

## CHAPTER 183.

## UNIFORM STOCK TRANSFER ACT.

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**183.01 Transfer of stock.** (1) Title to a certificate and to the shares represented thereby can be transferred only:

(a) By delivery of the certificate indorsed either in blank or to a specified person by the person appearing by the certificate to be the owner of the shares represented thereby; or

(b) By delivery of the certificate and a separate document containing a written assignment of the certificate or a power of attorney to sell, assign, or transfer the same or the shares represented thereby, signed by the person appearing by the certificate to be the owner of the shares represented thereby. Such assignment or power of attorney may be either in blank or to a specified person.

(2) The provisions of this section shall be applicable although the charter or articles of incorporation or code of regulations or by-laws of the corporation issuing the certificate and the certificate itself provide that the shares represented thereby shall be transferable only on the books of the corporation or shall be registered by a registrar or transferred by a transfer agent.

See note to 230.43, citing Zander v. Holly, a new certificate issued in the name of the donee, or where a certificate is issued in the first instance in the name of the donee, there is a complete gift of corporate stock where the certificate has been transferred at the direction of the owner to the donor and not delivered to the donee. Zander v. Holly, 1 W (2d) 300, 84 NW (2d) 87.

**183.02 Legal capacity not enlarged.** Nothing in this chapter shall be construed as enlarging the powers of an infant or other person lacking full legal capacity, or of a trustee, executor or administrator, or other fiduciary, to make a valid indorsement, assignment or power of attorney.

**183.03 Corporation rights reserved.** Nothing in this chapter shall be construed as forbidding a corporation:

(1) To recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner; or

(2) To hold liable for calls and assessments a person registered on its books as the owner of shares.

**183.04 Holder in good faith takes title.** The title of a transferee of a certificate under a power of attorney or assignment not written upon the certificate, and the title of any person claiming under such transferee, shall cease and determine if, at any time prior to the surrender of the certificate to the corporation issuing it, another person, for value in good faith, and without notice of the prior transfer, shall purchase and obtain delivery of such certificate with the indorsement of the person appearing by the certificate to be the owner thereof, or shall purchase and obtain delivery of such certificate and the written assignment or power of attorney of such person, though contained in a separate document.

**183.05 Delivery of certificate.** The delivery of a certificate to transfer title in accordance with the provisions of section 183.01, is effectual, except as provided in section 183.07, though made by one having no right of possession and having no authority from the owner of the certificate or from the person purporting to transfer the title.

**183.06 Indorsement of certificate.** The indorsement of a certificate by the person appearing by the certificate to be the owner of the shares represented thereby is effectual, except as provided in section 183.07, though the indorser or transferor:

(1) Was induced by fraud, duress or mistake, to make the indorsement or delivery; or

dividend, benefit or pecuniary profit to be paid to or received by any of their members, directors or officers.

**History:** 1953 c. 186; 1955 c. 10.

**182.42 Not to be considered public utilities.** Turnpike corporations are not to be subject to regulations under ch. 196 as a public utility.

**History:** 1953 c. 186.

**182.43 Underpass authorized.** Wherever a turnpike project divides the land of one owner so as to prevent ingress to and egress from said lands, the corporation is authorized to provide an underpass or culvert sufficient to provide ingress and egress between said lands. Plans for the existence of an underpass shall be admissible in evidence in condemnation proceedings.

**History:** 1953 c. 186.

**182.44 Limitations on powers.** Turnpike corporations shall not have the power to secure any of their obligations by mortgage or pledge of all or any of their properties, either real, personal or mixed, except the pledging of tolls as herein provided.

**History:** 1953 c. 186.

**182.45 Reports.** On or before the first day of February of each year, the corporation shall make an annual report of its activities for the preceding calendar year to the secretary of state. Each such report shall set forth a complete operating and financial statement covering its operations during the year. The corporation shall cause an audit of its books to be made at least once each year by certified public accountants and the cost thereof may be treated as a part of the cost of the construction or of operations of the project.

**History:** 1953 c. 186.

**182.46 Tax exemptions.** The exercise of the powers granted by ss. 182.30 to 182.48 will be in all respects for the benefit of the people of this state, for the increase of their commerce and prosperity and for the improvement of their health and living conditions, therefore the corporation shall not be required to pay any taxes or assessments upon any turnpike project or any property acquired or used by the corporation under the provisions of ss. 182.30 to 182.48 or upon the income therefrom, and the bonds issued under the provisions of ss. 182.30 to 182.48, their transfer and the income therefrom (including any profit made on the sale thereof) shall at all times be free from taxation within this state.

**History:** 1953 c. 186; 1955 c. 10.

**182.47 Motor vehicle laws to apply.** (1) The provisions of chs. 86 and 341 to 349 relative to the operation of motor vehicles on highways and the protection of public highways including the weight restriction laws shall be applicable to turnpikes and for the purpose of these laws, turnpikes shall be deemed to be public highways. Turnpikes shall be considered as class "A" highways under s. 348.15 and all limitations on the use of such class "A" highways shall be applicable. Turnpikes shall not be subject to traffic control by any local governmental ordinance or rule.

