

MAINE STATE LEGISLATURE

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H. of S.

L.D. 381

(Filing No. S-191)

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STATE OF MAINE
SENATE
116TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 129, L.D. 381, Bill, "An Act to Enact a New Article on Negotiable Instruments in and to Make Necessary Conforming Amendments to the Uniform Commercial Code"

Amend the bill in Part A in section 2 in that part designated "~~§3-1104.~~" in subsection (6) by striking out all of paragraph (b) (page 9, lines 2 to 4 in L.D.) and inserting in its place the following:

'(b) A cashier's check or teller's check.

An instrument may be a check even though it is described on its face by another term, such as "money order."

Further amend the bill in Part A in section 2 in that part designated "~~§3-1107.~~" in the "Uniform Commercial Code Comment" in the first paragraph in the 5th line (page 18, line 43 in L.D.) by striking out the following: "than [sic]" and inserting in its place the following: 'that'

Further amend the bill in Part A in section 2 in that part designated "~~§3-1204.~~" in the "Uniform Commercial Code Comment" in the 2nd paragraph in the 6th line from the end (page 43, line 50 in L.D.) by striking out the following: "identify [sic]" and inserting in its place the following: 'identity'

Further amend the bill in Part A in section 2 in that part designated "~~§3-1302.~~" in the "Uniform Commercial Code Comment" in subsection 3 in the 11th line from the end (page 54, line 5 in L.D.) by striking out the following: "negotiatiior" and inserting in its place the following: 'negotiation'

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2 Further amend the bill in Part A in section 2 in that part
designated "§3-1302." in the "Uniform Commercial Code Comment" in
4 subsection 4 in the 2nd paragraph in the 3rd line (page 54, line
45 in L.D.) by striking out the following: "N.I.L.." and
6 inserting in its place the following: 'N.I.L.'

8 Further amend the bill in Part A in section 2 in that part
designated "§3-1311." in the "Uniform Commercial Code Comment" in
10 subsection 4 in the first paragraph in the last line (page 85,
line 27 in L.D.) by striking out the following: "[subsection
12 (1)]" and inserting in its place the following: '[subsection
(1)(a)]'

14 Further amend the bill in Part A in section 2 in that part
designated "§3-1311." in the "Uniform Commercial Code Comment" in
16 subsection 4 in the 2nd paragraph in the 3rd line (page 85, line
31 in L.D.) by striking out the following: "[subsection (1)]"
18 and inserting in its place the following: '[subsection (1)(b)]'
and in the 2nd line from the end (page 85, line 34 in L.D.) by
20 striking out the following: "[subsection (1)]" and inserting in
its place the following: '[subsection (1)(c)]'

22 Further amend the bill in Part A in section 2 by inserting
24 before the following: "PART 4" the following:

26 '§3-1312. Lost, destroyed, or stolen cashier's check, teller's
28 check, or certified check

30 (1) In this section, the following terms have the following
meanings.

32 (a) "Check" means a cashier's check, teller's check or
34 certified check.

36 (b) "Claimant" means a person who claims the right to
receive the amount of a cashier's check, teller's check or
38 certified check that was lost, destroyed or stolen.

40 (c) "Declaration of loss" means a written statement, made
under penalty of perjury, to the effect that:

42 (i) The declarer lost possession of a check;

44 (ii) The declarer is the drawer or payee of the check,
in the case of a certified check, or the remitter or
46 payee of the check, in the case of a cashier's check or
teller's check;

48 (iii) The loss of possession was not the result of a
50 transfer by the declarer or a lawful seizure; and

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2 (iv) The declarer can not reasonably obtain possession
3 of the check because the check was destroyed, its
4 whereabouts can not be determined or it is in the
5 wrongful possession of an unknown person or a person
6 that can not be found or is not amenable to service of
7 process.

8 (d) "Obligated bank" means the issuer of a cashier's check
9 or teller's check or the acceptor of a certified check.

