

**397.1007 Protection of payors, bona fide purchases, and other third parties --
Personal liability of recipient.**

- (1) (a) A payor or other third party shall not be liable for having made a payment or transferred an item of property or any other benefit to a beneficiary designated in a governing instrument who, under this chapter, is not entitled to the payment or item of property, or for having taken any other action in good faith reliance on the beneficiary's apparent entitlement under the terms of the governing instrument, before the payor or other third party received written notice of a claimed lack of entitlement under this chapter. A payor or other third party shall be liable for a payment made or other action taken after the payor or other third party received written notice of a claimed lack of entitlement under this chapter.
 - (b) Written notice of a claimed lack of entitlement under paragraph (a) of this subsection shall be mailed to the payor's or other third party's main office or home by registered or certified mail, return receipt requested, or served upon the payor or other third party in the same manner as a summons in a civil action. Upon receipt of written notice of a claimed lack of entitlement under this chapter, a payor or other third party shall pay any amount owed, or transfer or deposit any item of property held by it, to or with the court having jurisdiction of the probate proceedings related to the decedent's estate, or if no proceedings have been commenced, to or with the court having jurisdiction of probate proceedings relating to the decedent's estate located in the county of the decedent's residence. The court shall hold the funds or item of property and, upon its determination under this chapter, shall order disbursement in accordance with the determination. Payments, transfers, or deposits made to or with the court shall discharge the payor or other third party from all claims for the value of amounts paid to or items of property transferred to or deposited with the court.
- (2) A person who purchases property for value and without notice, or who receives a payment or other item of property in partial or full satisfaction of a legally enforceable obligation, shall not be obligated under this chapter to return the payment, item of property, or benefit and shall not be liable under this chapter for the amount of the payment or the value of the item of property or benefit. But a person who, not for value, receives a payment, item of property, or any other benefit to which the person is not entitled under this chapter shall be obligated to return the payment, item of property, or benefit or shall be personally liable for the amount of the payment or the value of the item of property or benefit, to the person who is entitled to it under this chapter.
- (3) If this chapter, or any part of this chapter, is preempted by federal law with respect to a payment, an item of property, or any other benefit covered by this chapter, a person who, not for value, receives the payment, item of property, or any other benefit to which the person is not entitled under this chapter shall be obligated to return the payment, item of property, or benefit or shall be personally liable for the amount of the payment or the value of the item of property or benefit, to the person

who would have been entitled to it were this chapter, or part of this chapter, not preempted.

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