



**200.0220**

STATE OF CALIFORNIA

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**STATE BOARD OF EQUALIZATION**

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August 14, 1967

REDACTED TEXT

Attention: REDACTED TEXT

Gentlemen:

At the direction of Mr. Putnam, the written contracts for retail installment accounts for REDACTED TEXT and REDACTED TEXT have been subjected to a specific review.

As you stated, the inclusion of their terms in a contract for specific merchandise would make those transactions conditional sales contracts because of the title retention clause each contains.

As we understand the presented situation, the customer makes a contract of conditional sale pursuant to these documents by signing one of them after his credit and the payment terms are settled. It is the agreement that the specific goods conditionally sold are tagged with the customer's name and are to be held, pursuant to the agreement, until the customer later requests delivery to him at a specific place or comes to the store to pick them up.

It is our opinion that although the contracts are binding upon the parties, there has been no transfer of possession to the conditional vendee. The tagging and reservation would constitute "identification" of the goods, as that term is used in the Uniform Commercial Code, but identification is not equivalent with a transfer of possession.

Nor can we find any constructive possession by the buyer when there has been no transfer of possession by the seller to anyone.

Very truly yours,

Philip R. Dougherty  
Tax Counsel

PRD:cb