

DISTRICT OF COLUMBIA
OFFICIAL CODE

TITLE 28.
COMMERCIAL INSTRUMENTS AND
TRANSACTIONS.

CHAPTER 29.
FIDUCIARY SECURITY TRANSFERS.

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DISTRICT OF COLUMBIA OFFICIAL CODE
CHAPTER 29. FIDUCIARY SECURITY TRANSFERS.

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CHAPTER 29. FIDUCIARY SECURITY TRANSFERS.

Refs & Annos

Jurisdiction	Laws	Effective Date	Statutory Citation
Delaware	1963, c. 141	10-10-1963	12 Del.C. §§ 4301 to 4311.
District of Columbia	Pub.Law 86-584, 74 Stat. 322	7-5-1960	D.C. Official Code, 2001 Ed. §§ 28-2901 to 28-2909.
Idaho	1959, c. 136	3-12-1959	I.C. §§ 68-901 to 68-911.
Illinois	1957, p. 247	5-23-1957	S.H.A. 760 ILCS 70/0.01 to 70/9.
Indiana	1961, c. 124	7-6-1961	West's A.I.C. 30-2-5-1 to 30-2-5-11.
Kansas	1961, c. 123	7-1-1961	K.S.A. 17-4903 to 17-4913.
Louisiana	1960, No. 444	7-27-1960	LSA-R.S. 9:3831 to 9:3850.
Maryland	1960, c. 92	6-1-1960	Code, Estates and Trusts, §§ 15-301 to 15-311.
Michigan	1959, No. 239	3-19-1960	M.C.L.A. §§ 441.101 to 441.112.
Minnesota	1961, c. 462	4-21-1961	M.S.A. §§ 520.21 to 520.31.
Mississippi	1960, c. 266	5-11-1960	Code 1972, §§ 91-11-1 to 91-11-21.
Missouri	1959, S.B. No. 241	8-29-1959	V.A.M.S. §§ 403.250 to 403.350.
Nevada	1959, c. 394	4-2-1959	N.R.S. 162.150 to 162.250.
New Jersey	1959, c. 200	7-1-1959	N.J.S.A. 14:18-1 to 14:18-12 (14A App.).
New Mexico	1991, c. 177	7-1-1991	NMSA 1978, §§ 46-8-1 to 46-8-10.
Rhode Island	1959, c. 85	5-28-1959	Gen.Laws 1956, §§ 18-11-1 to 18-11-11.
South Dakota	1961, c. 22	7-1-1961	SDCL 55-8-1 to 55-8-18.
Utah	1961, c. 46	5-9-1961	U.C.A.1953, 22-5-1 to 22-5-11.
West Virginia	1961, c. 16	6-6-1961	Code, 31-4D-1 to 31-4D-11.

§ 28-2901. DEFINITIONS.

In this chapter, unless the context otherwise requires:

- (1) "assignment" includes a written stock power, bond power, bill of sale, deed, declaration of trust or other instrument of transfer;
- (2) "claim of beneficial interest" includes a claim of any interest by a decedent's legatee, distributee, heir or creditor, a beneficiary under a trust, a ward, a beneficial owner of a security registered in the name of a nominee, or a minor owner of a security registered in the name of a custodian, or a claim of a similar interest, whether the claim is asserted by the claimant, or by a fiduciary, or by any other authorized person on his behalf, and includes a claim that the transfer would be in breach of fiduciary duties;
- (3) "corporation" means a private or public corporation, association, or trust issuing a security;
- (4) "fiduciary" means an executor, administrator, trustee, guardian, committee, conservator, curator, tutor, custodian, or nominee;
- (5) "person" includes an individual, a corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, two or more persons having a joint or common interest, or other legal or commercial entity;
- (6) "security" includes a share of stock, bond, debenture, note, or other security issued by a corporation which is registered as to ownership on the books of the corporation;
- (7) "transfer" means a change on the books of a corporation in the registered ownership of a security;
- (8) "transfer agent" means a person employed or authorized by a corporation to transfer securities issued by the corporation.

