

404.209 History: 1963 c. 158; Stats. 1963 s. 404.209.

404.210 History: 1963 c. 158; Stats. 1963 s. 404.210.

404.211 History: 1963 c. 158; Stats. 1963 s. 404.211.

Legislative Council Note, 1963: For the purpose of clarification, the study committee deleted the word "it" from the official text of sub. (2) and inserted in lieu thereof the words "the collecting bank" where they appear after the words "authorized by". [Bill 1-S]

404.212 History: 1963 c. 158; Stats. 1963 s. 404.212.

Legislative Council Note, 1963: The official draft of this section contained an optional subsection which the study committee deleted. It would have authorized an intermediary or payor bank to return an unpaid item directly to the depository bank, together with a draft on that bank for reimbursement, rather than sending the item back through the chain of intermediary banks through which it came. The study committee noted that the practice of "direct returns" would involve some problems and apparently is not used in this state at the present time. [Bill 1-S]

404.213 History: 1963 c. 158; Stats. 1963 s. 404.213.

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.

404.214 History: 1963 c. 158; Stats. 1963 s. 404.214.

404.301 History: 1963 c. 158; Stats. 1963 s. 404.301.

404.302 History: 1963 c. 158; Stats. 1963 s. 404.302.

404.303 History: 1963 c. 158; Stats. 1963 s. 404.303.

404.401 History: 1963 c. 158; Stats. 1963 s. 404.401.

404.402 History: 1963 c. 158; Stats. 1963 s. 404.402.

404.403 History: 1963 c. 158; Stats. 1963 s. 404.403.

404.404 History: 1963 c. 158; Stats. 1963 s. 404.404.

404.405 History: 1963 c. 158; Stats. 1963 s. 404.405; 1969 c. 39.

Legislative Council Note, 1963: The phrase "Subject to s. 72.11" was added by the study committee to the official text of sub. (2) to make clear that this section does not affect any liability for inheritance taxes which may be incurred by a bank under s. 72.11. [Bill 1-S]

Legislative Council Note, 1969: The cross reference to s. 72.11, which was added by Wisconsin to make clear that this subsection does not affect any liability for inheritance taxes incurred by a bank, is deleted in the interest of uniformity. There is no intent to change existing Wisconsin law. [Bill 2-A]

404.406 History: 1963 c. 158; Stats. 1963 s. 404.406.

404.407 History: 1963 c. 158; Stats. 1963 s. 404.407.

404.501 History: 1963 c. 158; Stats. 1963 s. 404.501.

404.502 History: 1963 c. 158; Stats. 1963 s. 404.502.

404.503 History: 1963 c. 158; Stats. 1963 s. 404.503.

404.504 History: 1963 c. 158; Stats. 1963 s. 404.504.

CHAPTER 405.

Letters of Credit.

Editor's Notes: (1) *First Wisconsin Nat. Bank v. Forsyth L. Co.* 189 W 9, 206 NW 843, grew out of a controversy involving a letter of credit.

(2) For foreign decisions construing the Uniform Commercial Code: Letters of Credit, and other relevant information, see Uniform Laws, Annotated.

405.101 History: 1963 c. 158; Stats. 1963 s. 405.101.

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

405.102 History: 1963 c. 158; Stats. 1963 s. 405.102.

405.103 History: 1963 c. 158; Stats. 1963 s. 405.103.

405.104 History: 1963 c. 158; Stats. 1963 s. 405.104.

405.105 History: 1963 c. 158; Stats. 1963 s. 405.105.

405.106 History: 1963 c. 158; Stats. 1963 s. 405.106.

405.107 History: 1963 c. 158; Stats. 1963 s. 405.107.

405.108 History: 1963 c. 158; Stats. 1963 s. 405.108.

405.109 History: 1963 c. 158; Stats. 1963 s. 405.109.

405.110 History: 1963 c. 158; Stats. 1963 s. 405.110.

405.111 History: 1963 c. 158; Stats. 1963 s. 405.111.

405.112 History: 1963 c. 158; Stats. 1963 s. 405.112.

Legislative Council Note, 1963: For consistency with the language used in sub. (1), the study committee added the words "for

payment" after the word "demand" in subs. (2) and (3). This is merely a matter of clarification. [Bill 1-S]

