

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

440.8509 Performance of duties by securities intermediary.

Sec. 8509.

(1) If the substance of a duty imposed upon a securities intermediary by sections 8504 through 8508 is the subject of other statute, regulation, or rule, compliance with the statute, regulation, or rule satisfies the duty.

(2) To the extent that specific standards for the performance of the duties of a securities intermediary or the exercise of the rights of an entitlement holder are not specified by other statute, regulation, or rule or by agreement between the securities intermediary and entitlement holder, the securities intermediary shall perform its duties and the entitlement holder shall exercise its rights in a commercially reasonable manner.

(3) The obligation of a securities intermediary to perform the duties imposed by sections 8504 through 8508 is subject to both of the following:

(a) Rights of the securities intermediary arising out of a security interest under a security agreement with the entitlement holder or otherwise.

(b) Rights of the securities intermediary under other law, regulation, rule, or agreement to withhold performance of its duties as a result of unfulfilled obligations of the entitlement holder to the securities intermediary.

(4) Sections 8504 through 8508 do not require a securities intermediary to take any action that is prohibited by other statute, regulation, or rule.

History: Add. 1998, Act 278, Imd. Eff. July 27, 1998