

355.7-403 Obligation of bailee to deliver -- Excuse.

- (1) A bailee shall deliver the goods to a person entitled under a document of title if the person complies with subsections (2) and (3) of this section, unless and to the extent that the bailee establishes any of the following:
 - (a) Delivery of the goods to a person whose receipt was rightful as against the claimant;
 - (b) Damage to or delay, loss, or destruction of the goods for which the bailee is not liable;
 - (c) Previous sale or other disposition of the goods in lawful enforcement of a lien or on a warehouse's lawful termination of storage;
 - (d) The exercise by a seller of its right to stop delivery pursuant to KRS 355.2-705 or by a lessor of its right to stop delivery pursuant to KRS 355.2A-526;
 - (e) A diversion, reconsignment, or other disposition pursuant to KRS 355.7-303;
 - (f) Release, satisfaction, or any other fact affording a personal defense against the claimant; or
 - (g) Any other lawful excuse.
- (2) A person claiming goods covered by a document of title shall satisfy the bailee's lien if the bailee so requests or the bailee is prohibited by law from delivering the goods until the charges are paid.
- (3) Unless a person claiming the goods is one against which the document of title does not confer a right under KRS 355.7-503(1):
 - (a) The person claiming under a document shall surrender possession or control of any outstanding negotiable document covering the goods for cancellation or indication of partial deliveries; and
 - (b) The bailee shall cancel the document or conspicuously indicate in the document the partial delivery or be liable to any person to which the document is duly negotiated.

Effective: July 12, 2012

History: Repealed and reenacted 2012 Ky. Acts ch. 132, sec. 28, effective July 12, 2012. -- Created 1958 Ky. Acts ch. 77, sec. 7-403, effective July 1, 1960.