

SECURITY, OR SECURITY ENTITLEMENT OR IN SATISFYING THE CLAIM BY MEANS ALLOWED AT LAW OR IN EQUITY IN REGARD TO PROPERTY THAT CANNOT READILY BE REACHED BY OTHER LEGAL PROCESS.

8-113.

A CONTRACT OR MODIFICATION OF A CONTRACT FOR THE SALE OR PURCHASE OF A SECURITY IS ENFORCEABLE WHETHER OR NOT THERE IS A WRITING SIGNED OR RECORD AUTHENTICATED BY A PARTY AGAINST WHOM ENFORCEMENT IS SOUGHT, EVEN IF THE CONTRACT OR MODIFICATION IS NOT CAPABLE OF PERFORMANCE WITHIN 1 YEAR OF ITS MAKING.

8-114.

THE FOLLOWING RULES APPLY IN AN ACTION ON A CERTIFICATED SECURITY AGAINST THE ISSUER:

(1) UNLESS SPECIFICALLY DENIED IN THE PLEADINGS, EACH SIGNATURE ON A SECURITY CERTIFICATE OR IN A NECESSARY INDORSEMENT IS ADMITTED.

(2) IF THE EFFECTIVENESS OF A SIGNATURE IS PUT IN ISSUE, THE BURDEN OF ESTABLISHING EFFECTIVENESS IS ON THE PARTY CLAIMING UNDER THE SIGNATURE, BUT THE SIGNATURE IS PRESUMED TO BE GENUINE OR AUTHORIZED.

(3) IF SIGNATURES ON A SECURITY CERTIFICATE ARE ADMITTED OR ESTABLISHED, PRODUCTION OF THE CERTIFICATE ENTITLES A HOLDER TO RECOVER ON IT UNLESS THE DEFENDANT ESTABLISHES A DEFENSE OR A DEFECT GOING TO THE VALIDITY OF THE SECURITY.

(4) IF IT IS SHOWN THAT A DEFENSE OR DEFECT EXISTS, THE PLAINTIFF HAS THE BURDEN OF ESTABLISHING THAT THE PLAINTIFF OR SOME PERSON UNDER WHOM THE PLAINTIFF CLAIMS IS A PERSON AGAINST WHOM THE DEFENSE OR DEFECT CANNOT BE ASSERTED.

8-115.

A SECURITIES INTERMEDIARY THAT HAS TRANSFERRED A FINANCIAL ASSET IN ACCORDANCE WITH AN EFFECTIVE ENTITLEMENT ORDER, OR A BROKER OR OTHER AGENT OR BAILEE THAT HAS DEALT WITH A FINANCIAL ASSET AT THE DIRECTION OF ITS CUSTOMER OR PRINCIPAL, IS NOT LIABLE TO A PERSON HAVING AN ADVERSE CLAIM TO THE FINANCIAL ASSET, UNLESS THE SECURITIES INTERMEDIARY, OR BROKER OR OTHER AGENT OR BAILEE:

(1) TOOK THE ACTION AFTER IT HAD BEEN SERVED WITH AN INJUNCTION, RESTRAINING ORDER, OR OTHER LEGAL PROCESS ENJOINING IT FROM DOING SO, ISSUED BY A COURT OF COMPETENT JURISDICTION, AND HAD A REASONABLE OPPORTUNITY TO ACT ON THE INJUNCTION, RESTRAINING ORDER, OR OTHER LEGAL PROCESS; OR

(2) ACTED IN COLLUSION WITH THE WRONGDOER IN VIOLATING THE RIGHTS OF THE ADVERSE CLAIMANT; OR