

2021 Kansas Statutes

84-8-404. Wrongful registration. (a) Except as otherwise provided in K.S.A. 84-8-406, 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 indorsement or instruction;
 - (2) after a demand that the issuer not register transfer became effective under subsection (a) of K.S.A. 84-8-403 and the issuer did not comply with subsection (b) of K.S.A. 84-8-403;
 - (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 K.S.A. 84-8-210.
- (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 indorsement or instruction.

History: L. 1996, ch. 202, § 64; July 1.