405.113 History: 1963 c. 158; Stats. 1963 s. 405.113; 1969 c. 39.

Legislative Council Note, 1963: The study committee deleted sub. (2) (b) of the official text on the basis of similar action taken in Massachusetts prior to adoption of the Code in that state. Subsection (2) (b) provided for an automatic 10-day statutory termination of the indemnity agreement. The position taken in Massachusetts, and adopted by the study committee, was that the automatic statutory termination would be likely to result in controversy in its interpretation and could work hardship particularly in case of overseas parties and that it would be better to leave the matter of termination to the indemnity agreement itself. [Bill 1-S]

Legislative Council Note, 1969: Wisconsin deleted sub. (2) (b) of the official text on the grounds that an automatic statutory 10-day termination of an indemnity agreement could create controversy and work hardship in certain instances. The use of indemnity agreements by Wisconsin banks is negligible and, in the interest of uniformity, sub. (2) (b) of the official text is made a part of the Wisconsin law. [Bill 2-A]

405.114 History: 1963 c. 158, 429; Stats. 1963 s. 405.114.

Legislative Council Note, 1963: The official draft of this section contained optional subs. (4) and (5) which the study committee deleted. The optional provisions were designed to give protection to the issuer of a letter of credit by making payment under the credit conditional in certain cases such as where currency restrictions of a foreign nation make it impossible to examine the documents before payment is required. It was the consensus of the study committee, on the basis of information supplied to it by reputable sources, that such a provision could lead to many unnecessary delays in honor of letters of credit and that the issuing bank can adequately protect itself by agreement or by refusing to issue the letter of credit. [Bill 1-S]

405.115 History: 1963 c. 158; Stats. 1963 s. 405.115.

405.116 History: 1963 c. 158; Stats. 1963 s. 405.116.

405.117 History: 1963 c. 158; Stats. 1963 s. 405.117.

CHAPTER 406.

Bulk Transfers.

Editor's Notes: (1) For notes of decisions construing prior statutes on the subject of bulk transfers see Wis. Annotations, 1960.

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

406.101 History: 1963 c. 158; Stats. 1963 s. 406.101.

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

406.102 History: 1963 c. 158; Stats. 1963 s. 406.102; 1965 c. 523.

Legislative Council Note, 1963: In order to make clear that "major part" refers to value rather than quantity, the study committee added the words "in value" where they appear in sub. (1). Also, the study committee deleted from the official text of sub. (1) the words "materials, supplies, merchandise or other" where they appeared before the word "inventory." Since the word "inventory" is defined in s. 409.109 so as to include materials, supplies and merchandise, these words were surplusage. Moreover, the use of the disjunctive "or" could have resulted in the interpretation that sale of a major part of the supplies (such as office supplies) of a business would be a bulk transfer. This quite clearly was not the intent of the section. [Bill 1-S]

406.103 History: 1963 c. 158; Stats. 1963 s. 406.103; 1965 c. 252.

406.104 History: 1963 c. 158, 429; Stats. 1963 s. 406.104.

Legislative Council Note, 1963: The last sentence of sub. (2) was added by the study committee. It is derived from Wis. Stats. s. 241.18 (2), enacted in 1959, and is designed to make clear that the municipality to which taxes may be owing is entitled to receive the notices prescribed by ss. 406.105 and 406.107 for creditors generally. [Bill 1-S]

406.105 History: 1963 c. 158; Stats. 1963 s. 406.105.

Legislative Council Note, 1963: The study committee deleted the words "for them" where they appeared after the word "pays" in the official text and substituted in lieu thereof the words "the major part of the purchase price" so as to make clear that the ordinary earnest money payment does not bring this section into operation.

The study committee omitted optional section 6-106 of the official Code draft on the ground that it would impose an entirely new burden on bulk transferees in this state. Section 6-106 of the official draft requires the bulk transferee, in addition to his notice obligations, to apply the consideration for the sale directly to the debts of the transferor rather than turning the consideration over to the transferor. [Bill 1-S]

406.107 History: 1963 c. 158; Stats. 1963 s. 406.107; 1969 c. 39.

Legislative Council Note, 1963: The phrase "or by certified mail as specified in s. 990.001 (13)" was added to sub. (3) by the study committee to make clear that the option provided by Wis. Stat. s. 990.001 (13) is applicable here. [Bill 1-S]

Legislative Council Note, 1969: Stylistic and technical changes in sub. (3). This amendment deletes the word "by" and the phrase "as specified in s. 990.001 (13)" which were added to the code text by Wisconsin. The cross reference is not necessary as the requirements of s. 990.001 (13) are applicable