554.8304 Indorsement.

- 1. An indorsement may be in blank or special. An indorsement in blank includes an indorsement to bearer. A special indorsement specifies to whom a security is to be transferred or who has power to transfer it. A holder may convert a blank indorsement to a special indorsement.
- 2. An indorsement purporting to be only of part of a security certificate representing units intended by the issuer to be separately transferable is effective to the extent of the indorsement.
- 3. An indorsement, whether special or in blank, does not constitute a transfer until delivery of the certificate on which it appears or, if the indorsement is on a separate document, until delivery of both the document and the certificate.
- 4. If a security certificate in registered form has been delivered to a purchaser without a necessary indorsement, the purchaser may become a protected purchaser only when the indorsement is supplied. However, against a transferor, a transfer is complete upon delivery and the purchaser has a specifically enforceable right to have any necessary indorsement supplied.
- 5. An indorsement of a security certificate in bearer form may give notice of an adverse claim to the certificate, but it does not otherwise affect a right to registration that the holder possesses.
- 6. Unless otherwise agreed, a person making an indorsement assumes only the obligations provided in section 554.8108 and not an obligation that the security will be honored by the issuer.

[S13, §3060-a37, -a56; C24, 27, 31, 35, 39, §**9497, 9516;** C46, §541.37, 541.56; C50, 54, 58, 62, §493A.8, 541.37, 541.56; C66, 71, 73, 75, 77, 79, 81, §554.8304]

89 Acts, ch 113, §19; 96 Acts, ch 1138, §37, 84