

## 2016 Kansas Statutes

### **84-8-102. Definitions.** (a) In this article:

- (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.
  - (6) "Communicate" means to:
    - (i) Send a signed writing; or
    - (ii) transmit information by any mechanism agreed upon by the persons transmitting and receiving the information.
  - (7) "Entitlement holder" means a person identified in the records of a securities intermediary as the person having a security entitlement against the securities intermediary. If a person acquires a security entitlement by virtue of subsection (b)(2) or (3) of K.S.A. 84-8-501, and amendments thereto, that person is the entitlement holder.
  - (8) "Entitlement order" means a notification communicated to a securities intermediary directing transfer or redemption of a financial asset to which the entitlement holder has a security entitlement.
  - (9) "Financial asset," except as otherwise provided in K.S.A. 84-8-103, and amendments thereto, means:
    - (i) A security;
    - (ii) an obligation of a person or a share, participation, or other interest in a person or in property or an enterprise of a person, which is, or is of a type, dealt in or traded on financial markets, or which is recognized in any area in which it is issued or dealt in as a medium for investment; or
    - (iii) any property that is held by a securities intermediary for another person in a securities account if the securities intermediary has expressly agreed with the other person that the property is to be treated as a financial asset under this article.As context requires, the term means either the interest itself or the means by which a person's claim to it is evidenced, including a certificated or uncertificated security, a security certificate or a security entitlement.
  - (10) Reserved.
  - (11) "Indorsement" means a signature that alone or accompanied by other words is made on a security certificate in registered form or on a separate document for the purpose of assigning, transferring or redeeming the security or granting a power to assign, transfer or redeem it.
  - (12) "Instruction" means a notification communicated to the issuer of an uncertificated security which directs that the transfer of the security be registered or that the security be redeemed.
  - (13) "Registered form," as applied to a certificated security, means a form in which:
    - (i) The security certificate specifies a person entitled to the security; and
    - (ii) a transfer of the security may be registered upon books maintained for that purpose by or on behalf of the issuer, or the security certificate so states.
  - (14) "Securities intermediary" means:
    - (i) A clearing corporation; or
    - (ii) a person, including a bank or broker, that in the ordinary course of business maintains securities accounts for others and is acting in that capacity.
  - (15) "Security," except as otherwise provided in K.S.A. 84-8-103, and amendments thereto, means an obligation of an issuer or a share, participation or other interest in an issuer or in property or an enterprise of an issuer:
    - (i) Which is represented by a security certificate in bearer or registered form, or the transfer of which may be registered upon books maintained for that purpose by or on behalf of the issuer;
    - (ii) which is one of a class or series or by its terms is divisible into a class or series of shares, participations, interests or obligations; and
    - (iii) which:
      - (A) Is, or is of a type, dealt in or traded on securities exchanges or securities markets; or
      - (B) is a medium for investment and by its terms expressly provides that it is a security governed by this article.
  - (16) "Security certificate" means a certificate representing a security.
  - (17) "Security entitlement" means the rights and property interest of an entitlement holder with respect to a financial asset specified in K.S.A. 84-8-501 through 84-8-511, and amendments thereto.
  - (18) "Uncertificated security" means a security that is not represented by a certificate.
- (b) Other definitions applying to this article and the sections in which they appear are:

Appropriate person 84-8-107,

and amendments thereto

Control 84-8-106,

and amendments thereto

Delivery 84-8-301,

and amendments thereto

Investment company security 84-8-103,

and amendments thereto

Issuer 84-8-201,

and amendments thereto

Overissue 84-8-210,

and amendments thereto

Protected purchaser 84-8-303,

and amendments thereto

Securities account 84-8-501,

and amendments thereto

and amendments thereto

(c) In addition, article 1 of chapter 84 of the Kansas Statutes Annotated, and amendments thereto, contains general definitions and principles of construction and interpretation applicable throughout this article.

(d) The characterization of a person, business or transaction for purposes of this article does not determine the characterization of the person, business or transaction for purposes of any other law, regulation or rule.

**History:** L. 1996, ch. 202, § 29; L. 2007, ch. 89, § 47; July 1, 2008.