

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

**§ 8318. No Conversion by Good Faith Conduct.**

An agent or bailee who in good faith (including observance of reasonable commercial standards if he is in the business of buying, selling, or otherwise dealing with securities) has received certificated securities and sold, pledged, or delivered them or has sold or caused the transfer or pledge of uncertificated securities over which he had control according to the instructions of his principal, is not liable for conversion or for participation in breach of fiduciary duty although the principal had no right so to deal with the securities.

**Source:** PL 3-56, § 1 (§ 8318).