

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

**§ 8204. Effect of Issuer's Restrictions on Transfer.**

A restriction on transfer of a security imposed by the issuer, even if otherwise lawful, is ineffective against any person without actual knowledge of it unless:

(a) The security is certificated and the restriction is noted conspicuously thereon; or

(b) The security is uncertificated and a notation of the restriction is contained in the initial transaction statement sent to the person or, if his interest is transferred to him other than by registration of transfer, pledge, or release, the initial transaction statement sent to the registered owner or the registered pledgee.

**Source:** PL 3-56, § 1 (§ 8204).