

355.8-402 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;
 - (b) If the indorsement is made or the instruction is originated by an agent, appropriate assurance of actual authority to sign;
 - (c) If the indorsement is made or the instruction is originated by a fiduciary pursuant to KRS 355.8-107(1)(d) or (1)(e), appropriate evidence of appointment or incumbency;
 - (d) If there is more than one fiduciary, reasonable assurance that all who are required to sign have done so; and
 - (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.
- (2) An issuer may elect to require reasonable assurance beyond that specified in this section.
- (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.
 - (b) "Appropriate evidence of appointment or incumbency" means:
 1. 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 thereof and dated within sixty (60) days before the date of presentation for transfer; or
 2. 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.

Effective: January 1, 1997

History: Repealed and reenacted 1996 Ky. Acts ch. 130, sec. 148, effective January 1, 1997. -- Amended 1986 Ky. Acts ch. 118, sec. 47, effective, July 1, 1987. -- Amended 1962 Ky. Acts ch. 83, sec. 3. -- Created 1958 Ky. Acts ch. 77, sec. 8-402.