

an additional provision that the parties by their original agreement could reduce this period of limitation to not less than one year. It was the consensus of the study committee that the present 6-year limitation should be retained. [Bill 1-S]

Legislative Council Note, 1969: To [As to sub. (1)] protect the inexperienced buyer from unwittingly reducing his rights to sue for breach of contract, Wisconsin adopted the sentence "This period of limitation may not be varied by agreement of the parties" in lieu of the code language "By the original agreement the parties may reduce the period of limitation to not less than 1 year but may not extend it". This amendment partially restores the code language but would restrict the right to vary periods of limitation to parties who are merchants. While uniformity between the Wisconsin statutes and the UCC official text is desirable, the protection of buyers other than merchants is deemed more important. [As to sub. (2)] This amendment deletes the reference to the warranty of quiet possession (see note to 402.312) and thus restores uniformity with the official code text. [Bill 2-A]

CHAPTER 403.

Commercial Paper.

Editor's Notes: (1) For notes of decisions construing prior statutes on the subject of commercial paper see Wis. Annotations, 1960, and Wis. Stats. 1963.

(2) For foreign decisions construing the Uniform Commercial Code; Commercial Paper and other relevant information see Uniform Laws, Annotated.

403.101 History: 1963 c. 158; Stats. 1963 s. 403.101.

The impact of the uniform commercial code on Wisconsin law. Helstad, 1964 WLR 355.

403.102 History: 1963 c. 158; Stats. 1963 s. 403.102.

403.103 History: 1963 c. 158; Stats. 1963 s. 403.103.

Legislative Council Note, 1963: For the purpose of clarification, the study committee changed the words "investment securities" in the official text to read "securities as defined by s. 408.102." [Bill 1-S]

403.104 History: 1963 c. 158; Stats. 1963 s. 403.104; 1969 c. 39.

Editor's Note: In *Marine Bank v. Kalt-Zimmers Co.*, 293 US 357, the U. S. supreme court held that the decision in *Pollard v. Tobin*, 211 W 405, 247 NW 453, that certain bonds were negotiable under ch. 116, Stats. 1931 (the negotiable instruments law), was binding on the federal courts. See also *Erie Railroad Co. v. Tompkins*, 304 US 64.

403.105 History: 1963 c. 158; Stats. 1963 s. 403.105.

403.106 History: 1963 c. 158; Stats. 1963 s. 403.106.

403.107 History: 1963 c. 158; Stats. 1963 s. 403.107.

403.108 History: 1963 c. 158; Stats. 1963 s. 403.108.

403.109 History: 1963 c. 158; Stats. 1963 s. 403.109.

403.110 History: 1963 c. 158; Stats. 1963 s. 403.110.

403.111 History: 1963 c. 158; Stats. 1963 s. 403.111.

403.112 History: 1963 c. 158; Stats. 1963 s. 403.112.

403.113 History: 1963 c. 158; Stats. 1963 s. 403.113.

403.114 History: 1963 c. 158; Stats. 1963 s. 403.114.

403.115 History: 1963 c. 158; Stats. 1963 s. 403.115.

403.116 History: 1963 c. 158; Stats. 1963 s. 403.116.

403.117 History: 1963 c. 158; Stats. 1963 s. 403.117.

403.118 History: 1963 c. 158; Stats. 1963 s. 403.118; 1965 c. 51; 1969 c. 39.

Legislative Council Note, 1963: Subsection (7) is not part of the official text of the code. It is derived from the second sentence of Wis. Stat. s. 116.14. The study committee saw no good reason for repealing this codification of a common-law rule. It will not affect uniformity. [Bill 1-S]

Legislative Council Note, 1969: Subsection (7), not a part of the official UCC text, was derived from s. 116.14, Wis. Stat. 1963, which in turn purported to codify an old common-law rule. The need for the provision is not apparent, and the committee concluded that it ought to be repealed in the interest of uniformity. [Bill 2-A]

403.119 History: 1963 c. 158; Stats. 1963 s. 403.119.

403.120 History: 1963 c. 158; Stats. 1963 s. 403.120.

403.121 History: 1963 c. 158; Stats. 1963 s. 403.121.

Legislative Council Note, 1963: The official draft of the code here presented a choice of alternatives. The study committee selected the alternative (Alternative B) which in its opinion states current practice in Wisconsin. The rejected alternative (Alternative A) would have made a note or acceptance which states that it is payable at a bank the equivalent of a draft drawn on the bank, payable when due out of any funds the maker or acceptor has in the bank at the time without any further instructions from him. [Bill 1-S]

403.122 History: 1963 c. 158; Stats. 1963 s. 403.122.

403.201 History: 1963 c. 158; Stats. 1963 s. 403.201.

403.202 History: 1963 c. 158; Stats. 1963 s. 403.202.

The impact of the setoff and assignment statute upon negotiable instruments law. Bickler, 47 MLR 379.

