

Testimony in writing provided by Joel Malus of Fargo, North Dakota on February 10, 2025

Regarding ND SB 2364 - Uniform Commercial Code Article 8 - Investment Securities

- Under ND law (NDCC 41-8) when we buy a stock, bond, mutual fund, or exchange traded fund (ETF) we do not receive what we thought you bought. We receive a 'security entitlement' to the stock we thought we bought .

- We are no longer a stockholder or bondholder but an 'entitlement holder' and other parties can have claims against the stock we paid for and thought we bought.

- We have a contract with our broker - This does not confer property ownership.

- Under ND law (41-8) certain secured creditors (for instance, too big to fail banks) have priority (they are first in line) over our investment account (including IRAs & 401(k)s) if our broker or a higher-level custodian files for bankruptcy.

- This is done without our knowledge or approval.

- This is like your home being used as collateral for someone else's loan.

- This exception does not apply to margin accounts - a scare tactic used by the bank lobbyists.

- SB 2364 would put - the investor - YOU - at the front of the line to get your investments back if your broker or custodian becomes insolvent.

- UCC Article 8 protects the largest banks if we have a financial collapse (the definition of too big to fail).

- Protecting property rights is a primary duty of the Legislature and the state.

- The banking lobby is fighting hard and twisting arms - the rights of the people of ND must come first.

- A lot of people have heard the phrase from the World Economic Forum "It's 2030 you will own nothing and be happy" But 2030 is today if the market fails. You already don't own anything.

If you doubt any of this, then read The Great Taking by David Webb.

His sources have been vetted by financial and legislative and academic personnel.

They are solid. We need to be afraid, and work to overcome this theft until this bill is passed in North Dakota, and all 50 states. It must happen on the state level, because that is where the theft happened. It must be undone. NOW.

