect misappropriation, the commission merchant who sells subsequent shipments is liable to the owners of the grain or the assignee. *Christensen v St. James Farmers Grain Co.* 190 M 299, 251 NW 686.

Construction of uniform laws, see section 645.22.