



Ohio Revised Code

Section 1310.32 Subsequent lease of goods by lessor - UCC 2A-304.

Effective: November 6, 1992

Legislation: House Bill 693 - 119th General Assembly

(A) Subject to section 1310.31 of the Revised Code, a subsequent lessee from a lessor of goods under an existing lease contract obtains, to the extent of the leasehold interest transferred, the leasehold interest in the goods that the lessor had or had power to transfer and, except as provided in division (B) of this section and division (D) of section 1310.73 of the Revised Code, takes subject to the existing lease contract. A lessor with voidable title has power to transfer a good leasehold interest to a good faith subsequent lessee for value, but only to the extent set forth in the preceding sentence. If goods have been delivered under a transaction of purchase, the lessor has that power even though any of the following applies:

- (1) The lessor's transferor was deceived as to the identity of the lessor.
- (2) The delivery was in exchange for a check that is later dishonored.
- (3) It was agreed that the transaction was to be a "cash sale."
- (4) The delivery was procured through fraud punishable as a theft offense under Chapter 2913. of the Revised Code or another law.

(B) A subsequent lessee in the ordinary course of business from a lessor who is a merchant dealing in goods of that kind to whom the goods were entrusted by the existing lessee of that lessor before the interest of the subsequent lessee became enforceable against that lessor obtains, to the extent of the leasehold interest transferred, all of that lessor's and the existing lessee's rights to the goods and takes free of the existing lease contract.

(C) A subsequent lessee from the lessor of goods that are subject to an existing lease contract and are covered by a certificate of title issued under Chapter 1548., 4505., or 4585. of the Revised Code or a similar law of another jurisdiction takes no greater rights than those provided both by this section and by the certificate of title law.



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