

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

440.8402 Indorsement as genuine and authorized; assurance; definitions.

Sec. 8402.

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

(a) In all cases, a guarantee 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 section 8107(1)(d) or (e), appropriate evidence of appointment or incumbency.

(d) If there is more than 1 fiduciary, reasonable assurance that all who are required to sign have done so.

(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) As used in this section:

(a) "Guarantee of the signature" means a guarantee signed by or on behalf of a person reasonably believed by the issuer to be responsible. The issuer may adopt standards with respect to responsibility if the standards are not manifestly unreasonable.

(b) "Appropriate evidence of appointment or incumbency" means either of the following:

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

(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 the issuer to be responsible or, in the absence of that document or certificate, other evidence the issuer reasonably considered appropriate.

History: 1962, Act 174, Eff. Jan. 1, 1964 ;-- Am. 1987, Act 16, Imd. Eff. Apr. 24, 1987 ;-- Am. 1998, Act 278, Imd. Eff. July 27, 1998