

6-20/520.50 Securities

To levy upon a security, the levying officer shall comply with Section 8112 of the Commercial Code. The legal process referred to in Section 8112 of the Commercial Code means the legal process required by the state in which the chief executive office of the issuer of the security is located and, where that state is California, means personal service by the levying officer of a copy of the writ of execution and notice of levy on the person who is to be served. ([CCP 700.130](#))

• 6-20/520.51 Securities Defined

A "Security" is an obligation of a person or a share, participation, or other interest in a person or in property or an enterprise of a person, that is, or is of a type, dealt in or traded on financial markets, or that is recognized in any area in which it is issued or dealt in as a medium for investment. ([COMM 8102\(9\)\(B\)](#))

A "security" means an obligation of an issuer or a share, participation, or other interest in an issuer or in property or an enterprise of an issuer that is all of the following ([CCP 8102\(a\)\(15\)](#)):

- It is represented by a security certificate in bearer or registered form, or the transfer of it may be registered upon books maintained for that purpose by or on behalf of the issuer.
 - It is one of a class or series or by its terms is divisible into a class or series of shares, participations, interests, or obligations.
 - It is either of the following:
 - It is, or is of a type, dealt in or traded on securities exchanges or securities markets.
 - It is a medium for investment and by its terms expressly provides that it is a security governed by this division.
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• 6-20/520.52 Issuer Defined

"Issuer" includes a person that does any of the following ([COMM 8201](#)):

- Places its name on a security certificate to evidence a share, participation, or other interest in its property or in an enterprise, or to evidence its duty to perform an obligation represented by the certificate.
 - Creates a share, participation, or other interest in its property or in an enterprise, or undertakes an obligation, that is an uncertificated security.
 - Directly or indirectly creates a fractional interest in its rights or property, if the fractional interest is represented by a security certificate.
 - Becomes responsible for another person described as an issuer in this section.
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- **6-20/520.53 Certificated Security**

"Certificated security" means a security that is represented by a certificate. ([COMM 8102\(a\)](#) (4)) The interest of a debtor in a certificated security may be reached by a creditor only by actual seizure of the security certificate by the officer making the levy. However, a certificated security for which the certificate has been surrendered to the issuer may be reached by a creditor by legal process upon the issuer. ([COMM 8112\(a\)](#))

- **6-20/520.54 Uncertificated Security**

"Uncertificated security" means a security that is not represented by a certificate. ([COMM 8102\(a\)](#)(18)) The interest of a debtor in an uncertificated security may be reached by a creditor only by legal process upon the issuer at its chief executive office in the United States, except as otherwise provided in subdivision (d). ([COMM 8112\(b\)](#))

- **6-20/520.55 Security in Possession of Secured Party**

The interest of a debtor in a certificated security for which the certificate is in the possession of a secured party, or in an uncertificated security registered in the name of a secured party, or a security entitlement maintained in the name of a secured party, may be reached by a creditor by legal process upon the secured party. ([COMM 8112\(d\)](#)) "Secured party" means a lender, seller or other person in whose favor there is a security interest, including a person to whom accounts or chattel paper have been sold. If a security interest is in favor of a trustee, indenture trustee, agent, collateral agent, or other representative, the representative is the secured party. ([COMM 9102\(a\)](#)(73)) "Security agreement" means an agreement which creates or provides for a security interest. ([COMM 9102\(a\)](#)(74))

- **6-20/520.56 Security Entitlement**

"Security entitlement" means the rights and property interest of an entitlement holder with respect to a financial asset under [COMM Chapter 5](#). ([COMM 8102\(a\)](#)(17)) "Securities intermediary" means either a clearing corporation or a person, including a bank or broker, that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity. ([COMM 8102\(a\)](#)14))

The interest of a debtor in a security entitlement may be reached by a creditor only by legal process upon the securities intermediary with whom the debtor's securities account is maintained. ([COMM 8112\(c\)](#))