10 (2) A claimant may assert a claim to the amount of a check
11 by a communication to the obligated bank describing the check
12 with reasonable certainty and requesting payment of the amount of
13 the check, if:

14 (a) The claimant is the drawer or payee of a certified
15 check or the remitter or payee of a cashier's check or
16 teller's check;

17 (b) The communication contains or is accompanied by a
18 declaration of loss of the claimant with respect to the
19 check;

20 (c) The communication is received at a time and in a manner
21 affording the bank a reasonable time to act on it before the
22 check is paid; and

23 (d) The claimant provides reasonable identification if
24 requested by the obligated bank. Delivery of a declaration
25 of loss is a warranty of the truth of the statements made in
26 the declaration.

27 (3) If a claim is asserted in compliance with subsection
28 (2), the following rules apply.

29 (a) The claim becomes enforceable at the later of:

30 (i) The time the claim is asserted; or

31 (ii) The 90th day following the date of the check, in
32 the case of a cashier's check or teller's check, or the
33 90th day following the date of the acceptance, in the
34 case of a certified check.

35 (b) Until the claim becomes enforceable, it has no legal
36 effect and the obligated bank may pay the check or, in the
37 case of a teller's check, may permit the drawee to pay the
38 check. Payment to a person entitled to enforce the check
39 discharges all liability of the obligated bank with respect
40 to the check.

COMMITTEE AMENDMENT

2 Under Section 3-309 [section 3-1309] a person seeking to
4 enforce a lost, destroyed, or stolen cashier's check or teller's
6 check may be required by the court to give adequate protection to
8 the issuing bank against loss that might occur by reason of the
10 claim by another person to enforce the check. This might require
12 the posting of an expensive bond for the amount of the check.
14 Moreover, Section 3-309 [section 3-1309] applies only to a person
16 entitled to enforce the check. It does not apply to a remitter
of a cashier's check or teller's check or to the drawer of a
certified check. Section 3-312 [section 3-1312] applies to
both. The purpose of Section 3-312 [section 3-1312] is to offer
a person who loses such a check a means of getting refund of the
amount of the check within a reasonable period of time without
the expense of posting a bond and with full protection of the
obligated bank.

2. A claim to the amount of a lost, destroyed, or stolen
cashier's check, teller's check, or certified check may be made
under subsection (b) [subsection (2)] if the following
requirements of that subsection are met. First, a claim may be
asserted only by the drawer or payee of a certified check or the
remitter or payee of a cashier's check or teller's check. An
indorsee of a check is not covered because the indorsee is not an
original party to the check or a remitter. Limitation to an
original party or remitter gives the obligated bank the ability
to determine, at the time it becomes obligated on the check, the
identity of the person or persons who can assert a claim with
respect to the check. The bank is not faced with having to
determine the rights of some person who was not a party to the
check at that time or with whom the bank had not dealt. If a
cashier's check is issued to the order of the person who
purchased it from the bank and that person indorses it over to a
third person who loses the check, the third person may assert
rights to enforce the check under Section 3-309 [section 3-1309]
but has no rights under Section 3-312 [section 3-1312].

Second, the claim must be asserted by a communication to the
obligated bank describing the check with reasonable certainty and
requesting payment of the amount of the check. "Obligated bank"
is defined in subsection (a)(4) [subsection (1)(d)]. Third, the
communication must be received in time to allow the obligated
bank to act on the claim before the check is paid, and the
claimant must provide reasonable identification if requested.
Subsection (b)(iii) and (iv) [subsection (2)(c) and (d)].
Fourth, the communication must contain or be accompanied by a
declaration of loss described in subsection (b) [subsection
(2)]. This declaration is an affidavit or other writing made
under penalty of perjury alleging the loss, destruction, or theft
of the check and stating that the declarer is a person entitled

2 to assert a claim, i.e. the drawer or payee of a certified check
or the remitter or payee of a cashier's check or teller's check.