403.203 History: 1963 c. 158; Stats. 1963 s. 403.203.

403.204 History: 1963 c. 158; Stats. 1963 s. 403.204.

403.205 History: 1963 c. 158; Stats. 1963 s. 403.205.

403.206 History: 1963 c. 158; Stats. 1963 s. 403.206.

403.207 History: 1963 c. 158; Stats. 1963 s. 403.207.

403.208 History: 1963 c. 158; Stats. 1963 s. 403.208.

403.301 History: 1963 c. 158; Stats. 1963 s. 403.301.

403.302 History: 1963 c. 158; Stats. 1963 s. 403.302.

Although execution of a note and receipt was a sham, the maker had no defense to the demand of the transferee-plaintiff who acquired the note by assignment from the finance company which was a holder in due course, the maker having permitted a note negotiable on its face, with no indication of defect upon its face, to go into the stream of commerce. *Milwaukee Acceptance Corp. v. Dore*, 43 W (2d) 412, 168 NW (2d) 594.

403.303 History: 1963 c. 158; Stats. 1963 s. 403.303.

403.304 History: 1963 c. 158; Stats. 1963 s. 403.304.

403.305 History: 1963 c. 158; Stats. 1963 s. 403.305.

Negotiable instruments: consumer versus financier in consumer goods financing—a judicial dilemma. Fuller, 52 MLR 285.

Consumer protection: the role of cut-off devices in consumer financing. Jones, 1968 WLR 505.

403.306 History: 1963 c. 158, 429; Stats. 1963 s. 403.306.

403.307 History: 1963 c. 158; Stats. 1963 s. 403.307.

Legislative Council Note, 1963: In the introductory paragraph of sub. (1), the study committee substituted the words "manner provided in [s. 891.25]" for the word "pleadings." Wis. Stat. [s. 891.25] has been construed to permit denial of the signature by oath or affidavit during the trial if the court consents, while the official text of the code would have required the denial to be made in the pleadings. It was the consensus of the study committee that the more liberal rule of [s. 891.25] should be retained (a) because attorneys are accustomed to practicing under it, (b) because it does not seem desirable to have different rules of pleading for negotiable instruments than for other instruments, and (c) because matters of pleading and procedure are not of prime importance in any event

insofar as uniformity among states is concerned. [Bill 1-S]

403.401 History: 1963 c. 158; Stats. 1963 s. 403.401.

403.402 History: 1963 c. 158; Stats. 1963 s. 403.402.

403.403 History: 1963 c. 158; Stats. 1963 s. 403.403.

403.404 History: 1963 c. 158; Stats. 1963 s. 403.404.

403.405 History: 1963 c. 158; Stats. 1963 s. 403.405.

403.406 History: 1963 c. 158; Stats. 1963 s. 403.406.

403.407 History: 1963 c. 158; Stats. 1963 s. 403.407.

403.408 History: 1963 c. 158; Stats. 1963 s. 403.408.

403.409 History: 1963 c. 158; Stats. 1963 s. 403.409.

403.410 History: 1963 c. 158; Stats. 1963 s. 403.410.

403.411 History: 1963 c. 158; Stats. 1963 s. 403.411.

403.412 History: 1963 c. 158; Stats. 1963 s. 403.412.

403.413 History: 1963 c. 158; Stats. 1963 s. 403.413.

403.414 History: 1963 c. 158; Stats. 1963 s. 403.414.

403.415 History: 1963 c. 158; Stats. 1963 s. 403.415.

403.416 History: 1963 c. 158; Stats. 1963 s. 403.416.

403.417 History: 1963 c. 158; Stats. 1963 s. 403.417.

403.418 History: 1963 c. 158; Stats. 1963 s. 403.418.

403.419 History: 1963 c. 158; Stats. 1963 s. 403.419.

403.501 History: 1963 c. 158; Stats. 1963 s. 403.501; 1969 c. 39.

Legislative Council Note, 1969: Amendment of sub. (3) suggested by the UCC editorial board to eliminate or reduce cumbersome protest requirements for items moving between the several states, Puerto Rico, and dependencies and possessions of the United States. [Bill 2-A]

