

## IARW-WFLO Convention 8–12 October 2022 San Diego, California





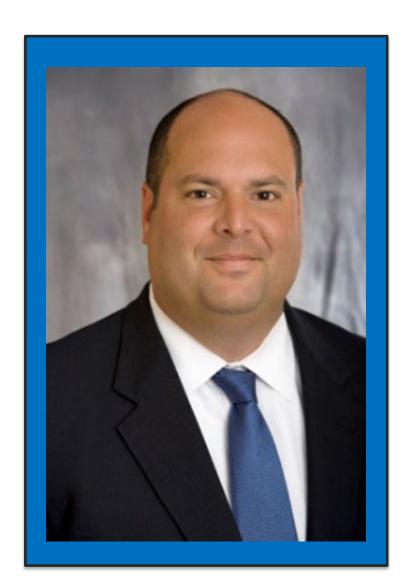


October 11, 2022

# **Changes in Terms & Conditions**

Kevin M. Phillips, Partner & Eric J. Meyers, Partner







# Kevin M. Phillips Partner, Scopelitis Law Firm

IARW's retained counsel for the United States. Kevin serves as a legal resource for association members, responding to member inquiries regarding customer contracts and warehouse law including:

- Claims involving chemical contamination of food-grade products
- Infestations of products involving multiple distribution centers
- Improper record keeping
- Food spoliation
- Cross contamination
- Inventory shortage claims against distribution centers
- Product damage claims
- Drafting, negotiating, and reviewing warehousing and transportation documents
- Instituting and enforcing warehousemen's liens
- Recovery of unpaid storage charges





# Eric J. Meyers Partner, Scopelitis Law Firm

Eric has represented transportation and warehouse clients across a wide array of legal matters including:

- Property losses, general liability
- Infestation and contamination
- Detention and demurrage
- Cyber-security breaches
- Enforcement of warehousemen liens, TROs, and other equitable and regulatory actions
- Breach of contract
- Personal injury and statutory-based actions
- Trials, arbitrations, mediations, and administrative hearings
- Rail demurrage issue before the Surface Transportation Board

### 24 TRANSPORTATION-FOCUSED PRACTICE GROUPS

- 1 Air and Ocean Regulation, Transactions, and Litigation
- 2 Antitrust and Trade Regulation
- 3 Class Action Defense and Complex Litigation
- 4 Commercial and Bankruptcy Law
- 5 Corporate Structuring and Business Transactions
- 6 Driver Leasing
- 7 Employee Benefits
- 8 Estate Planning, Wills, and Probate Administration
- 9 Government Affairs
- 10 Independent Contractor Issues
- 11 Insurance & Risk Management Regulatory Compliance
- 12 International Transportation & Logistics Law
- 13 Labor and Employment
- 14 Legislative Services
- 15 Litigation and Appellate
- 16 Mergers and Acquisitions
- 17 Negotiation Counsel
- 18 Personal Injury, Property Damage, and Cargo Claims
- 19 Real Estate
- 20 Regulatory, DOT, and Hazardous Materials Compliance
- 21 Sharing Economy, Autonomous Vehicles, and Emerging Technologies
- 22 Taxation
- 23 Warehousing and Logistics
- 24 Workers' Compensation

