

Severability.

SEC. 9. If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

Emergency.

SEC. 10. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House March 1, 1961.

Passed the Senate March 5, 1961.

Approved by the Governor March 16, 1961.

CHAPTER 150.

[H. B. 388.]

FIDUCIARY SECURITY TRANSFERS.

AN ACT relating to securities; defining terms; providing for the simplification of fiduciary transfers; defining powers and duties and repealing chapter 159, Laws of 1947, and RCW 21.16.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. *Definitions.* In this act, unless the context otherwise requires:

(1) "Assignment" includes any written stock power, bond power, bill of sale, deed, declaration of trust or other instrument of transfer.

(2) "Claim of beneficial interest" includes a claim of any interest by a decedent's legatee, distributee, heir or creditor, a beneficiary under a trust, a ward, a beneficial owner of a security registered in the name of a nominee, or a minor owner of a security registered in the name of a custodian, or a claim of any similar interest, whether the claim is asserted by the claimant or by a fiduciary or by any other authorized person on his behalf, and includes

a claim that the transfer would be in breach of fiduciary duties.

(3) "Corporation" means a private or public corporation, association or trust issuing a security.

(4) "Fiduciary" means an executor, administrator, trustee, guardian, committee, conservator, curator, tutor, custodian or nominee.

(5) "Person" includes an individual, a corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, two or more persons having a joint or common interest, or any other legal or commercial entity.

(6) "Security" includes any share of stock, bond, debenture, note or other security issued by a corporation which is registered as to ownership on the books of the corporation.

(7) "Transfer" means a change on the books of a corporation in the registered ownership of a security.

(8) "Transfer agent" means a person employed or authorized by a corporation to transfer securities issued by the corporation.

SEC. 2. *Registration in the name of a fiduciary.* A corporation or transfer agent registering a security in the name of a person who is a fiduciary or who is described as a fiduciary is not bound to inquire into the existence, extent, or correct description of the fiduciary relationship, and thereafter the corporation and its transfer agent may assume without inquiry that the newly registered owner continues to be the fiduciary until the corporation or transfer agent receives written notice that the fiduciary is no longer acting as such with respect to the particular security.

SEC. 3. *Assignment by a fiduciary.* Except as otherwise provided in this act, a corporation or

transfer agent making a transfer of a security pursuant to an assignment by a fiduciary

(1) may assume without inquiry that the assignment, even though to the fiduciary himself or to his nominee, is within his authority and capacity and is not in breach of his fiduciary duties;

(2) may assume without inquiry that the fiduciary has complied with any controlling instrument and with the law of the jurisdiction governing the fiduciary relationship, including any law requiring the fiduciary to obtain court approval of the transfer; and

(3) is not charged with notice of and is not bound to obtain or examine any court record or any recorded or unrecorded document relating to the fiduciary relationship or the assignment, even though the record or document is in its possession.

SEC. 4. *Evidence of appointment or incumbency.*

A corporation or transfer agent making a transfer pursuant to an assignment by a fiduciary who is not the registered owner shall obtain the following evidence of appointment or incumbency:

(1) 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 thereof and dated within sixty days before the 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 the corporation or transfer agent to be responsible or, in the absence of such a document or certificate, other evidence reasonably deemed by the corporation or transfer agent to be appropriate. Corporations and transfer agents may adopt standards with respect to evidence of appointment or incumbency under this subsection (2) provided such standards are not manifestly unreasonable. Neither the corporation nor transfer agent is charged with notice of

the contents of any document obtained pursuant to this subsection (2) except to the extent that the contents relate directly to the appointment or incumbency.

SEC. 5. *Adverse claims.* (1) A person asserting a claim of beneficial interest adverse to the transfer of a security pursuant to an assignment by a fiduciary may give the corporation or transfer agent written notice of the claim. The corporation or transfer agent is not put on notice unless the written notice identifies the claimant, the registered owner and the issue of which the security is a part, provides an address for communications directed to the claimant and is received before the transfer. Nothing in this act relieves the corporation or transfer agent of any liability for making or refusing to make the transfer after it is so put on notice, unless it proceeds in the manner authorized in subsection (2).

