

TITLE 5: UNIFORM COMMERCIAL CODE
DIVISION 8: INVESTMENT SECURITIES

§ 8104. Effect of Overissue; “Overissue.”

(1) The provisions of this division which validate a security or compel its issue or reissue do not apply to the extent that validation, issue, or reissue would result in overissue; but if:

(a) An identical security which does not constitute an overissue is reasonably available for purchase, the person entitled to issue or validation may compel the issuer to purchase the security for him and either to deliver a certificated security or to register the transfer of an uncertificated security to him, against surrender of any certificated security he holds; or

(b) A security is not so available for purchase, the person entitled to issue or validation may recover from the issuer the price he or the last purchaser for value paid for it with interest from the date of his demand.

(2) “Overissue” means the issue of securities in excess of the amount the issuer has corporate power to issue.

Source: PL 3-56, § 1 (§ 8104).