



Ohio Revised Code

Section 1303.37 Notice of breach of fiduciary duty - UCC 3-307.

Effective: August 19, 1994

Legislation: Senate Bill 147 - 120th General Assembly

(A) As used in this section:

(1) "Fiduciary" means an agent, trustee, partner, corporate officer, corporate director, or other representative owing a fiduciary duty with respect to an instrument.

(2) "Represented person" means the principal, beneficiary, partnership, corporation, or other person to whom the fiduciary duty with respect to an instrument referred to in division (A)(1) of this section is owed.

(B) If an instrument is taken from a fiduciary for payment or collection or for value, the taker has knowledge of the fiduciary status of the fiduciary, and the represented person makes a claim to the instrument or its proceeds on the basis that the transaction of the fiduciary is a breach of fiduciary duty, all of the following rules apply:

(1) Notice of breach of fiduciary duty by the fiduciary is notice of the claim of the represented person.

(2) In the case of an instrument payable to the represented person or to the fiduciary as fiduciary of the represented person, the taker has notice of the breach of fiduciary duty if any of the following apply:

(a) The instrument is taken in payment of or as security for a debt known by the taker to be the personal debt of the fiduciary.

(b) The instrument is taken in a transaction known by the taker to be for the personal benefit of the fiduciary.

(c) The instrument is deposited to an account other than an account of the fiduciary as fiduciary of



the represented person or an account of the represented person.

(3) If an instrument is issued by the represented person or by the fiduciary as fiduciary of the represented person and is made payable to the fiduciary personally, the taker does not have notice of the breach of fiduciary duty unless the taker knows of the breach of fiduciary duty.

(4) If an instrument is issued by the represented person or by the fiduciary of the represented person to the taker as payee, the taker has notice of the breach of fiduciary duty if any of the following apply:

(a) The instrument is taken in payment of or as security for a debt known by the taker to be the personal debt of the fiduciary.

(b) The instrument is taken in a transaction known by the taker to be for the personal benefit of the fiduciary.

(c) The instrument is deposited to an account other than an account of the fiduciary as fiduciary for the represented person or an account of the represented person.