(2) The corporation is authorized to hire suitable persons to enforce the statutes referred to in sub. (1), and, upon approval of the governor, they are vested for that purpose with the powers of state traffic officers. Such authority shall be evidenced by the governor's certificate of approval.

**History:** 1953 c. 186; 1957 c. 260.

**182.48 State may acquire.** When all turnpike revenue bonds issued under the provisions of ss. 182.30 to 182.48 in connection with any turnpike project or extension or sections thereof and the interest thereon shall have been paid or a sufficient amount for the payment of all such bonds and the interest thereon to the maturity thereof shall have been set aside in trust for the benefit of the bondholders, such project or extension or sections thereof, shall become a part of the state trunk highway system and shall thereafter be maintained by the state highway commission and shall be free of tolls.

**History:** 1953 c. 186; 1955 c. 10.

(2) Has revoked the delivery of the certificate, or the authority given by the indorsement or delivery of the certificate; or

(3) Has died or become legally incapacitated after the indorsement, whether before or after the delivery of the certificate; or

(4) Has received no consideration.

**183.07 Rescission.** (1) The possession of the certificate may be reclaimed and the transfer thereof rescinded:

(a) If the indorsement or delivery of a certificate was produced by fraud or duress, or was made under such mistake as to make the indorsement or delivery inequitable; or

(b) If the delivery of a certificate was made without authority from the owner, or after the owner's death or legal incapacity.

(2) The provisions of subsection (1) shall apply unless:

(a) The certificate has been transferred to a purchaser for value in good faith without notice of any facts making the transfer wrongful, or

(b) The injured person has elected to waive the injury, or has been guilty of laches in endeavoring to enforce his rights.

(3) Any court of appropriate jurisdiction may enforce specifically such right to reclaim the possession of the certificate or to rescind the transfer thereof and, pending litigation, may enjoin further transfer of the certificate or impound it.

**183.08 Holder in good faith takes title.** Although the transfer of a certificate or of shares represented thereby has been rescinded or set aside, nevertheless, if the transferee has possession of the certificate or of a new certificate representing part or the whole of the same shares of stock, a subsequent transfer of such certificate by the transferee, immediately or immediately, to a purchaser for value in good faith, without notice of any facts making the transfer wrongful, shall give such purchaser an indefeasible right to the certificate and the shares represented thereby.

**183.09 Delivery without indorsement.** The delivery of a certificate by the person appearing by the certificate to be the owner thereof without the indorsement requisite for the transfer of the certificate and the shares represented thereby, but with intent to transfer such certificate or shares shall impose an obligation, in the absence of an agreement to the contrary, upon the person so delivering, to complete the transfer by making the necessary indorsement. The transfer shall take effect as of the time when the indorsement is actually made. This obligation may be specifically enforced.

**183.10 Transfer without delivery.** An attempted transfer of title to a certificate or to the shares represented thereby without delivery of the certificate shall have the effect of a promise to transfer and the obligation, if any, imposed by such promise shall be determined by the law governing the formation and performance of contracts.

**183.11 Warranties.** (1) A person who for value transfers a certificate, including one who assigns for value a claim secured by a certificate, unless a contrary intention appears, warrants:

(a) That the certificate is genuine;

(b) That he has a legal right to transfer it; and

(c) That he has no knowledge of any fact which would impair the validity of the certificate.

(2) In the case of an assignment of a claim secured by a certificate, the liability of the assignor upon such warranty shall not exceed the amount of the claim.

**183.12 No warranty by pledgee.** A mortgagee, pledgee, or other holder for security of a certificate who in good faith demands or receives payment of the debt for which such certificate is security, whether from a party to a draft drawn for such debt, or from any other person, shall not by so doing be deemed to represent or to warrant the genuineness of such certificate, or the value of the shares represented thereby.

**183.125 No attachment or levy upon shares unless certificate surrendered or transfer enjoined.** No attachment or levy upon shares of stock for which a certificate is outstanding shall be valid until such certificate be actually seized by the officer making the attachment or levy, or be surrendered to the corporation which issued it, or its transfer by the holder be enjoined. Except where a certificate is lost or destroyed, such corporation shall not be compelled to issue a new certificate for the stock until the old certificate is surrendered to it.

**183.13 Stock inures to creditor.** A creditor whose debtor is the owner of a certificate shall be entitled to such aid from courts of appropriate jurisdiction, by injunction and otherwise, in attaching such certificate or in satisfying the claim by means thereof as is allowed at law or in equity, in regard to property which cannot readily be attached or levied upon by ordinary legal process.

**183.14 Liens of corporation; restrictions on transfer.** There shall be no lien in favor of a corporation upon the shares represented by a certificate issued by such corporation and there shall be no restriction upon the transfer of shares so represented by virtue of any bylaws of such corporation, or otherwise, unless the right of the corporation to such lien or the restriction is stated upon the certificate.

