

1 SEC. 21. Private property of the members shall be exempt from
2 execution for the debts of the co-operation.

1 SEC. 22. This act being deemed of immediate importance, shall be in
2 full force and effect from and after its passage and publication in the
3 Charles City Daily Press, a newspaper published at Charles City, Iowa,
4 and the Hardin County Index, a newspaper published at Eldora, Iowa.

Approved March 28, 1947.

I hereby certify that the foregoing act was published in the Charles City Daily Press,
April 7, 1947, and the Hardin County Index, April 3, 1947.

ROLLO H. BERGESON, *Secretary of State.*

CHAPTER 251

CORPORATION RENEWAL

S. F. 135

AN ACT relating to the execution of renewals of articles of corporations for pecuniary profit.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section four hundred ninety-one point thirty-five
2 (491.35), Code 1946, relating to corporations for pecuniary profit, is
3 hereby amended by inserting after the word "meeting" in line ten
4 (10) thereof, the words, " and such amendments, as may be deemed
5 necessary".

1 SEC. 2. Section four hundred ninety-one point thirty-six (491.36),
2 Code 1946, is hereby repealed.

Approved March 12, 1947.

CHAPTER 252

UNIFORM STOCK TRANSFER ACT

H. F. 105

AN ACT concerning the transfer of shares of stock in corporations, making uniform the law relating thereto.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Title to a certificate and to the shares represented
2 thereby can be transferred only, (a) by delivery of the certificate in-
3 dorsed either in blank or to a specified person by the person appearing
4 by the certificate to be the owner of the shares represented thereby,
5 or (b) by delivery of the certificate and a separate document containing
6 a written assignment of the certificate or a power of attorney to sell,
7 assign, or transfer the same or the shares represented thereby, signed
8 by the person appearing by the certificate to be the owner of the shares
9 represented thereby. Such assignment or power of attorney may be
10 either in blank or to a specified person.

11 The provisions of this section shall be applicable although the charter
12 or articles of incorporation or code of regulations or by-laws of the
13 corporation issuing the certificate and the certificate itself, provide
14 that the shares represented thereby shall be transferable only on the
15 books of the corporation or shall be registered by a registrar or trans-
16 ferred by a transfer agent.

1 SEC. 2. Nothing in this act shall be construed as enlarging the
2 powers of an infant or other person lacking full legal capacity, or of
3 a trustee, executor or administrator, or other fiduciary, to make a valid
4 indorsement, assignment or power of attorney.

1 SEC. 3. Nothing in this act shall be construed as forbidding a
2 corporation, (a) to recognize the exclusive right of a person registered
3 on its books as the owner of shares to receive dividends, and to vote
4 as such owner, or (b) to hold liable for calls and assessments a person
5 registered on its books as the owner of shares.

1 SEC. 4. The title of a transferee of a certificate under a power of
2 attorney or assignment not written upon the certificate, and the title
3 of any person claiming under such transferee, shall cease and determine
4 if, at any time prior to the surrender of the certificate to the corpora-
5 tion issuing it, another person, for value in good faith, and without
6 notice of the prior transfer, shall purchase and obtain delivery of such
7 certificate with the indorsement of the person appearing by the certifi-
8 cate to be the owner thereof, or shall purchase and obtain delivery
9 of such certificate and the written assignment or power of attorney of
10 such person, though contained in a separate document.

1 SEC. 5. The delivery of a certificate to transfer title in accordance
2 with the provisions of Section 1, is effectual, except as provided in
3 Section 7, though made by one having no right of possession and having
4 no authority from the owner of the certificate or from the person
5 purporting to transfer the title.

1 SEC. 6. The indorsement of a certificate by the person appearing
2 by the certificate to be the owner of the shares represented thereby is
3 effectual, except as provided in Section 7, though the indorser or
4 transferor, (a) was induced by fraud, duress or mistake, to make the
5 indorsement or delivery, or (b) has revoked the delivery of the certifi-
6 cate, or the authority given by the indorsement or delivery of the
7 certificate, or (c) has died or become legally incapacitated after the
8 indorsement, whether before or after the delivery of the certificate,
9 or (d) has received no consideration.