#### 11 OFFICES

#### **Headquarters in Indianapolis**





#### THE SCOPELITIS WAY

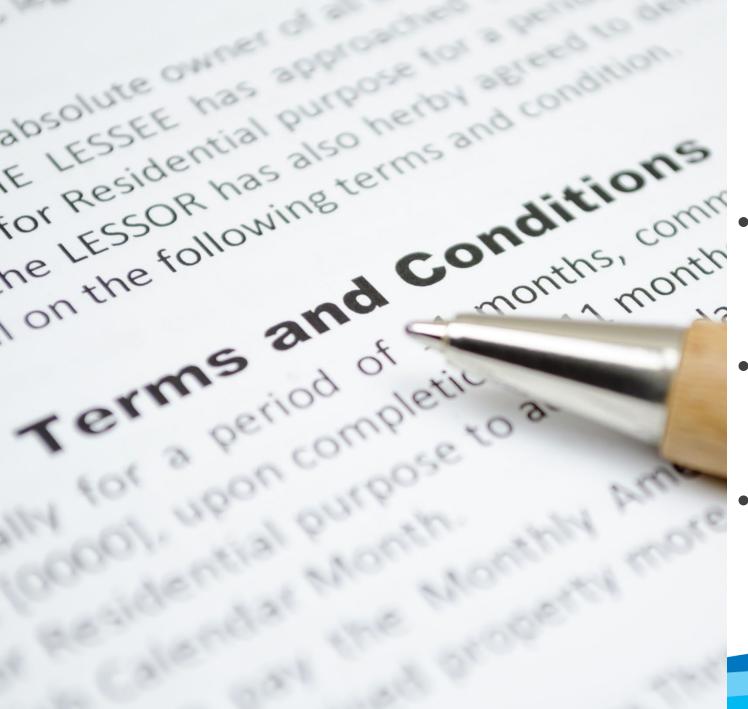
Our attorneys take a comprehensive, concierge, 24/7/365 approach to helping clients chart a course to success, however they define it.



### A LONG HISTORY AS THE ONLY FIRM FOCUSED SOLELY ON TRANSPORTATION

Established in 1978

- 90 attorneys
- Over 5,000 transportation and logistics (and related) clients
- Clients range from Fortune 500 companies to small, family-owned businesses





### **IARW Terms & Conditions**

- The Standard Terms & Conditions last updated in 2013
- Why update?
  - Shifting industry
  - New liability protections
- Best protections for a claim start long before the claim happens by using T+Cs

### **General Changes**

- 1. Throughout the Standard
  Terms and Conditions, we changed references for STORER to DEPOSITOR, and COMPANY to WAREHOUSE.
- 2. We also changed the formatting of some sections and subparagraphs for easier reading and citation.

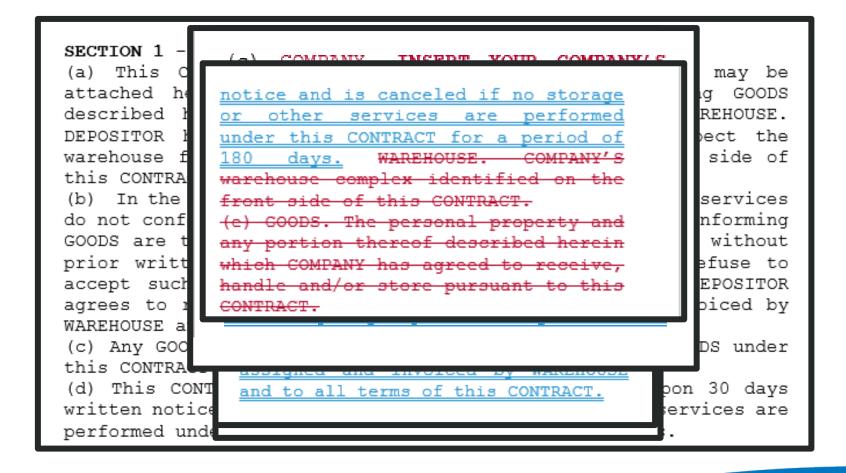




### **Take Note: Specific Changes in Sections**



# **Section 1: Acceptance**





## **Section 2: Tender for Storage**

WAREHOUSE is not a guarantor of (c) SECTION condition of such GOODS under DE1 circumstances, including, imited to hidden, concealed, or defects the GOODS. .atent Concealed shortages, damage, inherent vice or tampering will not Otherwi responsibility WAREHOU (c) WAR under concea damage charge (e) Un and de origin code d

e delivered marked and a manifest d for desired. lots in uch GOODS hidden, hortages, thout iect to a hall store roduction



### **Section 3: Shipments to & from Warehouse**

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agree that, regardless of whether WAREHOUSE is named as an "agent" for purposes of 21 U.S.C. § 350d or receives notification from the U.S. government with respect confirmation of WAREHOUSE'S status as "agent" under 21 U.S.C. § 350d, circumstances WAREHOUSE be an agent for purposes "importer". identifying the WAREHOUSE shall not be responsible for complying with or performing the duties required of an "importer" 21 U.S.C. § 384a. Whether WAREHOUSE accepts or refuses GOODS in violation of shipped this DEPOSITOR Section, agrees indemnifv WAREHOUSE harmless claims transportation, storage, handling, and other charges relating to such GOODS, including undercharges, rail truck/intermodal demurrage, detention, and any fines, penalties, expenses (including attorney's fees), and other charges of any nature whatsoever resulting from DEPOSITOR'S failure to comply with the requirements of this Section., STORER shall indomnify and hold COMPANY harmless from all claims for transportation, storage, handling and other charges relating to such GOODS.