4 A claimant who delivers a declaration of loss makes a
warranty of the truth of the statements made in the declaration.
6 The warranty is made to the obligated bank and anybody who has a
right to enforce the check. If the declaration of loss falsely
8 alleges loss of a cashier's check that did not in fact occur, a
holder of the check who was unable to obtain payment because
10 subsection (b)(3) and (4) [subsection (3)(c) and (d)] caused the
obligated bank to dishonor the check would have a cause of action
12 against the declarer for breach of warranty.

14 The obligated bank may not impose additional requirements on
the claimant to assert a claim under subsection (b) [subsection
16 (2)]. For example, the obligated bank may not require the
posting of a bond or other form of security. Section 3-312(b)
18 [section 3-1312(2)] states the procedure for asserting claims
covered by the section. Thus, procedures that may be stated in
20 other law for stating claims to property do not apply and are
displaced within the meaning of Section 1-103.

22 3. A claim asserted under subsection (b) [subsection (2)]
24 does not have any legal effect, however, until the date it
becomes enforceable, which cannot be earlier than 90 days after
26 the date of a cashier's check or teller's check or 90 days after
the date of acceptance of a certified check. Thus, if a lost
28 check is presented for payment within the 90-day period, the bank
may pay a person entitled to enforce the check without regard to
30 the claim and is discharged of all liability with respect to the
check. This ensures the continued utility of cashier's checks,
32 teller's checks, and certified checks as cash equivalents.
Virtually all such checks are presented for payment within 90
34 days.

36 If the claim becomes enforceable and payment has not been
made to a person entitled to enforce the check, the bank becomes
38 obligated to pay the amount of the check to the claimant.
Subsection (b)(4) [subsection (3)(d)]. When the bank becomes
40 obligated to pay the amount of the check to the claimant, the
bank is relieved of its obligation to pay the check. Subsection
42 (b)(3) [subsection (3)(c)]. Thus, any person entitled to enforce
the check, including even a holder in due course, loses the right
44 to enforce the check after a claim under subsection (b)
[subsection (2)] becomes enforceable.

46 If the obligated bank pays the claimant under subsection
48 (b)(4) [subsection (3)(d)], the bank is discharged of all
liability with respect to the check. The only exception is the
50 unlikely case in which the obligated bank subsequently incurs

2 liability under Section 4-302 (a)(1) [section 4-302(1)(a)] with
3 respect to the check. For example, Obligated Bank is the issuer
4 of a cashier's check and, after a claim becomes enforceable, it
5 pays the claimant under subsection (b)(4) [subsection (3)(d)].
6 Later the check is presented to Obligated Bank for payment over
7 the counter. Under subsection (b)(3) [subsection (3)(c)],
8 Obligated Bank is not obliged to pay the check and may dishonor
9 the check by returning it to the person who presented it for
10 payment. But the normal rules of check collection are not
11 affected by Section 3-312 [section 3-1312]. If Obligated Bank
12 retains the check beyond midnight of the day of presentment
13 without settling for it, it becomes accountable for the amount of
14 the check under Section 4-302 (a)(1) [section 4-302(1)(a)] even
15 though it had no obligation to pay the check.

16 An obligated bank that pays the amount of a check to a
17 claimant under subsection (b)(4) [subsection (3)(d)] is
18 discharged of all liability on the check so long as the assertion
19 of the claim meets the requirements of subsection (b) [subsection
20 (2)] discussed in Comment 2. This is important in cases of
21 fraudulent declarations of loss. For example, if the claimant
22 falsely alleges a loss that in fact did not occur, the bank,
23 subject to Section 1-203, may rely on the declaration of loss.
24 On the other hand, a claim may be asserted only by a person
25 described in subsection (b)(i) [subsection (2)(a)]. Thus, the
26 bank is discharged under subsection (a)(4) [subsection (1)(d);
27 probably should be subsection (3)(d)] only if it pays such a
28 person. Although it is highly unlikely, it is possible that more
29 than one person could assert a claim under subsection (b)
30 [subsection (2)] to the amount of a check. Such a case could
31 occur if one of the claimants makes a false declaration of loss.
32 The obligated bank is not required to determine whether a
33 claimant who complies with subsection (b) [subsection (2)] is
34 acting wrongfully. The bank may utilize procedures outside this
35 Article, such as interpleader, under which the conflicting claims
36 may be adjudicated.

