

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

***** 440.1202.amended THIS AMENDED SECTION IS EFFECTIVE JULY 1, 2013 *****

440.1202.amended Definitions.

Sec. 1202. For purposes of this act:

(a) Subject to subdivision (f), a person has "notice" of a fact if the person has any of the following:

(i) Actual knowledge of it.

(ii) Received a notice or notification of it.

(iii) From all the facts and circumstances known to the person at the time in question, reason to know that it exists.

(b) "Knowledge" means actual knowledge. "Knows" has a corresponding meaning.

(c) "Discover", "learn", or words of similar import refer to knowledge rather than to reason to know.

(d) A person "notifies" or "gives" a notice or notification to another person by taking those steps as may be reasonably required to inform the other person in ordinary course, whether or not the other person actually comes to know of it.

(e) Subject to subdivision (f), a person "receives" a notice or notification when either of the following occurs:

(i) It comes to that person's attention.

(ii) It is duly delivered in a form reasonable under the circumstances at the place of business through which the contract was made or at another location held out by that person as the place for receipt of those communications.

(f) Notice, knowledge, or a notice or notification received by an organization is effective for a particular transaction from the time it is brought to the attention of the individual conducting that transaction and, in any event, from the time it would have been brought to the individual's attention if the organization had exercised due diligence. An organization exercises due diligence if it maintains reasonable routines for communicating significant information to the person conducting the transaction and there is reasonable compliance with the routines. Due diligence does not require an individual acting for the organization to communicate information unless the communication is part of the individual's regular duties or the individual has reason to know of the transaction and that the transaction would be materially affected by the information.

History: 1962, Act 174, Eff. Jan. 1, 1964;—Am. 2012, Act 86, Eff. July 1, 2013.