TITLE 5: UNIFORM COMMERCIAL CODE DIVISION 8: INVESTMENT SECURITIES

§ 8408. Statements of Uncertificated Securities.

- (1) Within two business days after the transfer of an uncertificated security has been registered, the issuer shall send to the new registered owner and, if the security has been transferred subject to a registered pledge, to the registered pledgee a written statement containing:
 - (a) A description of the issue of which the uncertificated security is a part;
 - (b) The number of shares or units transferred;
 - (c) The name and address and any taxpayer identification number of the new registered owner and, if the security has been transferred subject to a registered pledge, the name and address and any taxpayer identification number of the registered pledgee;
 - (d) A notation of any liens and restrictions of the issuer and any adverse claims (as to which the issuer has a duty under 5 CMC § 8403(4)) to which the uncertificated security is or may be subject at the time of registration or a statement that there are none of those liens, restrictions, or adverse claims; and
 - (e) The date the transfer was registered.
- (2) Within two business days after the pledge of an uncertificated security has been registered, the issuer shall send to the registered owner and the registered pledgee a written statement containing:
 - (a) A description of the issue of which the uncertificated security is a part;
 - (b) The number of shares or units pledged;
 - (c) The name and address and any taxpayer identification number of the registered owner and the registered pledgee;
 - (d) A notation of any liens and restrictions of the issuer and any adverse claims (as to which the issuer has a duty under 5 CMC § 8403(4)) to which the uncertificated security is or may be subject at the time of registration or a statement that there are none of those liens, restrictions, or adverse claims; and
 - (e) The date the pledge was registered.
- (3) Within two business days after the release from pledge of an uncertificated security has been registered, the issuer shall send to the registered owner and the pledgee whose interest was released a written statement containing:
 - (a) A description of the issue of which the uncertificated security is a part;
 - (b) The number of shares or units released from pledge;
 - (c) The name and address and any taxpayer identification number of the registered owner and the pledgee whose interest was released;
 - (d) A notation of any liens and restrictions of the issuer and any adverse claims (as to which the issuer has a duty under 5 CMC § 8403(4)) to which the uncertificated security is or may be subject at the time of registration or a statement that there are none of those liens, restrictions, or adverse claims; and
 - (e) The date the release was registered.
 - (4) An "initial transaction statement" is the statement sent to:

TITLE 5: UNIFORM COMMERCIAL CODE

DIVISION 8: INVESTMENT SECURITIES

- (a) The new registered owner and, if applicable, to the registered pledgee pursuant to subsection (1) of this section;
 - (b) The registered pledgee pursuant to subsection (2) of this section; or
 - (c) The registered owner pursuant to subsection (3) of this section.

Each initial transaction statement shall be signed by or on behalf of the issuer and must be identified as "Initial Transaction Statement."

- (5) Within two business days after the transfer of an uncertificated security has been registered, the issuer shall send to the former registered owner and the former registered pledgee, if any, a written statement containing:
 - (a) A description of the issue of which the uncertificated security is a part;
 - (b) The number of shares or units transferred;
 - (c) The name and address and any taxpayer identification number of the former registered owner and of any former registered pledgee; and
 - (d) The date the transfer was registered.
- (6) At periodic intervals no less frequent than annually and at any time upon the reasonable written request of the registered owner, the issuer shall send to the registered owner of each uncertificated security a dated written statement containing:
 - (a) A description of the issue of which the uncertificated security is a part;
 - (b) The name and address and any taxpayer identification number of the registered owner;
 - (c) The number of shares or units of the uncertificated security registered in the name of the registered owner on the date of the statement;
 - (d) The name and address and any taxpayer identification number of any registered pledgee and the number of shares or units subject to the pledge; and
 - (e) A notation of any liens and restrictions of the issuer and any adverse claims (as to which the issuer has a duty under 5 CMC § 8403(4)) to which the uncertificated security is or may be subject or a statement that there are none of those liens, restrictions, or adverse claims.
- (7) At periodic intervals no less frequent than annually and at any time upon the reasonable written request of the registered pledgee, the issuer shall send to the registered pledgee of each uncertificated security a dated written statement containing:
 - (a) A description of the issue of which the uncertificated security is a part;
 - (b) The name and address and any taxpayer identification number of the registered owner;
 - (c) The name and address and any taxpayer identification number of the registered pledgee;
 - (d) The number of shares or units subject to the pledge; and
 - (e) A notation of any liens and restrictions of the issuer and any adverse claims (as to which the issuer has a duty under 5 CMC § 8403(4)) to which

TITLE 5: UNIFORM COMMERCIAL CODE DIVISION 8: INVESTMENT SECURITIES

the uncertificated security is or may be subject or a statement that there are none of those liens, restrictions, or adverse claims.

- (8) If the issuer sends the statements described in subsections (6) and (7) of this section at periodic intervals no less frequent than quarterly, the issuer is not obliged to send additional statements upon request unless the owner or pledgee requesting them pays to the issuer the reasonable cost of furnishing them.
- (9) Each statement sent pursuant to this section must bear a conspicuous legend reading substantially as follows: "This statement is merely a record of the rights of the addressee as of the time of its issuance. Delivery of this statement, of itself, confers no rights on the recipient. This statement is neither a negotiable instrument nor a security."

Source: PL 3-56, § 1 (§ 8408).