38 Although it is unlikely that a lost check would be presented
39 for payment after the claimant was paid by the bank under
40 subsection (b)(4) [subsection (3)(d)], it is possible for it to
41 happen. Suppose the declaration of loss by the claimant
42 fraudulently alleged a loss that in fact did not occur. If the
43 claimant negotiated the check, presentment for payment would
44 occur shortly after negotiation in almost all cases. Thus, a
45 fraudulent declaration of loss is not likely to occur unless the
46 check is negotiated after the 90-day period has already expired
47 or shortly before expiration. In such a case the holder of the
48 check, who may not have noticed the date of the check, is not
49 entitled to payment from the obligated bank if the check is
50 presented for payment after the claim becomes enforceable.

2 Subsection (b)(3) [subsection (3)(c)]. The remedy of the holder
who is denied payment in that case is an action against the
4 claimant under subsection (c) [subsection (4)] if the holder is a
holder in due course, or for breach of warranty under subsection
6 (b) [subsection (2)]. The holder would also have common law
remedies against the claimant under the law of restitution or
fraud.

8
4. The following cases illustrate the operation of Section
10 3-312 [section 3-1312]:

12 Case #1. Obligated Bank (OB) certified a check drawn by its
customer, Drawer (D), payable to Payee (P). Two days after the
14 check was certified, D lost the check and then asserted a claim
pursuant to subsection (b) [subsection (2)]. The check had not
16 been presented for payment when D's claim became enforceable 90
days after the check was certified. Under subsection (b)(4)
18 [subsection (3)(d)], at the time D's claim became enforceable OB
became obliged to pay D the amount of the check. If the check is
20 later presented for payment, OB may refuse to pay the check and
has no obligation to anyone to pay the check. Any obligation
22 owed by D to P, for which the check was intended as payment, is
unaffected because the check was never delivered to P.

24
Case #2. Obligated Bank (OB) issued a teller's check to
26 Remitter (R) payable to Payee (P). R delivered the check to P in
payment of an obligation. P lost the check and then asserted a
28 claim pursuant to subsection (b) [subsection (2)]. To carry out
P's order, OB issued an order pursuant to Section 4-403(a)
30 [section 4-403(1)] to the drawee of the teller's check to stop
payment of the check effective on the 90th day after the date of
32 the teller's check. The check was not presented for payment. On
the 90th day after the date of the teller's check P's claim
34 becomes enforceable and OB becomes obliged to pay P the amount of
the check. As in Case #1, OB has no further liability with
36 respect to the check to anyone. When R delivered the check to P,
R's underlying obligation to P was discharged under Section 3-310
38 [section 3-1310]. Thus, R suffered no loss. Since P received
the amount of the check, P also suffered no loss except with
40 respect to the delay in receiving the amount of the check.

42 Case #3. Obligated Bank (OB) issued a cashier's check to
its customer, Payee (P). Two days after issue, the check was
44 stolen from P who then asserted a claim pursuant to subsection
(b) [subsection (2)]. Ten days after issue, the check was
46 deposited by X in an account in Depository Bank (DB). X had
found the check and forged the indorsement of P. DB promptly
48 presented the check to OB and obtained payment on behalf of X.
On the 90th day after the date of the check P's claim becomes
50 enforceable and P is entitled to receive the amount of the check

