**§8-1404. Wrongful registration**

**(1).**  Except as otherwise provided in section 8‑1406, 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:

(a). Pursuant to an ineffective indorsement or instruction; [PL 1997, c. 429, Pt. B, §2 (NEW).]

(b). After a demand that the issuer not register transfer became effective under section 8‑1403, subsection (1) and the issuer did not comply with section 8‑1403, subsection (2); [PL 1997, c. 429, Pt. B, §2 (NEW).]

(c). 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 [PL 1997, c. 429, Pt. B, §2 (NEW).]

(d). By an issuer acting in collusion with the wrongdoer. [PL 1997, c. 429, Pt. B, §2 (NEW).]

[PL 1997, c. 429, Pt. B, §2 (NEW).]

**(2).**  An issuer that is liable for wrongful registration of transfer under subsection (1) 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 8‑1210.

[PL 1997, c. 429, Pt. B, §2 (NEW).]

**(3).**  Except as otherwise provided in subsection (1) 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 indorsement or instruction.

[PL 1997, c. 429, Pt. B, §2 (NEW).]

SECTION HISTORY

PL 1997, c. 429, §B2 (NEW).

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