

TITLE 5: UNIFORM COMMERCIAL CODE
DIVISION 8: INVESTMENT SECURITIES

§ 8314. Duty to Transfer, When Completed.

(1) Unless otherwise agreed, if a sale of a security is made on an exchange or otherwise through brokers:

(a) The selling customer fulfills his duty to transfer at the time he:

(i) Places a certificated security in the possession of the selling broker or a person designated by the broker;

(ii) Causes an uncertificated security to be registered in the name of the selling broker or a person designated by the broker;

(iii) If requested, causes an acknowledgment to be made to the selling broker that a certificated or uncertificated security is held for the broker; or

(iv) Places in the possession of the selling broker or of a person designated by the broker a transfer instruction for an uncertificated security, providing the issuer does not refuse to register the requested transfer if the instruction is presented to the issuer for registration within 30 days thereafter; and

(b) The selling broker, including a correspondent broker acting for a selling customer, fulfills his duty to transfer at the time he:

(i) Places a certificated security in the possession of the buying broker or a person designated by the buying broker;

(ii) Causes an uncertificated security to be registered in the name of the buying broker or a person designated by the buying broker;

(iii) Places in the possession of the buying broker or of a person designated by the buying broker a transfer instruction for an uncertificated security, providing the issuer does not refuse to register the requested transfer if the instruction is presented to the issuer for registration within 30 days thereafter; or

(iv) Effects clearance of the sale in accordance with the rules of exchange on which the transaction took place.

(2) Except as provided in this section or unless otherwise agreed, a transferor's duty to transfer a security under a contract of purchase is not fulfilled until he:

(a) Places a certificated security in form to be negotiated by the purchaser in the possession of the purchaser or of a person designated by the purchaser;

(b) Causes an uncertificated security to be registered in the name of the purchaser or a person designated by the purchaser; or

(c) If the purchaser requests, causes an acknowledgment to be made to the purchaser that a certificated or uncertificated security is held for the purchaser.

(3) Unless made on an exchange, a sale to a broker purchasing for his own account is within subsection (2) of this section and not within subsection (1) of this section.

Source: PL 3-56, § 1 (§ 8314).