(Aug. 30, 1964, 78 Stat. 672, Pub. L. 88-509, § 1.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 28-2901.

1973 Ed., § 28-2901.

Uniform Law

This section is based upon § 1 of the Uniform Act for Simplification of Fiduciary Security Transfers. See 7C Uniform Laws Annotated, Master Edition, or ULA Database on Westlaw.

§ 28-2902. REGISTRATION IN NAME OF A FIDUCIARY.

A corporation or transfer agent registering a security in the name of a person who is a fiduciary or who is described as a fiduciary is not bound to inquire into the existence, extent, or correct description of the fiduciary relationship, and thereafter the corporation and its transfer agent may assume without inquiry that the newly registered owner continues to be the fiduciary until the corporation or transfer agent receives written notice that the fiduciary is no longer acting as such with respect to the particular security.

(Aug. 30, 1964, 78 Stat. 672, Pub. L. 88-509, § 1.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 28-2902.

1973 Ed., § 28-2902.

Uniform Law

This section is based upon § 2 of the Uniform Act for Simplification of Fiduciary Security Transfers. See 7C Uniform Laws Annotated, Master Edition, or ULA Database on Westlaw.

§ 28-2903. ASSIGNMENT BY FIDUCIARY.

Except as otherwise provided by this chapter, a corporation or transfer agent making a transfer of a security pursuant to an assignment by a fiduciary:

- (1) may assume without inquiry that the assignment, even though to the fiduciary himself or his nominee, is within his authority and capacity and is not in breach of his fiduciary duties;
- (2) may assume without inquiry that the fiduciary has complied with any controlling instrument and with the law of the jurisdiction governing the fiduciary relationship, including any law requiring the fiduciary to obtain court approval of the transfer; and
- (3) is not charged with notice of and is not bound to obtain or examine any court record or recorded or unrecorded document relating to the fiduciary relationship or the assignment, even though the record or document is in its possession.

(Aug. 30, 1964, 78 Stat. 673, Pub. L. 88-509, § 1.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 28-2903.

1973 Ed., § 28-2903.

Uniform Law

This section is based upon § 3 of the Uniform Act for Simplification of Fiduciary Security Transfers. See 7C Uniform Laws Annotated, Master Edition, or ULA Database on Westlaw.

§ 28-2904. EVIDENCE OF APPOINTMENT OF INCUMBENCY.

A corporation or transfer agent making a transfer pursuant to an assignment by a fiduciary who is not the registered owner shall require the following evidence of appointment or incumbency:

- (1) in the case of a fiduciary appointed or qualified by a court, a certificate issued by or under the direction or supervision of the court or an officer thereof, and dated within sixty days before the

transfer; or

(2) in any other case, a copy of a document showing the appointment or a certificate issued by or on behalf of a person reasonably believed by the corporation or transfer agent to be responsible or, in the absence of such a document or certificate, other evidence reasonably deemed by the corporation or transfer agent to be appropriate. Corporations and transfer agents may adopt reasonable standards with respect to evidence of appointment or incumbency under this subsection. Neither the corporation nor transfer agent is charged with notice of the contents of any document obtained pursuant to this subsection except to the extent that the contents relate directly to the appointment or incumbency.

(Aug. 30, 1964, 78 Stat. 673, Pub. L. 88-509, § 1.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 28-2904.

1973 Ed., § 28-2904.

Uniform Law

This section is based upon § 4 of the Uniform Act for Simplification of Fiduciary Security Transfers. See 7C Uniform Laws Annotated, Master Edition, or ULA Database on Westlaw.

§ 28-2905. ADVERSE CLAIMS.

(a) A person asserting a claim of beneficial interest adverse to the transfer of a security pursuant to an assignment by a fiduciary may notify in writing the corporation or transfer agent of the claim. The corporation or transfer agent is not put on notice unless the written notice (1) identifies the claimant, the registered owner, and the issue of which the security is a part, (2) provides an address for communications directed to the claimant, and (3) is received before the transfer. This chapter does not relieve the corporation or transfer agent of any liability for making or refusing to make the transfer after it is so put on notice, unless it proceeds in the manner authorized by subsection (b).

