

**TITLE 5: UNIFORM COMMERCIAL CODE**  
**DIVISION 8: INVESTMENT SECURITIES**

**§ 8203. Staleness as Notice of Defects or Defenses.**

(1) After an act or event creating a right to immediate performance of the principal obligation represented by a certificated security or that sets a date on or after which the security is to be presented or surrendered for redemption or exchange, a purchaser is charged with notice of any defect in its issue or defense of the issuer if:

(a) The act or event is one requiring the payment of money, the delivery of certificated securities, the registration of transfer of uncertificated securities, or any of these on presentation or surrender of the certificated security, the funds or securities are available on the date set for payment or exchange, and he takes the security more than one year after that date; and

(b) The act or event is not covered by subsection (1)(a) of this section and he takes the security more than two years after the date set for surrender or presentation or the date on which performance became due.

(2) A call that has been revoked is not within subsection (1) of this section.

**Source:** PL 3-56, § 1 (§ 8203).