



## UCCPlus Owner's Policy

Protect ownership when purchasing a corporation, limited liability company or limited partnership

The UCCPlus Owner's Policy provides an equity purchaser with the valuable protection that a purchaser of real estate has been able to obtain for years with a real estate title insurance policy.

The UCCPlus Owner's Policy is a title insurance policy that is available to a purchaser acquiring a full or partial ownership/equity interest in a corporation, limited liability company or limited partnership.\*

The UCCPlus Owner's Policy insures:

- The seller owns the ownership interest.
- The purchaser will own the ownership interest upon closing of the sale.
- The ownership interest will be free and clear of any security interests.
- The ownership interest will be free and clear of any liens of lien creditors, as defined in the Uniform Commercial Code (UCC).

Unlike real property, where both the purchaser and the title company (who will be issuing a real estate title insurance owner's policy) rely on the protections of a particular state's recordation act to locate and identify all transfers of ownership of real property, no similar statutes or protections exist with regard to a transfer of an ownership interest.

## The UCCPlus Owner's Policy insures that the purchaser owns the ownership interest.

For more information about the UCCPlus Owner's Policy and its availability for your transaction in select jurisdictions, please contact a UCCPlus representative:



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The UCCPlus Owner's Policy provides an equity purchaser with the valuable protection that a purchaser of real estate has been able to obtain for years with a real estate title insurance policy.

The UCCPlus Owner's Policy is unique in that it is the only title insurance policy of its kind that offers specific coverage for ownership. Only the UCCPlus Owner's Policy covers ownership by specific inclusion and use of the word *own* in its insuring clauses.

The UCCPlus Owner's Policy provides coverage for the ownership interest, whether the ownership interest is:

- a security under Article 8 of the UCC, issued by a corporation or a limited liability company or limited partnership "opted-in" to Article 8;
- a general intangible under Article 9 of the UCC (limited liability company or limited partnership interest not "opted in" to Article 8); or
- immediately being sold or is owned by the entity immediately being sold.

The UCCPlus Owner's Policy protects the purchaser from significant risks:

- **A purchaser can only rely on the written representations, warranties and covenants in the purchase and sale agreement with respect to the ownership interest being purchased.** Notwithstanding the written representations made, or whether the representations are properly drafted, third parties may hold subscriptions, warrants, options, calls, rights of first refusal and other agreements or understandings with respect to the sale or transfer of the ownership interests. The purchaser bears the entire risk in this situation. The UCCPlus Owner's Policy insures the purchaser that they own the ownership interest, shifting the purchaser's risk to the title company.
- **Existing or prior owners may have granted a security interest or allowed a lien upon the ownership interest being sold to the buyer.** The UCCPlus Owner's Policy insures that the ownership interest is free and clear of such encumbrances.
- **If the entity being sold is a corporation or a limited liability company/limited partnership that has opted in to Article 8 of the UCC, prior certificates may be outstanding or unaccounted for.** UCCPlus will conduct a thorough due-diligence review of all of the securities that have been issued and determine whether all of the security certificates have been properly cancelled.
- **Fraud, on behalf of the seller, its agents and affiliates may exist.** The UCCPlus Owner's Policy insures the purchaser that they own the ownership interest even if such fraud exists.

Purchasers of our UCCPlus Owner's Policy appreciate the comprehensive due diligence performed by our experienced underwriters with respect to the sellers, prior owners of the ownership interest, secured parties of the foregoing and lien creditors.

\* available for all purchases of equity where the purchase price is \$5 million or greater

For more information, please visit [uccplus.com](https://uccplus.com).