(2) As soon as practicable after the presentation of a security for transfer pursuant to an assignment by a fiduciary, a corporation or transfer agent which has received notice of a claim of beneficial interest adverse to the transfer may send notice of the presentation by registered or certified mail to the claimant at the address given by him. If the corporation or transfer agent so mails such a notice it shall withhold the transfer for thirty days after the mailing and shall then make the transfer unless restrained by a court order.

SEC. 6. *Nonliability of corporation and transfer agent.* A corporation or transfer agent incurs no liability to any person by making a transfer or otherwise acting in a manner authorized by this act.

SEC. 7. *Nonliability of third persons.* (1) No person who participates in the acquisition, disposition, assignment or transfer of a security by or to a fiduciary including a person who guarantees the

signature of the fiduciary is liable for participation in any breach of fiduciary duty by reason of failure to inquire whether the transaction involves such a breach unless it is shown that he acted with actual knowledge that the proceeds of the transaction were being or were to be used wrongfully for the individual benefit of the fiduciary or that the transaction was otherwise in breach of duty.

(2) If a corporation or transfer agent makes a transfer pursuant to an assignment by a fiduciary, a person who guaranteed the signature of the fiduciary is not liable on the guarantee to any person to whom the corporation or transfer agent by reason of this act incurs no liability.

(3) This section does not impose any liability upon the corporation or its transfer agent.

SEC. 8. *Territorial application.* (1) The rights and duties of a corporation and its transfer agents in registering a security in the name of a fiduciary or in making a transfer of a security pursuant to an assignment by a fiduciary are governed by the law of the jurisdiction under whose laws the corporation is organized.

(2) This act applies to the rights and duties of a person other than the corporation and its transfer agents with regard to acts and omissions in this state in connection with the acquisition, disposition, assignment or transfer of a security by or to a fiduciary and of a person who guarantees in this state the signature of a fiduciary in connection with such a transaction.

SEC. 9. *Tax obligations.* This act does not affect any obligation of a corporation or transfer agent with respect to estate, inheritance, succession or other taxes imposed by the laws of this state.

SEC. 10. *Uniformity of interpretation.* This act shall be so construed as to effectuate its general pur-

pose to make uniform the law of those states which enact it.

SEC. 11. *Short title.* This act may be cited as the Uniform Act for Simplification of Fiduciary Security Transfers.

SEC. 12. Chapter 159, Laws of 1947, and chapter 21.16 RCW are hereby repealed. Repeal.

Passed the House February 26, 1961.

Passed the Senate March 6, 1961.

Approved by the Governor March 16, 1961.

CHAPTER 151.

[H. B. 272.]

MOTOR VEHICLES—ROADWAY CLEARANCE—PARKING.

AN ACT relating to motor vehicles; adding two new sections to chapter 12, Laws of 1961 (House Bill No. 2) and chapter 46.56 RCW; and providing a penalty.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. There is added to chapter 12, Laws of 1961 (House Bill No. 2) and to chapter 46.56 RCW two new sections to read as follows: New sections.

It is unlawful to operate any passenger motor vehicle which has been modified from the original design so that any portion of such passenger vehicle other than the wheels has less clearance from the surface of a level roadway than the clearance between the roadway and the lowermost portion of any rim of any wheel the tire on which is in contact with such roadway. Auto clearance minimum from roadway surface set.

Any person violating the provisions of this section shall be guilty of a misdemeanor. Penalty.

SEC. 2. It shall be unlawful for any person, while operating or in charge of a vehicle, to park or wilfully allow such vehicle to stand upon a public highway or in a public place with its motor running, leaving Parking car leaving motor running with minor therein unlawful.