2 from OB. Subsection (b)(4) [subsection (3)(d)]. Although the
check was presented for payment before P's claim became
4 enforceable, OB is not discharged. Because of the forged
indorsement X was not a holder and neither was DB. Thus, neither
6 is a person entitled to enforce the check (Section 3-301 [section
3-1301]) and OB is not discharged under Section 3-602(a) [section
3-1602(1)]. Thus, under subsection (b)(4) [subsection (3)(d)],
8 because OB did not pay a person entitled to enforce the check, OB
must pay P. OB's remedy is against DB for breach of warranty
10 under Section 4-208(a)(1) [section 4-207-B(1)(a)]. As an
alternative to the remedy under Section 3-312 [section 3-1312], P
12 could recover from DB for conversion under Section 3-420(a)
[section 3-1420(1)].

14
Case #4. Obligated Bank (OB) issued a cashier's check to
16 its customer, Payee (P). P made an unrestricted blank
indorsement of the check and mailed the check to P's bank for
18 deposit to P's account. The check was never received by P's
bank. When P discovered the loss, P asserted a claim pursuant to
20 subsection (b) [subsection (2)]. X found the check and deposited
it in X's account in Depository Bank (DB) after indorsing the
22 check. DB presented the check for payment before the end of the
90-day period after its date. OB paid the check. Because of the
24 unrestricted blank indorsement by P, X became a holder of the
check. DB also became a holder. Since the check was paid before
26 P's claim became enforceable and payment was made to a person
entitled to enforce the check, OB is discharged of all liability
28 with respect to the check. Subsection (b)(2) [subsection
(3)(b)]. Thus, P is not entitled to payment from OB. Subsection
30 (b)(4) [subsection (3)(d)] doesn't apply.

32
Case #5. Obligated Bank (OB) issued a cashier's check to
its customer, Payee (P). P made an unrestricted blank
34 indorsement of the check and mailed the check to P's bank for
deposit to P's account. The check was never received by P's
36 bank. When P discovered the loss, P asserted a claim pursuant to
subsection (b) [subsection (2)]. At the end of the 90-day period
38 after the date of the check, OB paid the amount of the check to P
under subsection (b)(4) [subsection (3)(d)]. X then found the
40 check and deposited it to X's account in Depository Bank (DB).
DB presented the check to OB for payment. OB is not obliged to
42 pay the check. Subsection (b)(4) [subsection (3)(d)]. If OB
dishonors the check, DB's remedy is to charge back X's account.
44 Section 4-214(a) [section 4-212(1)]. Although P, as an indorser,
would normally have liability to DB under section 3-415(a)
46 [section 3-1415(1)] because the check was dishonored, P is
released from that liability under section 3-415(e) [section
48 3-1415(5)] because collection of the check was initiated more
than 30 days after the indorsement. DB has a remedy only against
50 X. A depository bank that takes a cashier's check that cannot be

2 presented for payment before expiration of the 90-day period
after its date is on notice that the check might not be paid
4 because of the possibility of a claim asserted under subsection
(b) [subsection (2)] which would excuse the issuer of the check
6 from paying the check. Thus, the depository bank cannot safely
release funds with respect to the check until it has assurance
8 that the check has been paid. DB cannot be a holder in due
course of the check because it took the check when the check was
10 overdue. Section 3-304(a)(2) [section 3-1304(1)(b)]. Thus, DB
has no action against P under subsection (c) [subsection (4)].

12 Case #6. Obligated Bank (OB) issued a cashier's check
payable to bearer and delivered it to its customer, Remitter
14 (R). R held the check for 90 days and then wrongfully asserted a
claim to the amount of the check under subsection (b) [subsection
16 (2)]. The declaration of loss fraudulently stated that the check
was lost. R received payment from OB under subsection (b)(4)
18 [subsection (3)(d)]. R then negotiated the check to X for
value. X presented the check to OB for payment. Although OB,
20 under subsection (b)(2) [subsection (3)(b)], was not obliged to
pay the check, OB paid X by mistake. OB's teller did not notice
22 that the check was more than 90 days old and was not aware that
OB was not obliged to pay the check. If X took the check in good
24 faith, OB may not recover from X. Section 3-418(c) [section
3-1418(3)]. OB's remedy is to recover from R for fraud or for
26 breach of warranty in making a false declaration of loss.
Subsection (b) [subsection (2)].'

