336.8-404 MS 1994 [Repealed, 1995 c 194 art 1 s 53]

336.8-404 WRONGFUL REGISTRATION.

- (a) Except as otherwise provided in section 336.8-406, an issuer is liable for wrongful registration of transfer if the issuer has registered a transfer of a security to a person not entitled to it, and the transfer was registered:
 - (1) pursuant to an ineffective endorsement or instruction;
- (2) after a demand that the issuer not register transfer became effective under section 336.8-403(a) and the issuer did not comply with section 336.8-403(b);
- (3) after the issuer had been served with an injunction, restraining order, or other legal process enjoining it from registering the transfer, issued by a court of competent jurisdiction, and the issuer had a reasonable opportunity to act on the injunction, restraining order, or other legal process; or
 - (4) by an issuer acting in collusion with the wrongdoer.
- (b) An issuer that is liable for wrongful registration of transfer under subsection (a) on demand shall provide the person entitled to the security with a like certificated or uncertificated security, and any payments or distributions that the person did not receive as a result of the wrongful registration. If an overissue would result, the issuer's liability to provide the person with a like security is governed by section 336.8-210.
- (c) Except as otherwise provided in subsection (a) or in a law relating to the collection of taxes, an issuer is not liable to an owner or other person suffering loss as a result of the registration of a transfer of a security if registration was made pursuant to an effective endorsement or instruction.

History: 1995 c 194 art 1 s 37