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## Instructions for Use of Non-negotiable Warehouse Receipt Form

1. Be certain that the correct name and address of the warehouse appears on the receipt. Note that the Uniform Commercial Code requires that the address of the warehouse where the goods are stored must show on the receipt. Addresses that are different than the address of the warehouse where the goods are stored, such as the company's office or corporate address, should not be used on the receipt unless the address of the warehouse where the goods are stored is clearly shown.
2. Section 11(c) of the Standard Contract Terms and Conditions (on the reverse side of the receipt) contains a blank space. If the warehouseman intends to limit his damages for loss or injury to the stored product he must fill in this blank space. The Uniform Commercial Code allows a warehouseman to limit his damages by setting forth "...a specific liability per article or item, or value per unit of weight, beyond which the warehouseman will not be liable;" Thus a limitation in 11(c) such as one dollar a pound or five dollars per box will clearly satisfy the statute.

Many warehousemen, for a variety of reasons, use a multiple of the storage rate as the measure of the limitation, i.e. "150 times the base storage rate". A number of courts have accepted this approach as consistent with the language of the statute, reasoning that the base storage rate is set on a per package or per unit of weight basis so that a mathematical calculation leads to a result which is consistent with the statute. At least one court has refused to follow this reasoning.

If a warehouseman decides to use the multiple of the storage rate in Section 11(c) he should be sure that his storage rate is on a per package or per unit of weight basis. If it is on a square footage, throughput or other similar basis then the mathematical calculation will not result in a per package or unit of weight figure to satisfy the statute.

**Section 11(c) must be completed or there is no limitation of damages.** It can be filled in prior to printing the Standard Contract Terms and Conditions on the back of the receipt and that limitation will apply to all customers to whom the receipt is issued. A different limitation can be applied to each customer by completing Section 11(c) on each warehouse receipt as the information is typed on the front of the receipt. Or different versions of the limitation can be printed for use with different customers. It should be remembered that the limitation chosen should be based on the total exposure and the limits of the warehouse legal liability insurance carried by the warehouseman.

3. The statutes of individual states may require language or format different from that set forth in this receipt. For example, Wisconsin requires that the limitation of damages provision be "conspicuously" set forth on the receipt. For this reason anyone using this form is urged to consult his own lawyer who is familiar with the laws of his state.

**This form is designed to provide accurate and authoritative information regarding the subject matter covered. The publisher is not engaged in rendering legal or other professional assistance. If legal advice or other expert assistance is required, the services of a competent professional person should be sought**



