

preted or construed to imply the existence of a trust or any right or duty of a trustee in the sense of equity jurisprudence other than as provided by this Article.

“Value” means any consideration sufficient to support a simple contract. An antecedent or pre-existing claim, whether for money or not, and whether against the transferor or against another person, constitutes value where goods, documents or instruments are taken either in satisfaction thereof or as security therefor.

2. (What Constitutes Trust Receipt Transaction and Trust Receipt.)

(1). A trust receipt transaction within the meaning of this Article is any transaction to which an entruster and a trustee are parties, for one of the purposes set forth in Sub-section (3), whereby

(a) the entruster or any third person delivers to the trustee goods, documents or instruments in which the entruster (1) prior to the transaction has, or for new value (2) by the transaction acquires or (3) as the result thereof is to acquire promptly, a security interest; or

(b) the entruster gives new value in reliance upon the transfer by the trustee to such entruster of a security interest in instruments or documents which are actually exhibited to such entruster, or to his agent in that behalf, at a place of business of either entruster or agent, but possession of which is retained by the trustee; provided that the delivery under paragraph (a) or the giving of new value under paragraph (b) either (1) be against the signing and delivery by the trustee of a writing designating the goods, documents or instruments concerned, and reciting that a security interest therein remains in or will remain in, or has passed to or will pass to, the entruster, or (2) be pursuant to a prior or concurrent written and signed agreement of the trustee to give such a writing.

The security interest of the entruster may be derived from the trustee or from any other person, and by pledge or by transfer of title or otherwise.

If the trustee's rights in the goods, documents or instruments are subject to a prior trust receipt transaction, or to a prior equitable pledge, Section 9 and Section 3, respectively, of this Article, determine the priorities.

(2) A writing such as is described in sub-section (1), paragraph (b) (1), signed by the trustee, and given in or pursuant to such a transaction, is designated in this Article as a “trust receipt”. No further formality of execution or authentication shall be necessary to the validity of a trust receipt.