

MAINE STATE LEGISLATURE

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ARTICLE 8
INVESTMENT SECURITIES

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PART 1
SHORT TITLE AND GENERAL MATTERS

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§ 8-101. Short title; inconsistency with Uniform Act for Simplification of Fiduciary Security Transfers

(1) This Article shall be known and may be cited as "Uniform Commercial Code—Investment Securities."

(2) If in any respect there is any inconsistency between this Article and the Uniform Act for Simplification of Fiduciary Security Transfers, Title 13, chapter 21, the provisions of Title 13, chapter 21 shall control.

1963, c. 362, § 1.

§ 8-102. Definitions and index of definitions

(1) In this Article unless the context otherwise requires

(a) A "security" is an instrument which

(i) Is issued in bearer or registered form; and

(ii) Is of a type commonly dealt in upon securities exchanges or markets or commonly recognized in any area

in which it is issued or dealt in as a medium for investment; and

(iii) Is either one of a class or series or by its terms is divisible into a class or series of instruments; and

(iv) Evidences a share, participation or other interest in property or in an enterprise or evidences an obligation of the issuer.

(b) A writing which is a security is governed by this Article and not by Uniform Commercial Code—Commercial Paper even though it also meets the requirements of that Article. This Article does not apply to money.

(c) A security is in “registered form” when it specifies a person entitled to the security or to the rights it evidences and when its transfer may be registered upon books maintained for that purpose by or on behalf of an issuer or the security so states.

(d) A security is in “bearer form” when it runs to bearer according to its terms and not by reason of any indorsement.

(2) A “subsequent purchaser” is a person who takes other than by original issue.

(3) A “clearing corporation” is a corporation all of the capital stock of which is held by or for a national securities exchange or association registered under a statute of the United States such as the Securities Exchange Act of 1934.

(4) A “custodian bank” is any bank or trust company which is supervised and examined by state or federal authority having supervision over banks and which is acting as custodian for a clearing corporation.

(5) Other definitions applying to this Article or to specified parts thereof and the sections in which they appear are:

“Adverse claim”.	Section 8-301.
“Bona fide purchaser”.	Section 8-302.
“Broker”.	Section 8-303.
“Guarantee of the signature”.	Section 8-402.
“Intermediary bank”.	Section 4-105.
“Issuer”.	Section 8-201.
“Overissue”.	Section 8-104.

(6) In addition Article 1 contains general definitions and principles of construction and interpretation applicable throughout this Article.

1963, c. 362, § 1.

§ 8-103. Issuer's lien

A lien upon a security in favor of an issuer thereof is valid against a purchaser only if the right of the issuer to such lien is noted conspicuously on the security.

1963, c. 362, § 1.

§ 8-104. Effect of overissue; "overissue"

(1) The provisions of this Article which validate a security or compel its issue or reissue do not apply to the extent that validation, issue or reissue would result in overissue; but

(a) If an identical security which does not constitute an overissue is reasonably available for purchase, the person entitled to issue or validation may compel the issuer to purchase and deliver such a security to him against surrender of the security, if any, which he holds; or

(b) If a security is not so available for purchase, the person entitled to issue or validation may recover from the issuer the price he or the last purchaser for value paid for it with interest from the date of his demand.

(2) "Overissue" means the issue of securities in excess of the amount which the issuer has corporate power to issue.

1963, c. 362, § 1.

§ 8-105. Securities negotiable; presumptions

(1) Securities governed by this Article are negotiable instruments.

(2) In any action on a security,

(a) Unless specifically denied in the pleadings, each signature on the security or in a necessary indorsement is admitted;

(b) When 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;

11 § 8-105 UNIFORM COMMERCIAL CODE Title 11

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

(d) 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 (section 8-202).

1963, c. 362, § 1.

§ 8-106. Applicability

The validity of a security and the rights and duties of the issuer with respect to registration of transfer are governed by the law (including the conflict of law rules) of the jurisdiction of organization of the issuer.

1963, c. 362, § 1.

§ 8-107. Securities deliverable; action for price

(1) Unless otherwise agreed and subject to any applicable law or regulation respecting short sales, a person obligated to deliver securities may deliver any security of the specified issue in bearer form or registered in the name of the transferee or indorsed to him or in blank.

(2) When the buyer fails to pay the price as it comes due under a contract of sale the seller may recover the price

(a) Of securities accepted by the buyer; and

(b) Of other securities if efforts at their resale would be unduly burdensome or if there is no readily available market for their resale.

1963, c. 362, § 1.