28
30 Further amend the bill in Part A in section 2 in that part
designated "~~§3-1402.~~" by striking out all of subsection (2) (page
90, lines 13 to 38 in L.D.) and inserting in its place the
32 following:

34 '(2) If a representative signs the name of the
representative to an instrument and the signature is an
36 authorized signature of the represented person, the following
rules apply.

38
40 (a) If the form of the signature shows unambiguously that
the signature is made on behalf of the represented person
who is identified in the instrument, the representative is
42 not liable on the instrument.

44 (b) Subject to subsection (3), the representative is liable
on the instrument to a holder in due course that took the
46 instrument without notice that the representative was not
intended to be liable on the instrument if:

48

2 (i) The form of the signature does not show
4 unambiguously that the signature is made in a
 representative capacity; or

6 (ii) The represented person is not identified in the
 instrument.

8 With respect to any other person, the representative is
10 liable on the instrument unless the representative proves
12 that the original parties did not intend the representative
 to be liable on the instrument.'

14 Further amend the bill in Part A in section 2 in that part
16 designated "§3-1402." in the "**Uniform Commercial Code Comment**" in
18 subsection 2 in the last paragraph in the 2nd line (page 93, line
 8 in L.D.) by striking out the following: "[section 3-1402" and
 inserting in its place the following: '[section 3-1402]'

20 Further amend the bill in Part A in section 2 in that part
22 designated "§3-1404." in subsection (2) in the first paragraph in
24 the last line (page 95, line 45 in L.D.) by striking out the
 following: "indorsement:" and inserting in its place the
 following: 'indorsement.'

26 Further amend the bill in Part A in section 2 in that part
28 designated "§3-1411." in the "**Uniform Commercial Code Comment**" in
30 subsection 3 in the 12th line (page 117, line 24 in L.D.) by
32 striking out the following: "[subsection 3-1202]" and inserting
34 in its place the following: '[section 3-1202]' and in the 13th
 line (page 117, line 25 in L.D.) by striking out the following:
 "[subsection 3-1201]" and inserting in its place the following:
 '[section 3-1201]' and in the 19th line (page 117, line 31 in
 L.D.) by striking out the following: "[subsection (3))c)]" and
 inserting in its place the following: "[subsection (3)(c)]'

36 Further amend the bill in Part A in section 2 in that part
38 designated "§3-1415." in subsection (1) in the first line (page
40 122, line 23 in L.D.) by striking out the following: "(3) and
 (4)" and inserting in its place the following: '(3), (4) and (5)'

42 Further amend the bill in Part A in section 2 in that part
44 designated "§3-1416." in subsection (4) in the first line (page
46 124, line 27 in L.D.) by striking out the following: "[cause of
 action]" and inserting in its place the following: 'cause of
 action'

48 Further amend the bill in Part A in section 2 in that part
50 designated "§3-1417." in the "**Uniform Commercial Code Comment**" in
 subsection 3 in the first line (page 128, line 12 in L.D.) by
 striking out the following: "[subsection (1)]" and inserting in

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2 its place the following: '[subsection (1)(a)]' and in the 3rd
line (page 128, line 14 in L.D.) by striking out the following:
4 "[subsection (1)]" and inserting in its place the following:
6 '[subsection (1)(c)]' and in the 3rd line from the end (page 128,
line 18 in L.D.) by striking out the following: "[subsection
(1)]" and inserting in its place the following: '[subsection
(1)(c)]'

