

NOTED IN THE INITIAL TRANSACTION STATEMENT SENT TO THE PURCHASER OR, IF HIS INTEREST IS TRANSFERRED TO HIM OTHER THAN BY REGISTRATION OF TRANSFER, PLEDGE OR RELEASE, THE INITIAL TRANSACTION STATEMENT SENT TO THE REGISTERED OWNER OR THE REGISTERED PLEDGEE.

[(2)] (3) The fact that the purchaser (including a broker for the seller or buyer) OF A CERTIFICATED OR UNCERTIFICATED SECURITY has notice that the security is held for a third person or is registered in the name of or indorsed by a fiduciary does not create a duty of inquiry into the rightfulness of the transfer or constitute CONSTRUCTIVE notice of adverse claims. [If, however] HOWEVER, IF the purchaser (excluding an intermediary bank) has knowledge that the proceeds are being used or [that] the transaction is for the individual benefit of the fiduciary or otherwise in breach of duty, the purchaser is charged with notice of adverse claims.

8-305.

An act or event [which] THAT creates a right to immediate performance of the principal obligation [evidenced] REPRESENTED by [the] A CERTIFICATED security or [which] sets a date on or after which [the] A CERTIFICATED security is to be presented or surrendered for redemption or exchange does not [of] itself constitute any notice of adverse claims except in the case of a [purchase] TRANSFER:

(a) After [one] 1 year from any date set for [such] presentment or surrender for redemption or exchange; or

(b) After [six] 6 months from any date set for payment of money against presentation or surrender of the security if funds are available for payment on that date.

8-306.

(1) A person who presents a CERTIFICATED security for registration of transfer or for payment or exchange warrants to the [issue] ISSUER that he is entitled to the registration, payment or exchange. But a purchaser for value AND without notice of adverse claims who receives a new, reissued or reregistered CERTIFICATED security on registration of transfer OR RECEIVES AN INITIAL TRANSACTION STATEMENT CONFIRMING THE REGISTRATION OF TRANSFER OF AN EQUIVALENT UNCERTIFICATED SECURITY TO HIM warrants only that he has no knowledge of any unauthorized signature (§ 8-311) in a necessary indorsement.

(2) A person by transferring a CERTIFICATED security to a purchaser for value warrants only that:

(a) His transfer is effective and rightful; [and]

(b) The security is genuine and has not been materially altered; and