403.502 History: 1963 c. 158; Stats. 1963 s. 403.502.

403.503 History: 1963 c. 158; Stats. 1963 s. 403.503.

403.504 History: 1963 c. 158; Stats. 1963 s. 403.504.

403.505 History: 1963 c. 158; Stats. 1963 s. 403.505.

403.506 History: 1963 c. 158; Stats. 1963 s. 403.506.

403.507 History: 1963 c. 158; Stats. 1963 s. 403.507.

403.508 History: 1963 c. 158; Stats. 1963 s. 403.508.

403.509 History: 1963 c. 158; Stats. 1963 s. 403.509.

403.510 History: 1963 c. 158; Stats. 1963 s. 403.510.

403.511 History: 1963 c. 158; Stats. 1963 s. 403.511.

403.601 History: 1963 c. 158; Stats. 1963 s. 403.601.

403.602 History: 1963 c. 158; Stats. 1963 s. 403.602.

403.603 History: 1963 c. 158; Stats. 1963 s. 403.603.

403.604 History: 1963 c. 158; Stats. 1963 s. 403.604.

403.605 History: 1963 c. 158; Stats. 1963 s. 403.605.

403.606 History: 1963 c. 158; Stats. 1963 s. 403.606.

403.701 History: 1963 c. 158; Stats. 1963 s. 403.701.

403.801 History: 1963 c. 158; Stats. 1963 s. 403.801.

403.802 History: 1963 c. 158; Stats. 1963 s. 403.802.

Legislative Council Note, 1963: For the purpose of clarification, the study committee added the word "if" between "and" and "there" in sub. (1) (a). [Bill 1-S]

403.803 History: 1963 c. 158; Stats. 1963 s. 403.803.

Legislative Council Note, 1963: For the purpose of improving readability, the study committee added the words "to him" after the words "answerable over" where they first appear in the first sentence of this section. [Bill 1-S]

403.804 History: 1963 c. 158; Stats. 1963 s. 403.804.

403.805 History: 1963 c. 158; Stats. 1963 s. 403.805.

403.806 History: 1963 c. 158; Stats. 1963 s. 403.806; 1969 c. 39.

Legislative Council Note, 1963: This section is not part of the official text of the code. It is derived from Wis. Stat. s. 118.66. [Bill 1-S]

Legislative Council Note, 1969: The word "reasonable" is inserted to indicate that there should be a limit as to costs and expenses, especially attorney fees, to be charged in collecting on checks or drafts not honored. This section is not a part of the UCC official text. Therefore, uniformity is not affected by this amendment. [Bill 2-A]

CHAPTER 404.

Bank Deposits and Collections.

Editor's Notes: (1) For notes of decisions construing prior statutes on bank deposits and collections see Wis. Annotations, 1960.

(2) For foreign decisions construing the Uniform Commercial Code: Bank Deposits and Collections, and other relevant information, see Uniform Laws, Annotated.

404.101 History: 1963 c. 158; Stats. 1963 s. 404.101.

Bank collections under the commercial code. Bunn, 1964 WLR 278.

The impact of the uniform commercial code on Wisconsin law. Helstad, 1964 WLR 355.

404.102 History: 1963 c. 158; Stats. 1963 s. 404.102.

Check handling under the commercial code. Leary, 49 MLR 331.

404.103 History: 1963 c. 158; Stats. 1963 s. 404.103.

404.104 History: 1963 c. 158; Stats. 1963 s. 404.104.

404.105 History: 1963 c. 158; Stats. 1963 s. 404.105.

404.106 History: 1963 c. 158; Stats. 1963 s. 404.106; 1965 c. 51.

404.107 History: 1963 c. 158; Stats. 1963 s. 404.107.

404.108 History: 1963 c. 158; Stats. 1963 s. 404.108.

404.109 History: 1963 c. 158; Stats. 1963 s. 404.109.

Under 404.213, Stats. 1965, a payor bank which becomes accountable for the amount of the item upon "final payment" incurs such accountability when, as provided in the statute, it has completed the process of posting the item to the indicated account of the drawer, maker, or other person to be charged therewith. *West Side Bank v. Marine Nat. Ex. Bank*, 37 W (2d) 661, 155 NW (2d) 587.

Banks—final payment—uniform commercial code sec. 4-109 or clearinghouse rule? 1968 WLR 946.

404.201 History: 1963 c. 158; Stats. 1963 s. 404.201.

404.202 History: 1963 c. 158; Stats. 1963 s. 404.202.

404.203 History: 1963 c. 158; Stats. 1963 s. 404.203.

404.204 History: 1963 c. 158; Stats. 1963 s. 404.204.

404.205 History: 1963 c. 158; Stats. 1963 s. 404.205.

404.206 History: 1963 c. 158; Stats. 1963 s. 404.206.

404.207 History: 1963 c. 158; Stats. 1963 s. 404.207.

404.208 History: 1963 c. 158; Stats. 1963 s. 404.208.