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# **Section 4: Termination of Storage**

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(c) If as a result of a quality or condition GOODS of which the had no notice at the time deposit, the GOODS are a hazard other property or to the FACILITY WAREHOUSE persons, the GOODS at public or private without advertisement sale notification reasonable all to known to claim an interest persons GOODS. return GOODS or iii) dispose of freight collect. disposition, Pending such return GOODS. may remove the GOODS from shal: incur and <u>liability by reason of such rem</u>oval. If, after a reasonable effort, to sell WAREHOUSE unable to its lien or this GOODS pursuant WAREHOUSE may dispose of in any lawful manner and incur no liability by reason of such disposition.

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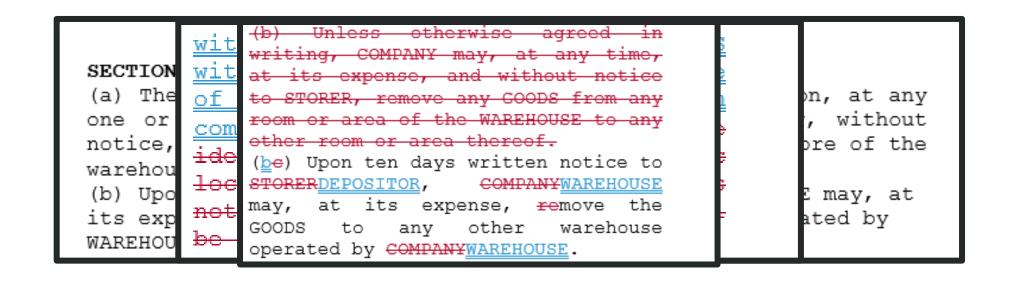
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# **Section 5: Storage Location**





# **Section 6: Storage Charges**

(<u>c</u><del>b</del>) <u>Unless WAREHOUSE specifies</u>
otherwise, storage charges shall be
computed separately for each lot on
one of the following bases:

(i) If storage rates are quoted on a "SPLIT MONTH BASIS" the storage month shall be a calendar month. A full month's storage charge will apply to all GOODS received between the 1st and 15th, inclusive, of a calendar month. One half month's storage charge will apply on all GOODS received between the 16th and last day, inclusive, of a calendar month. A full month's storage charge shall apply on the 1st day of the

WAREHOUSE to DEPOSITOR and may be increased on 30 days' notice. (e) Unless WAREHOUSE specifies otherwise, all storage charges are fully earned and are due and payable on the 1st day of storage for the initial month and thereafter on the 1st day of each storage month.

(f) Rates quoted by weight will, unless otherwise specified, be computed on gross weight.



# **Section 7: Handling Charges**

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(b) Unless otherwise specified, a charge in addition to the regular handling charges will be made for labor for unloading and loading GOODS work performed by and any **COMPANY**WAREHOUSE other than as specified in Section <del>6</del>7(a), COMPANYWAREHOUSE'S then current rates which are available upon request. Additional expense unloading from or loading into cars other vehicles not at FACILITY door will be charged to DEPOSITOR. (c) Labor and materials used in loading rail cars or other vehicles are chargeable to DEPOSITOR.

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shall be made without subsequent sorting except by special arrangement which may be subject to an additional charge.

