

355.8-505 Duty of securities intermediary with respect to payments and distributions.

- (1) A securities intermediary shall take action to obtain a payment or distribution made by the issuer of a financial asset. A securities intermediary satisfies the duty if:
 - (a) The securities intermediary acts with respect to the duty as agreed upon by the entitlement holder and the securities intermediary; or
 - (b) In the absence of agreement, the securities intermediary exercises due care in accordance with reasonable commercial standards to attempt to obtain the payment or distribution.
- (2) A securities intermediary is obligated to its entitlement holder for a payment or distribution made by the issuer of a financial asset if the payment or distribution is received by the securities intermediary.

Effective: January 1, 1997

History: Created 1996 Ky. Acts ch. 130, sec. 158, effective January 1, 1997.