

# HOUSE BILL NO. 3336

## 103RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE BUTZ.

7136H.011

JOSEPH ENGLER, Chief Clerk

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### AN ACT

To amend chapter 362, RSMo, by adding thereto one new section relating to signature guarantees on securities.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 362, RSMo, is amended by adding thereto one new section, to be  
2 known as section 362.1125, to read as follows:

**362.1125. 1. For purposes of this section, unless the context clearly indicates  
2 otherwise, the following terms mean:**

3       **(1) "Director", the director of the division of finance;**

4       **(2) "Eligible guarantor institution", includes the following entities:**

5       **(a) "Bank", shall have the same meaning as in section 409.1-102;**

6       **(b) "Broker and dealer", shall have the same meaning as in section 409.1-102;**

7       **(c) "Credit union", a not-for-profit corporation organized for the purposes of  
8 encouraging thrift among its members, creating a source of credit at a fair and  
9 reasonable rate of interest, providing for the mutual benefit and general welfare of its  
10 members with the earnings, savings, benefits, and services being distributed to its  
11 members, for financial and financially related services, and for an opportunity for its  
12 members to improve their economic and social conditions;**

13       **(d) National securities exchanges, registered securities associations, clearing  
14 agencies, as those terms are used under the federal Securities Exchange Act of 1934;**

15       **(e) "Savings and loan holding company", shall have the same meaning as in  
16 section 369.086;**

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17           (3) "Guarantee", a guarantee of the signature of the person endorsing a  
18 certificated security or originating an instruction to transfer ownership of a security or  
19 instructions concerning transfer of securities;

20           (4) "Registered security", a security the ownership of which is registered on the  
21 books of the Department of the Treasury. It is payable at maturity or call for  
22 redemption before maturity in accordance with its terms to the person in whose name it  
23 is inscribed, or his or her assignee;

24           (5) "Security", except as otherwise provided in section 400.8-103, an obligation  
25 of an issuer or a share, participation, or other interest in an issuer or in property or an  
26 enterprise of an issuer:

27           (a) That is represented by a security certificate in bearer or registered form, or  
28 the transfer of which may be registered upon books maintained for that purpose by or  
29 on behalf of the issuer;

30           (b) That is one of a class or series or by its terms is divisible into a class or series  
31 of shares, participations, interests or obligations; and

32           (c) That:

33           a. Is, or is of a type, dealt in or traded on securities exchanges or securities  
34 markets; or

35           b. Is a medium for investment and by its terms expressly provides that it is a  
36 security;

37           (6) "Signature guarantee program", a program established under 17 CFR  
38 240.17Ad-15, issued under the authority of the Securities and Exchange Act of 1934, as  
39 amended. For the purposes of this definition, the Securities Transfer Agents Medallion  
40 Program (STAMP), the Stock Exchange Medallion Program (SEMP), and the New York  
41 Stock Exchange, Inc. Medallion Signature Program are recognized as such signature  
42 guarantee programs;

43           (7) "Transfer", any voluntary conveyance of an interest in a certificated or  
44 uncertificated security;

45           (8) "Transfer agent", any person registered or required to be registered as a  
46 transfer agent under the federal securities law;

47           (9) "Transfer verification guarantee", a written or electronic guarantee that:

48           (a) The identity of the person executing the transfer has been verified;

49           (b) The person has legal authority and capacity to effect the transfer;

50           (c) The eligible guarantor institution has no actual knowledge of undisclosed  
51 adverse claims; and

52           (d) Is accepted under the signature guarantee program;

53           **(10) "Transferable securities", are either in registered or bearer form and refer**  
54 **to securities that may be sold on the market and transfer of title accomplished by**  
55 **assignment and delivery if in registered form, or by delivery only if in bearer form.**

56           **2. A transfer verification guarantee from an eligible guarantor institution**  
57 **constitutes a binding guarantee to the issuer of the security, any transfer agent**  
58 **processing the transfer, and any person who acquires the security in reliance of the**  
59 **guarantee. A transfer agent or issuer that accepts a transfer verification guarantee shall**  
60 **not be required to independently verify the identity or authority of the security or**  
61 **registered security.**

62           **3. An issuer or transfer agent that accepts a transfer verification guarantee in**  
63 **good faith and in compliance with this section and section 400.8-101 et seq. shall not be**  
64 **held liable for losses resulting solely from relying upon the guarantee or the signature**  
65 **guarantee program.**

66           **4. The signature guarantee program shall allow a transfer agent to promote the**  
67 **prompt, accurate, and safe transfer of securities and registered securities by providing:**

68           **(1) Adequate protection to the transfer agent against risk of financial loss in the**  
69 **event persons have no recourse against the eligible guarantor institution; and**

70           **(2) Adequate protection to the transfer agent against the issuance of**  
71 **unauthorized guarantees.**

72           **5. An eligible guarantor institution that participates in the signature guarantee**  
73 **program shall offer the service of validating a medallion signature guarantee.**

74           **6. If a conflict arises between the federal law and the provisions of this section,**  
75 **the federal law shall control. To the extent there are inconsistencies between the**  
76 **provisions of this section and section 400.8-101 et seq. of the Uniform Commercial Code,**  
77 **the requirements relating to the signature guarantee program prevail on what is**  
78 **regarded as a valid signature guarantee on whether the medallion stamp was properly**  
79 **affixed and validated by an eligible guarantor institution.**

80           **7. The director may promulgate all necessary rules and regulations for the**  
81 **administration of this section. Any rule or portion of a rule, as that term is defined in**  
82 **section 536.010, that is created under the authority delegated in this section shall**  
83 **become effective only if it complies with and is subject to all of the provisions of chapter**  
84 **536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable**  
85 **and if any of the powers vested with the general assembly pursuant to chapter 536 to**  
86 **review, to delay the effective date, or to disapprove and annul a rule are subsequently**

87 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**  
88 **adopted after August 28, 2026, shall be invalid and void.**

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