#### 131st IARW-WFLO Convention 8–12 October 2022 San Diego, California

# **Section 8: Transfer; Delivery**

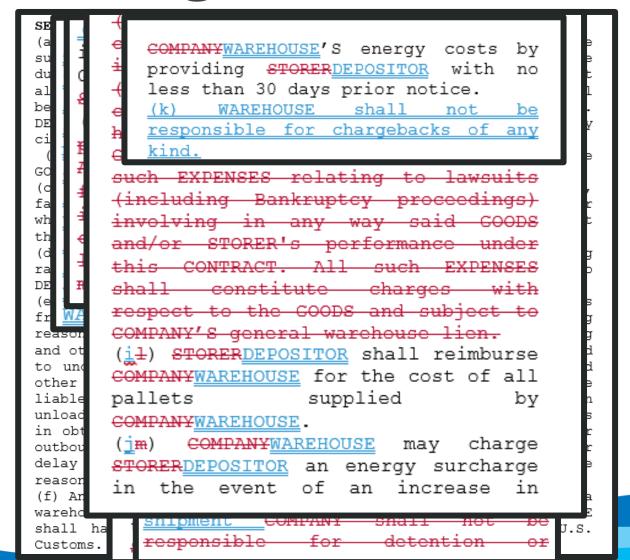
instructions. Written written instructions shall include, but limited to, FAX, EDI, E-Mail communication, provided liability relying on the information contained communication as received. delivered GOODS mav be upon bv telephone electronically in accordance DEPOSITOR'S prior written WAREHOUSE responsible for loss or error thereby. WAREHOUSE liable for failure to carry instructions and in storage will subject to regular storage charges.STORER may authorize COMPANY orders for delivery. In such case, delivery by COMPANY pursuant telephone order shall be at STORER'S risk.

such charges.

(f) WAREHOUSE may require, as a condition to delivery, a statement from DEPOSITOR holding WAREHOUSE harmless from claims of others asserting rights to the GOODS. WAREHOUSE may also exercise any other remedy available to it under the law to resolve conflicting claims to the GOODS. All costs, charges and expenses, including reasonable attorneys' fees, incurred by WAREHOUSE relating in any way to WAREHOUSE'S activities referred to in this Section 8(f) shall be charged to DEPOSITOR and shall be considered charges with respect to the GOODS and subject to WAREHOUSE'S general warehouse



## Section 9: Charges and other Services



# Section 10: Liability and Limitation of Damages

acceptance or use of the GOODS.

ANY PORTION OF THE GOODS HAS OCCURRED.

charges incurred to return the misshipped GOODS to the FACILITY. If the consignee fails to return the GOODS, WAREHOUSE'S maximum liability shall be for the lost or damaged GOODS as specified in COMPANY, at its option, shall pay the reasonable transportation charges to return the misshipped GOODS to the WAREHOUSE or the value of the misshipped COODS based upon Section 109(d). COMPANYWAREHOUSE shall have no liability whatsoever for any damages due to the consignee's acceptance or use of the GOODS.

no liability whatsoever for any damages due to the consignee's

MONTHLY STORAGE CHARGE APPLICABLE TO SUCH LOST, DAMAGED AND DESTROYED GOODS, (4) \$0.50 PER POUND FOR SAID LOST, DAMAGED, AND DESTROYED GOODS. PROVIDED, HOWEVER THAT WITHIN A REASONABLE TIME AFTER RECEIPT OF THIS CONTRACT, DEPOSITOR MAY REQUEST, IN WRITING, AN INCREASE IN WAREHOUSE'S LIABILITY ON PART OR ALL OF THE GOODS IN WHICH CASE AN INCREASED CHARGE WILL BE MADE BASED UPON SUCH INCREASED VALUATION; FURTHER PROVIDED THAT NO SUCH REQUEST SHALL BE VALID UNLESS MADE BEFORE LOSS OR DESTRUCTION OF OR DAMAGE TO



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# **Section 11: Consequential Damages**

#### SECT SECTION 11 - CONSEQUENTIAL DAMAGES With With respect to any claim arising from or related to this Agre Agreement, or otherwise arising from the relationship of the parties, in no event will WAREHOUSE be liable for special, part indirect, exemplary, punitive, or consequential damages of any indi kind, including but not limited to lost profits, lost sales, or kind damages due to business interruption, regardless of whether such dama damages were foreseeable or WAREHOUSE had notice of the possibility dama of such damages.

**NEW SECTION ADDED** 



### **Section 12: Recall**

#### SECTION 12 - RECALL

In the event a recall, field alert, product withdrawal or field correction ("Recall") may be necessary with respect to any GOODS provided under this CONTRACT, DEPOSITOR shall immediately notify WAREHOUSE in writing. WAREHOUSE will not act to initiate a Recall without the express prior written approval of DEPOSITOR unless otherwise required by applicable laws. The cost of any Recall shall be borne by DEPOSITOR. DEPOSITOR shall indemnify and hold harmless WAREHOUSE from all loss, cost, penalty, and expense (including reasonable attorneys' fees) which WAREHOUSE pays or incurs as a result of a Recall.

