



## Ohio Revised Code

### Section 1304.11 Status of collecting bank as agent and provisional status of credits - applicability of article - item indorsed pay any bank - UCC 4-201.

Effective: August 19, 1994

Legislation: Senate Bill 147 - 120th General Assembly

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(A) Unless a contrary intent clearly appears and prior to the time that a settlement given by a collecting bank for an item is or becomes final, the bank with respect to the item is an agent or subagent of the owner of the item, and any settlement given for the item is provisional. This provision applies regardless of the form of indorsement or lack of indorsement and even though credit given for the item is subject to immediate withdrawal as of right or is in fact withdrawn. The continuance of ownership of an item by its owner and any rights of the owner to proceeds of the item are subject to rights of a collecting bank such as those resulting from outstanding advances on the item and rights of recoupment or setoff. If an item is handled by banks for purposes of presentment, payment, collection, or return, the relevant provisions of sections 1304.01 to 1304.40 of the Revised Code apply even though action of the parties clearly establishes that particular bank has purchased the item and is the owner of it.

(B) After an item has been indorsed with the words "pay any bank" or the like, only a bank may acquire the rights of a holder until one of the following occurs:

- (1) The item has been returned to the customer initiating collection.
  - (2) The item has been specially indorsed by a bank to a person who is not a bank.
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