

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

440.8401 Registration of transfer; duty and liability of issuer.

Sec. 8401.

(1) If a certificated security in registered form is presented to an issuer with a request to register transfer or an instruction is presented to an issuer with a request to register transfer of an uncertificated security, the issuer shall register the transfer as requested if:

(a) Under the terms of the security the person seeking registration of transfer is eligible to have the security registered in its name.

(b) The indorsement or instruction is made by the appropriate person or by an agent who has actual authority to act on behalf of the appropriate person.

(c) Reasonable assurance is given that the indorsement or instruction is genuine and authorized in accordance with section 8402.

(d) Any applicable law relating to the collection of taxes has been complied with.

(e) The transfer does not violate any restriction on transfer imposed by the issuer in accordance with section 8204.

(f) A demand that the issuer not register transfer has not become effective under section 8403, or the issuer has complied with section 8403(2) but no legal process or indemnity bond is obtained as provided in section 8403(4).

(g) The transfer is in fact rightful or is to a protected purchaser.

(2) If an issuer is under a duty to register a transfer of a security, the issuer is liable to a person presenting a certificated security or an instruction for registration or to the person's principal for loss resulting from unreasonable delay in registration or failure or refusal to register the transfer.

History: 1962, Act 174, Eff. Jan. 1, 1964 ;-- Am. 1987, Act 16, Imd. Eff. Apr. 24, 1987 ;-- Am. 1998, Act 278, Imd. Eff. July 27, 1998