(b) As soon as practicable after the presentation of a security for transfer pursuant to an assignment by a fiduciary, a corporation or transfer agent which has received notice of a claim of beneficial interest adverse to the transfer may send notice of the presentation by registered or certified mail to the claimant at the address given by him. If the corporation or transfer agent so mails such a notice it shall withhold the transfer for thirty days after the mailing and shall then make the transfer unless restrained by a court order.

(Aug. 30, 1964, 78 Stat. 673, Pub. L. 88-509, § 1.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 28-2905.

1973 Ed., § 28-2905.

Uniform Law

This section is based upon § 5 of the Uniform Act for Simplification of Fiduciary Security Transfers. See 7C Uniform Laws Annotated, Master Edition, or ULA Database on Westlaw.

§ 28-2906. NONLIABILITY OF CORPORATION AND TRANSFER AGENT.

A corporation or transfer agent does not incur liability to any person by making a transfer or otherwise acting in a manner authorized by this chapter.

(Aug. 30, 1964, 78 Stat. 674, Pub. L. 88-509, § 1.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 28-2906.

1973 Ed., § 28-2906.

Uniform Law

This section is based upon § 6 of the Uniform Act for Simplification of Fiduciary Security Transfers. See 7C Uniform Laws Annotated, Master Edition, or ULA Database on Westlaw.

§ 28-2907. NONLIABILITY OF THIRD PERSONS.

(a) A person who participates in the acquisition, disposition, assignment or transfer of a security by or to a fiduciary including a person who guarantees the signature of the fiduciary is not liable for participation in any breach of fiduciary duty by reason of failure to inquire whether the transaction involves such a breach unless it is shown that he acted with actual knowledge that the proceeds of the transaction were being or were to be used wrongfully for the individual benefit of the fiduciary or that the transaction was otherwise in breach of duty.

(b) When a corporation or transfer agent makes a transfer pursuant to an assignment by a fiduciary, a person who guaranteed the signature of the fiduciary is not liable on the guarantee to any person to whom the corporation or transfer agent by reason of this chapter incurs no liability.

(c) This section does not impose any liability upon the corporation or its transfer agent.

(Aug. 30, 1964, 78 Stat. 674, Pub. L. 88-509, § 1.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 28-2907.

1973 Ed., § 28-2907.

Uniform Law

This section is based upon § 7 of the Uniform Act for Simplification of Fiduciary Security Transfers. See 7C Uniform Laws Annotated, Master Edition, or ULA Database on Westlaw.

§ 28-2908. TERRITORIAL APPLICATION.

(a) The rights and duties of a corporation and its transfer agents in registering a security in the name of a fiduciary or in making a transfer of a security pursuant to an assignment by a fiduciary are governed by the law of the jurisdiction under whose laws the corporation is organized.

(b) This chapter applies to the rights and duties of a person other than the corporation and its transfer agents with regard to acts and omissions in the District of Columbia in connection with the acquisition, disposition, assignment or transfer of a security by or to a fiduciary and of a person who guarantees in the District of Columbia the signature of a fiduciary in connection with such a transaction.

(Aug. 30, 1964, 78 Stat. 674, Pub. L. 88-509, § 1.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 28-2908.

1973 Ed., § 28-2908.

Uniform Law

This section is based upon § 8 of the Uniform Act for Simplification of Fiduciary Security Transfers. See 7C Uniform Laws Annotated, Master Edition, or ULA Database on Westlaw.

§ 28-2909. TAX OBLIGATIONS.

This chapter does not affect any obligation of a corporation or transfer agent with respect to estate, inheritance, succession, or other taxes imposed by the laws of the District of Columbia.

(Aug. 30, 1964, 78 Stat. 674, Pub. L. 88-509, § 1.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 28-2909.

1973 Ed., § 28-2909.

Uniform Law

This section is based upon § 9 of the Uniform Act for Simplification of Fiduciary Security Transfers. See 7C Uniform Laws Annotated, Master Edition, or ULA Database on Westlaw.