

and such warehouseman shall keep a record of that fact. If such person request in writing that he be notified regarding the condition of any such tobacco and agree to pay the cost of any telegraph or telephone toll charge the warehouseman shall notify such person in accordance with his request.

(e) If the tobacco advertised in accordance with the requirements of this section has not been removed from storage by the owner thereof within seven days from the date of notice of its being out of condition, the warehouseman in whose warehouse such tobacco is stored may sell the same at public auction at the expense and for the account of the owner, after giving seven days' notice of such proposed sale in the manner specified in paragraphs (b) and (c) of this section.

(f) Nothing contained in this section shall be construed as relieving the warehouseman from properly caring for any tobacco after notification of its condition has been given in accordance with this section.

(g) Records required to be kept by this section shall be retained, as a part of the records of the warehouse, for a period of six years after December 31 of the year in which created, and for such longer period as may be necessary for the purposes of any litigation which the warehouseman knows to be pending, or as may be required by the Administrator in particular cases to carry out the purposes of the Act.

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[SRA, BAE 129, rev.; 7 FR 6806, Aug. 29, 1942; 13 FR 8731, Dec. 30, 1948; 19 FR 57, Jan. 6, 1954, as amended at 29 FR 13369, Sept. 26, 1964; 47 FR 745, Jan. 7, 1982. Redesignated at 50 FR 1814, Jan. 14, 1985]

#### § 737.40 System of accounts.

A warehouseman shall use for his licensed warehouse a system of accounts, approved for the purpose by the Administrator or his representative, which shall show for each package of tobacco the name of the depositor, the identification number mentioned in § 737.33, its weight, type, grade, form, and condition when same is required to be or is ascertained, its location, the dates received and delivered out of

storage, the receipts issued and canceled, and a separate record for each depositor of his tobacco, and such accounts shall include a detailed record of all moneys received and disbursed and of all insurance policies taken out and canceled. Such records shall be retained by the warehouseman for a period of six years after December 31, of the year in which created, and for such longer period as may be necessary for the purposes of any litigation which the warehouseman knows to be pending, or as may be required by the Administrator in particular cases to carry out the purposes of the Act.

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#### § 737.41 Reports; copies.

(a) Each warehouseman shall, from time to time, when requested by the Administrator or his representative, make reports, on forms prescribed and furnished for the purpose by the Service, concerning the condition, contents, operation, and business of the warehouse.

(b) Each warehouseman shall keep on file, as a part of the records of the warehouse, for a period of three years after December 31 of the year in which submitted, an exact copy of each report submitted by such warehouseman under the regulations in this part.

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#### § 737.42 Canceled receipts; auditing.

Each warehouseman, if requested by the Service, shall forward canceled receipts for auditing to an entity or office of the Service as may be designated from time to time.

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