An agreement between a corporation and all its stockholders whereby the corporation agreed to buy the stock of a severing stockholder was void because not stated on the stock certificate, but could be treated as a continuing offer to buy, which, if accepted by a stockholder before it was withdrawn, would ripen into a binding contract. Larson v. Superior Auto Parts, Inc. 270 W 613, 72 NW (2d) 316.

**183.15 Alterations.** The alteration of a certificate, whether fraudulent or not and by whomsoever made, shall not deprive the owner of his title to the certificate and the shares originally represented thereby, and the transfer of such a certificate shall convey to the transferee a good title to such certificate and to the shares originally represented thereby.

**183.16 Lost or destroyed certificates.** (1) Where a certificate has been lost or destroyed, a court of competent jurisdiction may order the issue of a new certificate therefor on service of process upon the corporation and on reasonable notice by publication, and in any other way which the court may direct, to all persons interested, and upon satisfactory proof of such loss or destruction and upon the giving of a bond with sufficient surety to be approved by the court to protect the corporation or any person injured by the issue of the new certificate from any liability or expense which it or they may incur by reason of the original certificate remaining outstanding. The court may also in its discretion order the payment of the corporation's reasonable costs and counsel fees. The issue of a new certificate under an order of the court as provided in this section, shall not relieve the corporation from liability in damages to a person to whom the original certificate has been or shall be transferred for value without notice of the proceedings or of the issuance of the new certificate.

(2) Notwithstanding any other provision of the statutes the board of directors, upon receipt of evidence satisfactory to them of the loss or destruction of a certificate of stock, and upon receipt of indemnity satisfactory to them if requested, or upon surrender and cancellation of a mutilated certificate of stock, shall have the authority to cause to be executed and delivered a new certificate of stock of like tenor.

**183.17 Law merchant controls.** In any case not provided for by this chapter the rules of law and equity, including the law merchant, and in particular the rules relating to the law of principal and agent, executors, administrators and trustees, and to the effect of fraud, misrepresentation, duress or coercion, mistake, bankruptcy, or other invalidating cause, shall govern.

**183.18 Uniformity of construction.** The provisions of this chapter shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those states which enact it.

**183.19 Indorsement defined.** A certificate is indorsed when an assignment or a power of attorney to sell, assign or transfer the certificate or the shares represented thereby is written on the certificate and signed by the person appearing by the certificate to be the owner of the shares represented thereby, or when the signature of such person is written without more upon the back of the certificate. In any of such cases a certificate is indorsed though it has not been delivered.

**183.20 Certificate owner defined.** The person to whom a certificate was originally issued is the person appearing by the certificate to be the owner thereof, and of the shares represented thereby, until and unless he indorses the certificate to another specified person, and thereupon such other specified person is the person appearing by the certificate to be the owner thereof until and unless he also indorses the certificate to another specified person. Subsequent special indorsements may be made with like effect.

**183.21 Definitions.** (1) In this chapter, unless the context or subject matter otherwise requires:

(a) "Certificate" means a certificate of stock in a corporation organized under the laws of this state or of another state whose laws are consistent with this chapter.

(b) "Delivery" means voluntary transfer of possession from one person to another.

(c) "Person" includes a corporation or partnership or two or more persons having a joint or common interest.

(d) To "purchase" includes to take as mortgagee or as pledgee.

(e) "Purchaser" includes mortgagee and pledgee.

(f) "Shares" means a share or shares of stock in a corporation organized under the laws of this state or of another state whose laws are consistent with this chapter.

(g) "State" includes state, territory, district and insular possessions of the United States.

(h) "Transfer" means transfer of legal title.

(i) "Title" means legal title and does not include a merely equitable or beneficial ownership or interest.

(j) "Value" is any consideration sufficient to support a simple contract.

(2) An antecedent or pre-existing obligation, whether for money or not, constitutes value where a certificate is taken either in satisfaction thereof or as security therefor.

(3) A thing is done "in good faith" within the meaning of this chapter, when it is in fact done honestly, whether it be done negligently or not.

**183.22 Application of chapter.** The provisions of this chapter apply only to certificates issued after June 9, 1913.

**183.23 Citation.** This chapter may be cited as the "Uniform Stock Transfer Act."

**183.24 Transfer on books, how compelled.** Whenever it shall be made to appear to the circuit court, by affidavit or otherwise, that the secretary or other proper officer of any corporation has, upon proper demand, neglected or refused for two days to transfer on the stock books of the said corporation any stock which it is his duty to transfer such court shall immediately issue an order requiring said secretary to show cause before said court, at some time named in said order not more than ten days from the date thereof, why he should not transfer such stock, and shall in said order direct the manner of its service; and when said order is returnable, unless said secretary shows cause to the satisfaction of the court why such stock should not be transferred, said court shall order such transfer to be made by said secretary at such time and place as to said court shall seem reasonable, and may enforce the performance thereof by proceedings for contempt.