

TO (I) THE PERSON WHO INITIATED THE DEMAND AT THE ADDRESS PROVIDED IN THE DEMAND AND (II) THE PERSON WHO PRESENTED THE SECURITY FOR REGISTRATION OF TRANSFER OR INITIATED THE INSTRUCTION REQUESTING REGISTRATION OF TRANSFER A NOTIFICATION STATING THAT:

(1) THE CERTIFICATED SECURITY HAS BEEN PRESENTED FOR REGISTRATION OF TRANSFER OR INSTRUCTION FOR REGISTRATION OF TRANSFER OF UNCERTIFICATED SECURITY HAS BEEN RECEIVED;

(2) A DEMAND THAT THE ISSUER NOT REGISTER TRANSFER HAD PREVIOUSLY BEEN RECEIVED; AND

(3) THE ISSUER WILL WITHHOLD REGISTRATION OF TRANSFER FOR A PERIOD OF TIME STATED IN THE NOTIFICATION IN ORDER TO PROVIDE THE PERSON WHO INITIATED THE DEMAND AN OPPORTUNITY TO OBTAIN LEGAL PROCESS OR AN INDEMNITY BOND.

(C) THE PERIOD DESCRIBED IN SUBSECTION (B)(3) OF THIS SECTION MAY NOT EXCEED 30 DAYS AFTER THE DATE OF COMMUNICATION OF THE NOTIFICATION. A SHORTER PERIOD MAY BE SPECIFIED BY THE ISSUER IF IT IS NOT MANIFESTLY UNREASONABLE.

(D) AN ISSUER IS NOT LIABLE TO A PERSON WHO INITIATED A DEMAND THAT THE ISSUER NOT REGISTER TRANSFER FOR ANY LOSS THE PERSON SUFFERS AS A RESULT OF REGISTRATION OF A TRANSFER IN ACCORDANCE WITH AN EFFECTIVE INDORSEMENT OR INSTRUCTION IF THE PERSON WHO INITIATED THE DEMAND DOES NOT, WITHIN THE TIME STATED IN THE ISSUER'S COMMUNICATION, EITHER:

(1) OBTAIN AN APPROPRIATE RESTRAINING ORDER, INJUNCTION, OR OTHER PROCESS FROM A COURT OF COMPETENT JURISDICTION ENJOINING THE ISSUER FROM REGISTERING THE TRANSFER; OR

(2) FILE WITH THE ISSUER AN INDEMNITY BOND, SUFFICIENT IN THE ISSUER'S JUDGMENT TO PROTECT THE ISSUER AND ANY TRANSFER AGENT, REGISTRAR, OR OTHER AGENT OF THE ISSUER INVOLVED FROM ANY LOSS IT OR THEY MAY SUFFER BY REFUSING TO REGISTER THE TRANSFER.

(E) THIS SECTION DOES NOT RELIEVE AN ISSUER FROM LIABILITY FOR REGISTERING TRANSFER PURSUANT TO AN INDORSEMENT OR INSTRUCTION THAT WAS NOT EFFECTIVE.

8-404.

(A) EXCEPT AS OTHERWISE PROVIDED IN § 8-406 OF THIS SUBTITLE, 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) IN ACCORDANCE WITH AN INEFFECTIVE INDORSEMENT OR INSTRUCTION;