

TITLE 5: UNIFORM COMMERCIAL CODE
DIVISION 8: INVESTMENT SECURITIES

§ 8105. Certificate Securities Negotiable; Statements and Instructions Not Negotiable; Presumptions.

(1) Certificated securities governed by this division are negotiable instruments.

(2) Statements (5 CMC § 8408), notices, or the like, sent by the issuer of uncertificated securities and instructions (5 CMC § 8308) are neither negotiable instruments nor certificated securities.

(3) In any action on a security:

(a) Unless specifically denied in the pleadings, each signature on a certificated security, in a necessary indorsement, on an initial transaction statement, or on an instruction, is admitted;

(b) If the effectiveness of a signature is put in issue, the burden of establishing it is on the party claiming under the signature, but the signature is presumed to be genuine or authorized;

(c) If signatures on a certificated security are admitted or established, production of the security entitles a holder to recover on it unless the defendant establishes a defense or a defect going to the validity of the security;

(d) If signatures on an initial transaction statement are admitted or established, the facts stated in the statement are presumed to be true as of the time of its issuance; and

(e) After it is shown that a defense or defect exists, the plaintiff has the burden of establishing that he or some person under whom he claims is a person against whom the defense or defect is ineffective (5 CMC § 8202).

Source: PL 3-56, § 1 (§ 8105).