

**§8-1402. Assurance that indorsement or instruction is effective**

(1). An issuer may require the following assurance that each necessary indorsement or each instruction is genuine and authorized:

(a). In all cases, a guaranty of the signature of the person making an indorsement or originating an instruction including, in the case of an instruction, reasonable assurance of identity; [PL 1997, c. 429, Pt. B, §2 (NEW).]

(b). If the indorsement is made or the instruction is originated by an agent, appropriate assurance of actual authority to sign; [PL 1997, c. 429, Pt. B, §2 (NEW).]

(c). If the indorsement is made or the instruction is originated by a fiduciary pursuant to section 8-1107, subsection (1), paragraph (d) or (e), appropriate evidence of appointment or incumbency; [PL 1997, c. 429, Pt. B, §2 (NEW).]

(d). If there is more than one fiduciary, reasonable assurance that all who are required to sign have done so; and [PL 1997, c. 429, Pt. B, §2 (NEW).]

(e). If the indorsement is made or the instruction is originated by a person not covered by another provision of this subsection, assurance appropriate to the case corresponding as nearly as may be to the provisions of this subsection. [PL 1997, c. 429, Pt. B, §2 (NEW).]

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(2). An issuer may elect to require reasonable assurance beyond that specified in this section. [PL 1997, c. 429, Pt. B, §2 (NEW).]

(3). In this section:

(a). "Guaranty of the signature" means a guaranty signed by or on behalf of a person reasonably believed by the issuer to be responsible. An issuer may adopt standards with respect to responsibility if they are not manifestly unreasonable; and [PL 1997, c. 429, Pt. B, §2 (NEW).]

(b). "Appropriate evidence of appointment or incumbency" means:

(i) In the case of a fiduciary appointed or qualified by a court, a certificate issued by or under the direction or supervision of the court or an officer of the court and dated within 60 days before the date of presentation for transfer; or

(ii) In any other case, a copy of a document showing the appointment or a certificate issued by or on behalf of a person reasonably believed by an issuer to be responsible or, in the absence of that document or certificate, other evidence the issuer reasonably considers appropriate. [PL 1997, c. 429, Pt. B, §2 (NEW).]

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**SECTION HISTORY**

PL 1997, c. 429, §B2 (NEW).

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