

## CHAPTER 10.

[H. B. 36.]

## ENDORSEMENT OF CHECKS.

AN ACT relating to the endorsement of checks and other instruments for the payment of money, and amending Section 4 of Chapter 203 of the Laws of 1929.

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

SECTION 1. That section 4 of chapter 203 of the Laws of 1929 be amended to read as follows: Amends § 4, ch. 203, Laws of 1929.

Section 4. An endorsement of an item by the payee or other depositor "for deposit" shall be deemed a restrictive endorsement and indicate that the endorsee bank is an agent for collection and not owner of the item. "For deposit."

An endorsement of an item in blank made for the purpose of depositing such item with or of obtaining payment thereof from a bank shall be deemed to be an endorsement thereof to or to the order of such bank. Blank.

An endorsement "pay any bank or banker" or having equivalent words shall be deemed a restrictive endorsement and shall indicate the creation of an agency relation in any subsequent bank to whom the paper is forwarded, unless coupled with words indicating the creation of a trustee relationship; and such endorsement, and/or an endorsement to or to the order of any bank and/or any other restrictive endorsement, whether creating an agency or trustee relationship, shall constitute a guaranty by the endorser to all subsequent holders and to the drawee or payer of the genuineness of and the authority to make prior endorsements, and also to save the drawee or payer harmless in the event any prior endorsement appearing thereon is defective or irregular in any respect unless such endorsement "Pay any bank or banker."

be coupled with appropriate words disclaiming such liability as guarantor.

Payable to  
bearer, spe-  
cial endorse-  
ment.

Where a deposited item is payable to bearer or endorsed by the depositor in blank or by special endorsement, the fact that such item is so payable or endorsed shall not change the relation of agent of the bank of deposit to the depositor, but subsequent holders shall have the right to rely on the presumption that the bank of deposit is the owner of the item. The endorsement of an item by the bank of deposit or by any subsequent holder in blank or by special endorsement or its delivery when payable to bearer, shall carry the presumption that the endorsee or transferee is owner provided there is nothing upon the face of the paper or in any prior endorsement to indicate an agency or trustee relation of any prior party. But where an item is deposited or is received for collection endorsed specially or in blank, the bank may convert such an endorsement into a restrictive endorsement by writing over the signature of the endorser the words "for deposit" or "for collection" or other restrictive words to negative the presumption that such bank of deposit or endorsee bank is owner; and in the case of an item deposited or received for collection payable to bearer, may negative such presumption by endorsing thereon the words "received for deposit" or "received for collection" or words of like import.

Deposit for  
collection.

Passed the House February 2, 1931.

Passed the Senate February 11, 1931.

Approved by the Governor February 21, 1931.