

ARTICLE 4: BANK DEPOSITS AND COLLECTIONS

SECTION 4-404. Bank Not Obligated to Pay Check More Than Six Months Old

A bank is under no obligation to a customer having a checking account to pay a check, other than a certified check, which is presented more than six months after its date, but it may charge its customer's account for a payment made thereafter in good faith.

ANNOTATION

*HARTSOOK v. OWENS

— Ark —, 370 S.W.2d 69 (1963)

Decedent died intestate on July 13, 1961, and in November of that year, petitioner filed a claim against the estate of decedent in the amount of \$1050, based upon a check that had purportedly been given by the decedent to petitioner on December 20, 1960, in part payment for farm machinery as was noted on the check. The administratrix disallowed the claim, but the probate court allowed the claim, although the parties' evidence conflicted as to the validity of the signature on the check.

On appeal, the administratrix claimed that the check had become a nullity because the petitioner failed to cash it within six months after its date. This contention was based upon an Arkansas statute as well as the not then effective UCC Section 4-404, both of which relieve the bank of the duty of cashing checks more than six months old. The court affirmed the lower court, holding that the effective statute and Section 4-404 were adopted for the protection of banks and do not have the effect of extinguishing a valid obligation merely because it is more than six months old. The court further noted that where there is conflicting evidence relating to the genuineness of the signature on a check, it was its duty to leave the probate court's finding undisturbed.

COMMENT

Although not mentioned by the court, under the Code the burden of proving the genuineness of the decedent's signature on an instrument would not be changed under Section 3-307. The presumption of the authenticity of the signature on an instrument does not extend to that of one who has died prior to the requirement of proof.

C.K.B. JR.

ARTICLE 6: BULK TRANSFERS

SECTION 6-105. Notice to Creditors

In addition to the requirements of the preceding section, any bulk transfer subject to this Article except one made by auction sale (Section

* Code construed but did not govern the case.

6-108) is ineffective against any creditor of the transferor unless at least ten days before he takes possession of the goods or pays for them, which ever happens first, the transferee gives notice of the transfer in the manner and to the persons hereafter provided (Section 6-107).

CASES ANNOTATED UNDER OTHER SECTIONS

*CHATTANOOGA DISCOUNT CORP. V. WEST
219 F. Supp. 140 (N.D. Ala. 1963)
See the Annotation to Section 9-103, *infra*.

**ARTICLE 9: SECURED TRANSACTIONS; SALES OF
ACCOUNTS, CONTRACT RIGHTS AND
CHATTEL PAPER**

SECTION 9-102. Policy and Scope of Article

(1) Except as otherwise provided in Section 9-103 on multiple state transactions and in Section 9-104 on excluded transactions, this Article applies so far as concerns any personal property and fixtures within the jurisdiction of this state

- (a) to any transaction (regardless of its form) which is intended to create a security interest in personal property or fixtures including goods, documents, instruments, general intangibles, chattel paper, accounts or contract rights; and also
- (b) to any sale of accounts, contract rights or chattel paper.

(2) This Article applies to security interests created by contract including pledge, assignment, chattel mortgage, chattel trust, trust deed, factor's lien, equipment trust, conditional sale, trust receipt, other lien or title retention contract and lease or consignment intended as security. This Article does not apply to statutory liens except as provided in Section 9-310.

CASES ANNOTATED UNDER OTHER SECTIONS

*CHATTANOOGA DISCOUNT CORP. V. WEST
219 F. Supp. 140 (N.D. Ala. 1963)
See the Annotation to Section 9-103, *infra*.

**SECTION 9-103. Accounts, Contract Rights, General Intangibles
and Equipment Relating to Another Jurisdiction;
and Incoming Goods Already Subject to
a Security Interest**

(1) If the office where the assignor of accounts or contract rights keeps his records concerning them is in this state, the validity and perfection of a security interest therein and the possibility and effect of proper filing is governed by this Article; otherwise by the law (in-

* Code construed but did not govern the case.