

**CHAPTER 14-10.1**  
**UNIFORM SECURITIES OWNERSHIP BY MINORS ACT**  
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**14-10.1-01. Definitions.** In this chapter, unless the context or subject matter otherwise requires:

1. "Bank" means any association, firm, or corporation engaged in the business of banking, including a national banking association, savings bank, industrial bank, or trust company.
2. "Broker" means a person, including a bank, lawfully engaged in the business of effecting transactions in securities for the account of others and includes a broker lawfully engaged in buying and selling securities for the broker's own account.
3. "Issuer" means a person who places or authorizes the placing of the person's name on a security, other than as a transfer agent, to evidence that it represents a share, participation, or other interest in the person's property or in an enterprise or to evidence the person's duty to perform an obligation evidenced by the security, or who becomes responsible for or in place of any such person.
4. "Person" includes a corporation, limited liability company, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, two or more persons having a joint or common interest, or any other legal or commercial entity.
5. "Security" includes any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in an oil, gas, or mining title or lease or in payment out of production under such a title or lease, collateral trust certificate, transferable share, voting trust certificate or, in general, any interest or instrument commonly known as a security, or any certificate or interest or participation in, any temporary or interim certificate, receipt, or certificate of deposit for, or any warrant or right to subscribe to or purchase, any of the foregoing.
6. "Third party" means a person other than a bank, broker, transfer agent, or issuer who with respect to a security held by a minor effects a transaction otherwise than directly with the minor.
7. "Transfer agent" means a person who acts as authenticating trustee, transfer agent, registrar, or other agent for an issuer in the registration of transfers of securities, in the issue of new securities, or in the cancellation of surrendered securities.

**14-10.1-02. No liability without notice or knowledge of minority.** A bank, broker, issuer, third party, or transfer agent incurs no liability by reason of treating a minor as having capacity to transfer a security, to receive or to empower others to receive dividends, interest, principal, or other payments or distributions, to vote or give consent in person or by proxy, or to make elections or exercise rights relating to the security, unless prior to acting in the transaction the bank, broker, issuer, third party, or transfer agent had received written notice in the office acting in the transaction that the specific security is held by a minor or unless an individual conducting the transaction for the bank, broker, issuer, third party, or transfer agent had actual knowledge of the minority of the holder of the security. Except as otherwise provided in this chapter, such a bank, broker, issuer, third party, or transfer agent may assume without inquiry that the holder of a security is not a minor.

**14-10.1-03. When minor may disaffirm or avoid transaction.** A minor, who has transferred a security; received or empowered others to receive dividends, interest, principal, or other payments or distributions; voted or given consent in person or by proxy; or made an

election or exercised rights relating to the security, has no right thereafter, as against a bank, broker, issuer, third party, or transfer agent to disaffirm or avoid the transaction, unless prior to acting in the transaction the bank, broker, issuer, third party, or transfer agent against whom the transaction is sought to be disaffirmed or avoided had received notice in the office acting in the transaction that the specific security is held by a minor or unless an individual conducting the transaction for the bank, broker, issuer, third party, or transfer agent had actual knowledge of the minority of the holder.

**14-10.1-04. Uniformity - Short title.** This chapter must be so construed as to effectuate its general purpose to make uniform the laws of those states which enact it. This chapter may be cited as the Uniform Securities Ownership by Minors Act.