1 SEC. 7. If the indorsement or delivery of certificate, (a) was
2 procured by fraud or duress, or (b) was made under such mistake as
3 to make the indorsement or delivery inequitable; or if the delivery of
4 a certificate was made (c) without authority from the owner, or (d)
5 after the owner's death or legal incapacity, the possession of the
6 certificate may be reclaimed and the transfer thereof rescinded, unless:

7 (1) The certificate has been transferred to a purchaser for value
8 in good faith without notice of any facts making the transfer wrongful,
9 or,
10 (2) The injured person has elected to waive the injury, or has
11 been guilty of laches in endeavoring to enforce his rights.

12 Any court of appropriate jurisdiction may enforce specifically such
13 right to reclaim the possession of the certificate or to rescind the
14 transfer thereof and, pending litigation, may enjoin the further
15 transfer of the certificate or impound it.

1 SEC. 8. Although the transfer of a certificate or of shares repre-
2 sented thereby has been rescinded or set aside, nevertheless, if the
3 transferee has possession of the certificate or of a new certificate
4 representing part or the whole of the same shares of stock, a subse-
5 quent transfer of such certificate by the transferee, mediately or
6 immediately, to a purchaser for value in good faith, without notice of
7 any facts making the transfer wrongful, shall give such purchaser an
8 indefeasible right to the certificate and the shares represented thereby.

1 SEC. 9. The delivery of a certificate by the person appearing by
2 the certificate to be the owner thereof without the indorsement requisite
3 for the transfer of the certificate and the shares represented thereby,
4 but with intent to transfer such certificate or shares, shall impose an
5 obligation, in the absence of an agreement to the contrary, upon the
6 person so delivering, to complete the transfer by making the necessary
7 indorsement. The transfer shall take effect as of the time when the
8 indorsement is actually made. This obligation may be specifically
9 enforced.

1 SEC. 10. An attempted transfer of title to a certificate or to the
2 shares represented thereby without delivery of the certificate shall
3 have the effect of a promise to transfer and the obligation, if any,
4 imposed by such promise shall be determined by the law governing
5 the formation and performance of contracts.

1 SEC. 11. A person who for value transfers a certificate, including
2 one who assigns for value a claim secured by a certificate, unless a
3 contrary intention appears, warrants— (a) That the certificate is
4 genuine, (b) That he has legal right to transfer it, and (c) That he has
5 no knowledge of any fact which would impair the validity of the
6 certificate.

7 In the case of an assignment of a claim secured by a certificate, the
8 liability of the assignor upon such warranty shall not exceed the
9 amount of the claim.

1 SEC. 12. A mortgagee, pledgee, or other holder for security of a
2 certificate who in good faith demands or receives payment of the debt
3 for which such certificate is security, whether from a party to a draft
4 drawn for such debt, or from any other person, shall not by so doing
5 be deemed to represent or to warrant the genuineness of such certifi-
6 cate, or the value of the shares represented thereby.

1 SEC. 13. No attachment or levy upon shares of stock for which
2 a certificate is outstanding shall be valid until such certificate be
3 actually seized by the officer making the attachment or levy, or be
4 surrendered to the corporation which issued it, or its transfer by the
5 holder be enjoined. Except where a certificate is lost or destroyed, such
6 corporation shall not be compelled to issue a new certificate for the
7 stock until the old certificate is surrendered to it.

1 SEC. 14. A creditor whose debtor is the owner of a certificate shall
2 be entitled to such aid from courts of appropriate jurisdiction, by
3 injunction and otherwise, in attaching such certificate or in satisfying
4 the claim by means thereof as is allowed at law or in equity, in regard
5 to property which cannot readily be attached or levied upon by ordinary
6 legal process.

1 SEC. 15. There shall be no lien in favor of a corporation upon the
2 shares represented by a certificate issued by such corporation and
3 there shall be no restriction upon the transfer of shares so represented
4 by virtue of any by-laws of such corporation, or otherwise, unless the
5 right of the corporation to such lien or the restriction is stated upon
6 the certificate.

1 SEC. 16. The alteration of a certificate, whether fraudulent or not
2 and by whomsoever made, shall not deprive the owner of his title to the
3 certificate and the shares originally represented thereby, and the
4 transfer of such a certificate shall convey to the transferee a good title
5 to such certificate and to the shares originally represented thereby.