8
10 Further amend the bill in Part A in section 2 in that part
designated "§3-1417." in the "Uniform Commercial Code Comment" in
12 subsection 4 in the 10th line (page 128, line 31 in L.D.) by
striking out the following: "[subsection (1)] and (a)(3)
14 [subsection (1)]" and inserting in its place the following:
'[subsection (1)(b)] and (a)(3) [subsection (1)(c)]' and in the
16 17th line (page 128, line 38 in L.D.) by striking out the
following: "[section 3-1417(1)]" and inserting in its place the
18 following: '[section 3-1417(1)(b) and (c)]'

20 Further amend the bill in Part A in section 2 in that part
designated "§3-1603." in the "Uniform Commercial Code Comment" in
22 the first paragraph in the 5th line (page 152, line 8 in L.D.) by
striking out the following: "Subsection (b)" and inserting in
24 its place the following: 'Subsection (b) [subsection (2)]'

26 Further amend the bill in Part B in section 6 in that part
designated "§4-101." in the "Uniform Commercial Code Comment" in
28 subsection 3 in the 11th line (page 162, line 9 in L.D.) by
striking out the following: "Section 4-401(c)" and inserting in
30 its place the following: 'Section 4-401(c) [section 4-401 (1-B)]'

32 Further amend the bill in Part B in section 10 in that part
designated "§4-105." in the "Uniform Commercial Code Comment" in
34 subsection 2 in the first line (page 175, line 46 in L.D.) by
striking out the following: "[sic]"

36 Further amend the bill in Part B in section 17 in that part
designated "§4-111." in the "Uniform Commercial Code Comment" in
38 the last line (page 183, line 31 in L.D.) by inserting at the end
the following: '[Brackets deleted in Maine law]'

40
42 Further amend the bill in Part B in section 20 in that part
designated "§4-203." in the first paragraph in the 2nd line (page
190, line 32 in L.D.) by striking out the following: "3-419" and
44 inserting in its place the following: '3-419 3-1420' and in the
4th line (page 190, line 34 in L.D.) by striking out the
46 following: "3-206" and inserting in its place the following:
'3-1206'

48

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2 Further amend the bill in Part B in section 20 in that part
designated "~~§4-203.~~" in the "Uniform Commercial Code Comment" in
4 the 2nd paragraph in the 3rd line (page 191, line 4 in L.D.) by
inserting after the following "3-420" the following: '[section
3-1420]'

6
8 Further amend the bill in Part B in section 21 in that part
designated "~~§4-204.~~" in subsection (2) in paragraph (c) in the
2nd line (page 191, line 42 in L.D.) by striking out the
10 following: "federal reserve" and inserting in its place the
following: '~~federal-reserve~~ Federal Reserve'

12
14 Further amend the bill in Part B in section 22 in that part
designated "~~§4-205.~~" in the "Uniform Commercial Code Comment" in
the first paragraph in the 9th line (page 193, line 27 in L.D.)
16 by striking out the following: "(N.Y.APO." and inserting in its
place the following: '(N.Y.APP.' and in the 10th line (page 193,
18 line 28 in L.D.) by striking out the following: "[sic]"

20 Further amend the bill in Part B in section 32 in that part
designated "~~§4-211-A.~~" in subsection (1) in the 3rd line (page
22 201, line 42 in L.D.) by striking out the following:
"~~clearing-house~~" and inserting in its place the following:
24 'clearinghouse'

26 Further amend the bill in Part B in section 34 in that part
designated "~~§4-213.~~" in subsection (1) in paragraph (b) in the
28 last line (page 207, line 28 in L.D.) by striking out the
following: "~~clearinghouse~~ clearing-house" and inserting in its
30 place the following: 'clearinghouse'

32 Further amend the bill in Part B in section 34 in that part
designated "~~§4-213.~~" in subsection (1) in paragraph (d) in the
34 last line (page 207, line 36 in L.D.) by striking out the
following: "~~clearinghouse~~ clearing-house" and inserting in its
36 place the following: 'clearinghouse'

