

**TITLE 4: ECONOMIC RESOURCES**  
**DIVISION 4: CORPORATIONS, PARTNERSHIPS AND ASSOCIATIONS**

**§ 4404. Shares Held by Nominees.**

(a) A corporation may establish a procedure by which the beneficial owner of shares that are registered in the name of a nominee is recognition may be determined in the procedure.

(b) The procedure may set forth:

- (1) The types of nominees to which it applies;
- (2) The rights or privileges that the corporation recognizes in a beneficial owner;
- (3) The manner in which the procedure is selected by the nominee;
- (4) The information that must be provided when the procedure is selected;
- (5) The period for which selection of the procedure is effective; and
- (6) Other aspects of the rights and duties created.

**Source:** PL 10-7, § 1 (Bus. Corp. Reg. § 7.23).

**Commission Comment:** The unclear language of subsection (a) above was codified verbatim from Bus. Corp. Reg. § 7.23 which was published in 12 Comm. Reg. 6942 and subsequently adopted in 12 Comm. Reg. 7201.