

781. — The parties to a contract of pledge can agree that the pledge shall be kept by a third person.

782. — A property pledged to a person may be pledged to another person during the continuance of the first contract.

If the first pledgee has been notified in writing of the existence of the second contract of pledge, the following rules apply:

1) The first pledgee is bound, after the obligation due to him has been performed, to deliver the pledge to the second pledgee.

2) If the first pledgee has enforced the pledge and sold it by public auction, he must deliver to the second pledgee the surplus of the nett proceeds, if any.

If no notification in writing of the second contract of pledge has been made to the first pledgee, the first pledgee is under no obligation to the second pledgee.

*ILLUSTRATION. — I. — A borrows 500 baht from B and delivers to B as pledge gold ornaments. Before repaying the 500 baht to B, A borrows another sum from C and agrees with C that he shall pledge to C the gold ornaments already pledged to B. If no notification in writing of the second contract is made to B, B is under no obligation to C.*

*II. — If B is notified in writing of the existence of the second contract of pledge, B is bound, on A repaying the 500 baht, to deliver the gold ornaments to C. If A does not repay the 500 baht and B sells the gold ornaments accord-*

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