(a) There were on or with [the] A CERTIFICATED security the necessary indorsements OR THE ISSUER HAD RECEIVED AN INSTRUCTION ORIGINATED BY AN APPROPRIATE PERSON (§ 8-308); and

(b) The issuer had no duty [to inquire into] AS TO adverse claims or has discharged [any such] THE duty (§ 8-403).

(2) [Where] IF an issuer has registered a transfer of a CERTIFICATED security to a person not entitled to it the issuer on demand [must] SHALL deliver a like security to the true owner unless:

(a) The registration was pursuant to subsection (1); [or]

(b) The owner is precluded from asserting any claim for registering the transfer under [subsection (1) of the following section] § 8-405(1); or

(c) [Such] THE delivery would result in overissue, in which case the issuer's liability is governed by § 8-104.

(3) IF AN ISSUER HAS IMPROPERLY REGISTERED A TRANSFER, PLEDGE OR RELEASE OF AN UNCERTIFICATED SECURITY, THE ISSUER ON DEMAND FROM THE INJURED PARTY SHALL RESTORE THE RECORDS AS TO THE INJURED PARTY TO THE CONDITION THAT WOULD HAVE OBTAINED IF THE IMPROPER REGISTRATION HAD NOT BEEN MADE UNLESS:

(A) THE REGISTRATION WAS PURSUANT TO SUBSECTION (1); OR

(B) THE REGISTRATION WOULD RESULT IN OVERISSUE, IN WHICH CASE THE ISSUER'S LIABILITY IS GOVERNED BY § 8-104.

8-405.

(1) [Where] IF a CERTIFICATED security has been lost, apparently destroyed or wrongfully taken and the owner fails to notify the issuer of that fact within a reasonable time after he has notice of it and the issuer registers a transfer of the security before receiving [such a] notification, the owner is precluded from asserting against the issuer any claim for registering the transfer under [the preceding section] § 8-404 or any claim to a new security under this section.

(2) [Where] IF the owner of [a] A CERTIFICATED security claims that the security has been lost, destroyed or wrongfully taken, the issuer [must] SHALL issue a new CERTIFICATED security OR, AT THE OPTION OF THE ISSUER, AN EQUIVALENT UNCERTIFICATED SECURITY in place of the original security if the owner:

(a) So requests before the issuer has notice that the security has been acquired by a bona fide purchaser; [and]