38 Further amend the bill in Part B in section 36 in that part
designated "~~§4-301.~~" in subsection (4) by striking out all of
40 paragraph (a) (page 216, lines 25 to 28 in L.D.) and inserting in
its place the following:

42 '(a) As to an item received presented through a clearing
44 house clearinghouse, when it is delivered to the presenting
or last collecting bank or to the ~~clearing--house~~
46 clearinghouse or is sent or delivered in accordance with its
clearinghouse rules; or'

48
50 Further amend the bill in Part B in section 37 in that part
designated "~~§4-302.~~" in subsection (2) in the 3rd line (page 218,

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line 47 in L.D.) by striking out the following: "warrant" and inserting in its place the following: 'warranty'

Further amend the bill in Part B in section 38 in that part designated "§4-303." in subsection (1) in paragraph (c) in the next to the last line (page 220, line 34 in L.D.) by striking out the following: "clearing-house" and inserting in its place the following: 'clearinghouse'

Further amend the bill in Part B in section 38 in that part designated "§4-303." in subsection (1) in paragraph (f) in the first 2 lines (page 220, lines 48 and 49 in L.D.) by striking out the following: "that on hours" and inserting in its place the following: 'than one hour'

Further amend the bill in Part B in section 40 in that part designated "§4-402." in subsection (1) in the 2nd line (page 225, line 23 in L.D.) by striking out the following: "items" and inserting in its place the following: 'item'

Further amend the bill in Part B in section 40 in that part designated "§4-402." in subsection (2) in the 2nd line (page 225, line 28 in L.D.) by striking out the following: "approximately" and inserting in its place the following: 'proximately' and in the next to the last line (page 225, line 32 in L.D.) by striking out the following: "approximately" and inserting in its place the following: 'proximately'

Further amend the bill in Part B in section 40 in that part designated "§4-402." in the "Uniform Commercial Code Comment" in subsection 1 in the 10th line (page 226, line 8 in L.D.) by striking out the following: "approximately" and inserting in its place the following: 'proximately'

Further amend the bill in Part B in section 41 in that part designated "§4-403." in subsection (2) in the first line (page 228, line 10 in L.D.) by inserting after the following: "An ~~equal~~" the following: 'A'

Further amend the bill in Part B in section 43 in that part designated "§4-406." in subsection (4) in the 8th and 9th lines (page 233, lines 35 and 36 in L.D.) by striking out the following: "indorsement on the item;" and inserting in its place the following: 'indorsement; on the item.'

Further amend the bill in Part B in section 43 in that part designated "§4-406." in the "Uniform Commercial Code Comment" in subsection 3 in the first line (page 237, line 7 in L.D.) by striking out the following: "[subsection 1-B]" and inserting in its place the following: '[subsection (1-B)]'

2 Further amend the bill in Part B in section 44 in that part
designated "**§4-407.**" in the first paragraph in the last line
4 (page 238, line 44 in L.D.) by striking out the following: "2"
and inserting in its place the following: ':'

6
8 Further amend the bill in Part B in section 48 in that part
designated "**§4-504.**" in the "**Uniform Commercial Code Comment**" in
the 2nd paragraph in the last line (page 242, line 28 in L.D.) by
10 inserting after the following: "man" the following: '[sic]'

12
14 **STATEMENT OF FACT**

16 This amendment adds 2 changes to revised article 3 of the
Uniform Commercial Code and conforming amendments adopted by the
National Conference of Commissioners on Uniform State Laws.

18
20 A new section 3-1312 is added to provide procedures for
making a claim when a cashier's check, teller's check or
certified check is lost, destroyed or stolen. It also provides
22 rules delineating the bank's obligations when a claim is made.

24 The other change adopted by the commissioners is to add an
internal reference in section 3-1415.

26 This amendment rewords a subsection to clarify the meaning.

28
30 This amendment also corrects several spelling and reference
errors.

Reported by Senator Conley for the Committee on Judiciary.
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