**NEW SECTION ADDED** 



### **Section 13: Notice of Claim & Filing a Suit**

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LOSS OR DESTRUCTION OF OR DAMAGE TO THE GOODS OR THE BASIS FOR ANY OTHER CLAIM AGAINST COMPANYWAREHOUSE.

(d) When GOODS have not been delivered, notice may be given of known loss or damage to the GOODS by mailing of a letter via certified mail or overnight delivery to the DEPOSITOR. Time limitations for presentation of claim in writing and maintaining of action after notice begin on the date of mailing of such notice by WAREHOUSE. Any lawsuit or other action against COMPANY must be brought in the state or province where the WAREHOUSE is located and will be governed by the laws of such state or province.

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claim against COMPANYWAREHOUSE. Each information claim contain identify the necessarv basis for liability affected, the the amount of the alleged loss well all damage, appropriate supporting documentation.

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### **Section 14: Insurance**

#### SECTION 14 - INSURANCE

The GOODS are not insured by WAREHOUSE and the storage rates do not include insurance on the GOODS.

**No Material Changes** 



### **Section 15: Lien**

SECTION 15 WAREHOUSE shall and on the proce handling, transp terminal charges future with resp in relation to t preservation of pursuant to law. lien on the GOOD expenses due WAR property stored by WAREHOUSE or reserves the rig prior to releasi payment terms. U WAREHOUSE will n institution, or

charges prior to releasing GOODS regardless of otherwise applicable payment terms. Unless expressly stated otherwise in writing, WAREHOUSE will not subordinate its lien to any lender, financial institution, or any other third party.

#### SECTION 13 - WAIVER - SEVERABILITY

(a) COMPANY'S failure to insist upon strict compliance with any provision of this CONTRACT shall not constitute a waiver of or estoppel to later demand strict compliance with said provision or to insist upon strict compliance with all other provisions of this CONTRACT.

(b) In the event any Section of this CONTRACT or part thereof shall be declared invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining Sections and parts shall not, in any way, be affected or impaired thereby.

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# **Section 16: Force Majeure**

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shipping lanes, governmental interference, order, regulation, or other action(s) by governmental authority, national, regional, or emergency(ies). plaque, local epidemic, pandemic, outbreaks for infectious disease or any public health crisis, including but not limited to compliance with related practices required or recommended by governmental or health organizations (including but not limited *quarantine* other emplovee restrictions) other similar contingency (ies), dissimilar to the foregoing, beyond the reasonable control of the party. Upon the occurrence of such an event the party seeking to rely on this provision shall promptly give written notice to the other party of the nature and consequences of the cause. If the cause is one which nevertheless requires WAREHOUSE to continue to protect the GOODS. DEPOSITOR agrees to pay the storage or similar charges associated with WAREHOUSE'S obligation during the continuance of the force majeure. All GOODS are stored, handled, and transported at DEPOSITOR'S sole risk of loss, damage, or delay caused by any of the above.

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#### **NEW SECTION ADDED**



## **Section 17: Authority**

SECTION 17 AUT WAREHOUSE. DEPOS interest in the CONTRACT and to the agreement of and Conditions. WAREHOUSE from a attorneys' fees) any dispute or l others, respecti: GOODS. Such amous and subject to W

and Conditions of this CONTRACT and obtain, condition DEPOSITOR represe granting any interest, the agreement of the GOODS and of such parties to be bound by such Contract --CONTRACT Terms Conditions. DEPOSITOR agrees to indemnify hold and harmless WAREHOUSE from all loss, cost, and (including expense reasonable attorneys' fees) that WAREHOUSE pays or incurs as a result of any dispute or litigation, whether instituted by WAREHOUSE others, respecting right,\_\_ title, DEPOSITOR'S interest in the GOODS. Such amounts be charges in relation to the shall subject to WAREHOUSE'S and warehouse lien.

