

No. 241

AN ACT

SB 1605

Amending the act of April 6, 1953 (P.L.3, No.1), entitled, as amended, "An act relating to certain commercial transactions and contracts and other documents concerning them, including sales, commercial paper, bank deposits and collections, documentary letters of credit, bulk transfers, warehouse receipts, bills of lading, other documents of title, investment securities, and secured transactions, including certain sales of accounts, chattel paper, and contract rights; providing for public notice to third parties in certain circumstances; regulating procedure, evidence and damages in certain court actions involving such transactions, contracts or documents, and to make uniform the law with respect thereto," further defining "clearing corporation" under the article relating to investment securities.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Subsection (3) of section 8-102, act of April 6, 1953 (P.L.3, No.1), known as the "Uniform Commercial Code," reenacted and amended October 2, 1959 (P.L.1023, No.426) and amended August 24, 1963 (P.L.1213, No.510), is amended to read:

Section 8-102. Definitions and Index of Definitions.—

* * *

(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 per cent 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 per cent 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.

* * *

Section 2. This act shall take effect immediately.

APPROVED—The 10th day of October, A. D. 1974.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly
No. 241.

A handwritten signature in black ink, reading "C. McLaughlin Tucker". The signature is written in a cursive style with a large initial "C" and a prominent "M".

Secretary of the Commonwealth.