

SENATE BILL 34

Introduced by Thayer

12/27	Introduced
1/02	Referred to Judiciary
1/07	First Reading
2/20	Tabled in Committee

1 SENATE BILL NO. 34  
2 INTRODUCED BY THAYER

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND THE FICTITIOUS  
5 PAYEE RULE TO ALLOW THE MAKER OR DRAWER TO ASSERT AS A  
6 DEFENSE AGAINST THE EFFECTIVENESS OF THE ENDORSEMENT THE  
7 LACK OF ORDINARY CARE OF THE DRAWEE IN PAYING THE ITEM; AND  
8 AMENDING SECTION 30-3-405, MCA."

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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 30-3-405, MCA, is amended to read:

12 "30-3-405. Impostors -- signature in name of payee. (1)  
13 An endorsement by any person in the name of a named payee is  
14 effective if:

15 (a) an impostor by use of the mails or otherwise has  
16 induced the maker or drawer to issue the instrument to him  
17 or his confederate in the name of the payee; or

18 (b) a person signing as or on behalf of a maker or  
19 drawer intends the payee to have no interest in the  
20 instrument; or

21 (c) an agent or employee of the maker or drawer has  
22 supplied him with the name of the payee intending the latter  
23 to have no such interest.

24 (2) Nothing in this section shall affect the criminal  
25 or civil liability of the person so endorsing.

1 (3) Nothing in this section precludes the maker or  
2 drawer from asserting as a defense against the effectiveness  
3 of the endorsement the lack of ordinary care on the part of  
4 the drawee in paying the item."

-End-

