

8—102. *Definitions and Index of Definitions.*

(1) *In this Sub-title 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 Sub-title and not by Uniform Commercial Code—Commercial Paper even though it also meets the requirements of that Sub-title. This Sub-title 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 original issue.*

(3) *A “clearing corporation” is a corporation all 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 Association 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 Sub-title 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 Sub-title 1 contains general definitions and principles of construction and interpretation applicable throughout this Sub-title.*

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.*