

TITLE 5: UNIFORM COMMERCIAL CODE  
DIVISION 8: INVESTMENT SECURITIES

**§ 8102. Definitions and Index of Definitions.**

(1) In this division, unless the context otherwise requires:

(a) A “certificated security” is a share, participation, or other interest in property of or an enterprise of the issuer or an obligation of the issuer which is:

(i) Represented by an instrument issued in bearer or registered form;

(ii) Of a type commonly dealt in on securities exchanges or markets or commonly recognized in any area in which it is issued or dealt in as a medium for investment; and

(iii) Either one of a class or series or by its terms divisible into a class or series of shares, participations, interests, or obligations.

(b) An “uncertificated security” is a share, participation, or other interest in property or an enterprise of the issuer or an obligation of the issuer which is:

(i) Not represented by an instrument and the transfer of which is registered upon books maintained for that purpose by or on behalf of the issuer;

(ii) Of a type commonly dealt in on securities exchanges or markets; and

(iii) Either one of a class or series or by its terms divisible into a class or series of shares, participations, interests, or obligations.

(c) A “security” is either a certificated or an uncertificated security. If a security is certificated, the terms “security” and “certificated security” may mean either the intangible interest, the instrument representing that interest, or both, as the context requires. A writing that is a certificated security is governed by this division and not by division 3 of this title [5 CMC § 3101 et seq.], even though it also meets the requirements of that division. This division does not apply to money. If a certificated security has been retained by or surrendered to the issuer or its transfer agent for reasons other than registration of transfer, other temporary purpose, payment, exchange, or acquisition by the issuer, that security shall be treated as an uncertificated security for purposes of this division.

(d) A certificated security is in “registered form” if:

(i) It specifies a person entitled to the security or the rights it represents; and

(ii) Its transfer may be registered upon books maintained for that purpose by or on behalf of the issuer, or the security so states.

(e) A certificated security is in “bearer form” if it runs to bearer according to its terms and not by reason of any indorsement.

(2) A “subsequent purchaser” is a person who takes other than by original issue.

(3) A “clearing corporation” is a corporation registered as a “clearing agency” under the federal securities laws or a corporation:

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(a) At least 90 percent of whose capital stock is held by or for one or more organizations, none of which, other than a national securities exchange or association, holds in excess of 20 percent of the capital stock of the corporation, and each of which is:

(i) Subject to supervision or regulation pursuant to the provisions of federal or state banking laws or state insurance laws,

(ii) A broker or dealer or investment company registered under the federal securities laws, or

(iii) A national securities exchange or association registered under the federal securities laws; and

(b) Any remaining capital stock of which is held by individuals who have purchased it at or prior to the time of their taking office as directors of the corporation and who have purchased only so much of the capital stock as is necessary to permit them to qualify as directors.

(4) A "custodian bank" is a bank or trust company that is supervised and examined by state or federal authority having supervision over banks and is acting as custodian for a clearing corporation.

(5) Other definitions applying to this division or to specified chapters thereof and the sections in which they appear are:

"Adverse claim." 5 CMC § 8302.

"Bona fide purchaser." 5 CMC § 8302.

"Broker." 5 CMC § 8303.

"Debtor." 5 CMC § 9105.

"Financial intermediary." 5 CMC § 8313.

"Guarantee of the signature." 5 CMC § 8402.

"Initial transaction statement." 5 CMC § 8408.

"Instruction." 5 CMC § 8308.

"Intermediary bank." 5 CMC § 4105.

"Issuer." 5 CMC § 8201.

"Overissue." 5 CMC § 8104.

"Secured Party." 5 CMC § 9105.

"Security Agreement." 5 CMC § 9105.

(6) In addition, division 1 of this title [5 CMC § 1101 et seq.] contains general definitions and principles of construction and interpretation applicable throughout this division.

**Source:** PL 3-56, § 1 (§ 8102).