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### **Section 18: Accurate Information**

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DEPOSITOR represents and warrants to WAREHOUSE that there are no known potential health, safety and/or environmental hazards associated with the storage and handling of the GOODS that have not been disclosed to and acknowledged by WAREHOUSE. Notwithstanding, DEPOSITOR will provide WAREHOUSE with information concerning the GOODS that accurate, complete, and sufficient to allow WAREHOUSE to comply with laws and regulations concerning storage, handling, and transporting of the GOODS. DEPOSITOR indemnify and hold WAREHOUSE harmless from all loss, cost, (including penalty and expense fees) reasonable attornevs' that WAREHOUSE pays or incurs as a result DEPOSITOR failing fully to discharge this obligation.

SECTION 18 - ACCURATE INFORMATION

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### **Section 19: Inventories & Audit**

#### SECTION 19 - INVENTORIES AND AUDITS

physical inventory alternative mutually agreed system of inventory verification of conducted intervals WAREHOUSE agreed by the parties. WAREHOUSE will additional physical take such inventories requested

DEPOSITOR, at DEPOSITOR'S expense. Representatives DEPOSITOR WAREHOUSE personnel, as well independent auditor or designee, may present during any inventory. DEPOSITOR has the right during business normal hours and upon reasonable notice, to inspect GOODS and to examine the WAREHOUSE'S books, records and accounts pertaining to operations under CONTRACT.

#### **NEW SECTION ADDED**



### **Section 20: Notices**

#### SECTION 20 - NOTICES

All written notices required herein may be transmitted by any commercially reasonable means of communication and directed to WAREHOUSE at the address on the front hereof and to DEPOSITOR at its last known address. DEPOSITOR is presumed to have knowledge of the contents of all notices transmitted in accordance with this Section 20 within five days of transmittal.

**No Material Changes** 



# **Section 21: Confidentiality**

#### SECTION 2

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(a) The parties shall keep in confidence and not disclose to any third party (i) the terms of this CONTRACT, and (ii) any confidential (b) WAREHOUSE will maintain and enforce safety and physical security procedures with respect to its possession and maintenance of

Information Confidential that comport with the standard of care outlined in Section 10(a) of this which provide CONTRACT, reasonably appropriate technical and organizational safeguards against accidental or unlawful destruction, alteration or unauthorized disclosure, removal or access Confidential Information. WAREHOUSE will not be liable for any breach of security or unauthorized access affecting Confidential Information which could not be avoided by the exercise of such reasonable care.

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# Section 22: WAIVER, SEVERABILITY AND ASSIGNMENT



(a) WAREHOUSE'S failure to insist upon strict compliance with any provision of this CONTRACT shall not constitute a waiver of or estoppel to later demand strict compliance with said provision or to insist upon strict compliance with all other provisions of this CONTRACT.

(b) In the event any Section of this CONTRACT or part thereof shall be declared invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining Sections and parts shall not, in any way, be affected or impaired thereby.

(c) DEPOSITOR shall not assign or sublet its interest or obligations herein, including, but not limited to, the assignment of any monies due and payable, without the prior written consent of WAREHOUSE.

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**Previously Section 13** 



### **Section 23: Documents of Title**

### SECTION 23 - DOCUMENTS OF TITLE

Documents of title, including warehouse receipts, may be issued either in physical or electronic form at the option of the parties.

**NEW SECTION ADDED** 



# **Section 24: Governing Law & Jurisdiction**

### SECTION 24 - GOVERNING LAW AND JURISDICTION

CONTRACT legal relationship between the parties shall be governed construed in accordance with the substantive laws of the state where the FACILITY is located, including Article 7 of the Uniform Commercial as ratified in that state, notwithstanding its conflict of laws rules. Any lawsuit or other action against WAREHOUSE involving dispute, claim controversy relating in any way to this CONTRACT must be brought in the appropriate state or federal court in the State where the FACILITY is located.

**NEW SECTION ADDED** 



# **Section 25: Entire Agreement**

#### SECTION 25 - ENTIRE AGREEMENT

This CONTRACT constitutes the entire agreement between WAREHOUSE and DEPOSITOR relating to the GOODS and supersedes all existing agreements between them whether written or oral and shall not be changed, amended or modified except by written agreement signed by representatives of WAREHOUSE and DEPOSITOR.

**No Material Changes** 

