

holder in due course (§ 3-302) and in an appropriate case would make it a person to whom a document of title has been duly negotiated (§ 7-502) or a bona fide purchaser of a certificated security (§ 8-302); and

(b) In all other cases as against its customer, an issuer acting in good faith may honor the draft or demand for payment despite notification from the customer of fraud, forgery or other defect not apparent on the face of the documents but a court of appropriate jurisdiction may enjoin such honor.

TITLE 8. INVESTMENT SECURITIES.

SUBTITLE 1. SHORT TITLE AND GENERAL MATTERS.

8-101.

THIS TITLE SHALL BE KNOWN AND MAY BE CITED AS MARYLAND UNIFORM COMMERCIAL CODE - INVESTMENT SECURITIES.

8-102.

(A) IN THIS TITLE:

(1) "ADVERSE CLAIM" MEANS A CLAIM THAT A CLAIMANT HAS A PROPERTY INTEREST IN A FINANCIAL ASSET AND THAT IT IS A VIOLATION OF THE RIGHTS OF THE CLAIMANT FOR ANOTHER PERSON TO HOLD, TRANSFER, OR DEAL WITH THE FINANCIAL ASSET.

(2) "BEARER FORM", AS APPLIED TO A CERTIFICATED SECURITY, MEANS A FORM IN WHICH THE SECURITY IS PAYABLE TO THE BEARER OF THE SECURITY CERTIFICATE ACCORDING TO ITS TERMS BUT NOT BY REASON OF AN INDORSEMENT.

(3) "BROKER" MEANS A PERSON DEFINED AS A BROKER OR DEALER UNDER THE FEDERAL SECURITIES LAWS, BUT WITHOUT EXCLUDING A BANK ACTING IN THAT CAPACITY.

(4) "CERTIFICATED SECURITY" MEANS A SECURITY THAT IS REPRESENTED BY A CERTIFICATE.

(5) "CLEARING CORPORATION" MEANS:

(I) A PERSON THAT IS REGISTERED AS A "CLEARING AGENCY" UNDER THE FEDERAL SECURITIES LAWS;

(II) A FEDERAL RESERVE BANK; OR

(III) ANY OTHER PERSON THAT PROVIDES CLEARANCE OR SETTLEMENT SERVICES WITH RESPECT TO FINANCIAL ASSETS THAT WOULD REQUIRE IT TO REGISTER AS A CLEARING AGENCY UNDER THE FEDERAL SECURITIES LAWS BUT FOR AN EXCLUSION OR EXEMPTION FROM THE REGISTRATION REQUIREMENT, IF ITS ACTIVITIES AS A CLEARING CORPORATION, INCLUDING PROMULGATION OF RULES, ARE SUBJECT TO REGULATION BY A FEDERAL OR STATE GOVERNMENTAL AUTHORITY.