

funds may be made: PROVIDED FURTHER, That the board shall publish notice of the time and date of the meeting at which the supplemental appropriations resolution will be adopted, and the amount of the appropriation, once each week, for two consecutive weeks prior to such meeting in the official newspaper of the county or if there is none, in a legal newspaper in the county.

Passed the House March 3, 1973.

Passed the Senate March 1, 1973.

Approved by the Governor March 14, 1973.

Filed in Office of Secretary of State March 14, 1973.

CHAPTER 98

[House Bill No. 462]

UNIFORM COMMERCIAL CODE--CLEARING
CORPORATION--DEFINITION

AN ACT Relating to commercial transactions; and amending section 8-102, chapter 157, Laws of 1965 ex. sess. and RCW 62A.8-102.
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Section 1. Section 8-102, chapter 157, Laws of 1965 ex. sess. and RCW 62A.8-102 are each amended to read as follows:

(1) In this Article 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 Article and not by Uniform Commercial Code--Commercial Paper even though it also meets the requirements of that Article. This Article 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

by original issue.

(3) A "clearing corporation" is a corporation ((all of 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 Act of 1934)).

(a) At least ninety percent of the capital stock of which is held by or for one or more persons (other than individuals), each of whom

(i) is subject to supervision or regulation pursuant to the provisions of federal or state banking laws or state insurance laws, or

(ii) is a broker or dealer or investment company registered under the Securities Exchange Act of 1934 or the Investment Company Act of 1940, or

(iii) is a national securities exchange or association registered under a statute of the United States such as the Securities Exchange Act of 1934; and none of whom, other than a national securities exchange or association, holds in excess of twenty percent of the capital stock of such corporation; and

(b) Any remaining capital stock of which is held by individuals who have purchased such capital stock at or prior to the time of their taking office as directors of such corporation and who have purchased only so much of such capital stock as may be necessary to permit them to qualify as such directors.

(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 Article or to specified Parts thereof and the sections in which they appear are:

"Adverse claim". RCW 62A.8-301.

"Bona fide purchaser". RCW 62A.8-302.

"Broker". RCW 62A.8-303.

"Guarantee of the signature". RCW 62A.8-402.

"Intermediary bank". RCW 62A.4-105.

"Issuer". RCW 62A.8-201.

"Overissue". RCW 62A.8-104.

(6) In addition Article 1 contains general definitions and principles of construction and interpretation applicable throughout this Article.

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