1 SEC. 17. Where a certificate has been lost or destroyed, a court of
2 competent jurisdiction may order the issue of a new certificate therefor
3 on service of process upon the corporation and on reasonable notice by
4 publication, and in any other way which the court may direct, to all
5 persons interested, and upon satisfactory proof of such loss or destruc-
6 tion and upon the giving of a bond with sufficient surety to be approved
7 by the court to protect the corporation or any person injured by the
8 issue of the new certificate from any liability or expense, which it or
9 they may incur by reason of the original certificate remaining out-
10 standing. The court may also in its discretion order the payment of the
11 corporation's reasonable cost and counsel fees.

12 The issue of a new certificate under an order of the court as provided
13 in this section, shall not relieve the corporation from liability in
14 damages to a person to whom the original certificate has been or shall
15 be transferred for value without notice of the proceedings or of the
16 issuance of the new certificate.

1 SEC. 18. In any case not provided for by this act, the rules of law
2 and equity, including the law merchant, and in particular the rules
3 relating to the law of principal and agent, executors, administrators
4 and trustees, and to the effect of fraud, misrepresentation, duress or
5 coercion, mistake, bankruptcy, or other invalidating cause, shall govern.

1 SEC. 19. This Act shall be so interpreted and construed as to effectu-
2 ate its general purpose to make uniform the law of those States which
3 enact it.

1 SEC. 20. A certificate is indorsed when an assignment or a power of
2 attorney to sell, assign, or transfer the certificate or the shares repre-
3 sented thereby is written on the certificate and signed by the person
4 appearing by the certificate to be the owner of the shares represented
5 thereby, or when the signature of such person is written without more
6 upon the back of the certificate. In any of such cases a certificate is
7 indorsed though it has not been delivered.

1 SEC. 21. The person to whom a certificate was originally issued
2 is the person appearing by the certificate to be the owner thereof, and

3 of the shares represented thereby, until and unless he indorses the
 4 certificate to another specified person, and thereupon such other
 5 specified person is the person appearing by the certificate to be the
 6 owner thereof until and unless he also indorses the certificate to an-
 7 other specified person. Subsequent special indorsements may be made
 8 with like effect.

1 SEC. 22. (1) In this act, unless the context or subject matter
 2 otherwise requires—

3 "Certificate" means a certificate of stock in a corporation organized
 4 under the laws of this state or of another state whose laws are consist-
 5 ent with this act.

6 "Delivery" means voluntary transfer of possession from one person
 7 to another.

8 "Person" includes a corporation or partnership or two or more
 9 persons having a joint or common interest.

10 To "purchase" includes to take as mortgagee or as pledgee.

11 "Purchaser" includes mortgagee and pledgee.

12 "Shares" means a share or shares of stock in a corporation organized
 13 under the laws of this state or of another state whose laws are consist-
 14 ent with this act.

15 "State" includes state, territory, district and insular possession
 16 of the United States.

17 "Transfer" means transfer of legal title.

18 "Title" means legal title and does not include a merely equitable or
 19 beneficial ownership or interest.

20 "Value" is any consideration sufficient to support a simple contract.
 21 An antecedent or pre-existing obligation, whether for money or not,
 22 constitutes value where a certificate is taken either in satisfaction
 23 thereof or as security therefor.

24 (2) A thing is done "in good faith" within the meaning of this
 25 act, when it is in fact done honestly, whether it be done negligently
 26 or not.

1 SEC. 23. The provisions of this act apply only to certificates issued
 2 after the taking effect of this act.

1 SEC. 24. This act may be cited as the Uniform Stock Transfer Act.

1 SEC. 25. This Act being deemed of immediate importance shall
 2 be in full force and effect after publication in The Daily Times, a
 3 newspaper published at Davenport, Iowa, and The Daily Iowegian and
 4 Citizen, a newspaper published at Centerville, Iowa.

Approved February 10, 1947.

Publication refused by The Daily Times, Davenport, Iowa, February 11, 1947.

I hereby certify that the foregoing act was published in The Daily Iowegian and
 Citizen, February 12, 1947, and the Farm Bureau News, Bettendorf, Iowa, February
 20, 1947, under authority of Section 3.9, Code of Iowa, 1946.

ROLLO H. BERGESON, *Secretary of State.*