## **336.8-102** MS 1994 [Repealed, 1995 c 194 art 1 s 53]

## **336.8-102 DEFINITIONS.**

- (a) In this article:
- (1) "Adverse claim" means a claim that a claimant has a property interest in a financial asset and that it is a violation of the rights of the claimant for another person to hold, transfer, or deal with the financial asset.
- (2) "Bearer form," as applied to a certificated security, means a form in which the security is payable to the bearer of the security certificate according to its terms but not by reason of an endorsement.
- (3) "Broker" means a person defined as a broker or dealer under the federal securities laws, but without excluding a bank acting in that capacity.
  - (4) "Certificated security" means a security that is represented by a certificate.
  - (5) "Clearing corporation" means:
  - (i) a person that is registered as a "clearing agency" under the federal securities laws;
  - (ii) a federal reserve bank; or
- (iii) any other person that provides clearance or settlement services with respect to financial assets that would require it to register as a clearing agency under the federal securities laws but for an exclusion or exemption from the registration requirement, if its activities as a clearing corporation, including promulgation of rules, are subject to regulation by a federal or state governmental authority.
  - (6) "Communicate" means to:
  - (i) send a signed writing; or
- (ii) transmit information by any mechanism agreed upon by the persons transmitting and receiving the information.
- (7) "Entitlement holder" means a person identified in the records of a securities intermediary as the person having a security entitlement against the securities intermediary. If a person acquires a security entitlement by virtue of section 336.8-501(b)(2) or (3), that person is the entitlement holder.
- (8) "Entitlement order" means a notification communicated to a securities intermediary directing transfer or redemption of a financial asset to which the entitlement holder has a security entitlement.
  - (9) "Financial asset," except as otherwise provided in section 336.8-103, means:
  - (i) a security;
- (ii) an obligation of a person or a share, participation, or other interest in a person or in property or an enterprise of a person, which is, or is of a type, dealt in or traded on financial markets, or which is recognized in any area in which it is issued or dealt in as a medium for investment; or
- (iii) any property that is held by a securities intermediary for another person in a securities account if the securities intermediary has expressly agreed with the other person that the property is to be treated as a financial asset under this article.

As context requires, the term means either the interest itself or the means by which a person's claim to it is evidenced, including a certificated or uncertificated security, a security certificate, or a security entitlement.

- (10) (Reserved.)
- (11) "Endorsement" means a signature that alone or accompanied by other words is made on a security certificate in registered form or on a separate document for the purpose of assigning, transferring, or redeeming the security or granting a power to assign, transfer, or redeem it.
- (12) "Instruction" means a notification communicated to the issuer of an uncertificated security which directs that the transfer of the security be registered or that the security be redeemed.
  - (13) "Registered form," as applied to a certificated security, means a form in which:
  - (i) the security certificate specifies a person entitled to the security; and
- (ii) a transfer of the security may be registered upon books maintained for that purpose by or on behalf of the issuer, or the security certificate so states.
  - (14) "Securities intermediary" means:
  - (i) a clearing corporation; or
- (ii) a person, including a bank or broker, that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity.
- (15) "Security," except as otherwise provided in section 336.8-103, means an obligation of an issuer or a share, participation, or other interest in an issuer or in property or an enterprise of an issuer:
- (i) which is represented by a security certificate in bearer or registered form, or the transfer of which may be registered upon books maintained for that purpose by or on behalf of the issuer;
- (ii) which is one of a class or series or by its terms is divisible into a class or series of shares, participations, interests, or obligations; and
  - (iii) which:
  - (A) is, or is of a type, dealt in or traded on securities exchanges or securities markets; or
- (B) is a medium for investment and by its terms expressly provides that it is a security governed by this article.
  - (16) "Security certificate" means a certificate representing a security.
- (17) "Security entitlement" means the rights and property interest of an entitlement holder with respect to a financial asset specified in part 5.
  - (18) "Uncertificated security" means a security that is not represented by a certificate.
  - (b) Other definitions applying to this article and the sections in which they appear are:
  - "Appropriate person," section 336.8-107
  - "Control," section 336.8-106
  - "Delivery," section 336.8-301

"Investment company security," section 336.8-103

"Issuer," section 336.8-201

"Overissue," section 336.8-210

"Protected purchaser," section 336.8-303

"Securities account," section 336.8-501

- (c) In addition, article 1 contains general definitions and principles of construction and interpretation applicable throughout this article.
- (d) The characterization of a person, business, or transaction for purposes of this article does not determine the characterization of the person, business, or transaction for purposes of any other law, regulation, or rule.

**History:** 1995 c 194 art 1 s 2; 2004 c 162 art 2 s 15