

[CHAPTER 728]

AN ACT

To amend further the Civil Service Retirement Act, approved May 29, 1930, as amended.

December 23, 1944
[S. 1481]
[Public Law 566]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Civil Service Retirement Act, of May 29, 1930, as amended, is hereby amended by adding at the end thereof the following paragraph:

“Notwithstanding any provision of law to the contrary, the right of any person entitled to an annuity under this Act shall not be affected because such person has received an award of compensation in a lump sum under section 14 of the Act entitled ‘An Act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes’, approved September 7, 1916, as amended, except that where such annuity is payable on account of the same disability for which compensation under such section of such Act of September 7, 1916, has been paid, so much of such compensation as has been paid for any period extended beyond the date such annuity becomes effective, as determined by the United States Employees’ Compensation Commission, shall be refunded to the United States Employees’ Compensation Commission, to be covered into the Employees’ Compensation Fund. Before such person shall receive such annuity he shall (1) refund to such Commission the amount representing such commuted payments for such extended period, or (2) authorize the deduction of such amount from the annuity payable to him under this Act, which amount shall be transmitted to such Commission for reimbursement to such fund. Deductions from such annuity may be made from accrued and accruing payments, or may be prorated against and paid from accruing payments in such manner as the United States Employees’ Compensation Commission shall determine, whenever it finds that the financial circumstances of the annuitant are such as to warrant such deferred refunding.”

Civil Service Retirement Act, amendment.
46 Stat. 472.
5 U. S. C. §§ 710-714.
Disability awards, effect on right to annuity.

39 Stat. 746.
5 U. S. C. § 764.

Approved December 23, 1944.

[CHAPTER 729]

AN ACT

To regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto.

December 23, 1944
[S. 1079]
[Public Law 567]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Uniform Stock Transfer Act, D. C.

HOW TITLE TO CERTIFICATES AND SHARES MAY BE TRANSFERRED

SECTION 1. That title to a certificate and to the shares represented thereby can be transferred only—

(a) by delivery of the certificate endorsed 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 specific person.

The provisions of this section shall be applicable although the charter or articles of incorporation or code of regulations or bylaws 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.

**POWERS OF THOSE LACKING FULL LEGAL CAPACITY AND OF FIDUCIARIES
NOT ENLARGED**

SEC. 2. Nothing in this Act 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 endorsement, assignment, or power of attorney.

CORPORATION NOT FORBIDDEN TO TREAT REGISTERED HOLDER AS OWNER

SEC. 3. Nothing in this Act shall be construed as forbidding a corporation—

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

**TITLE DERIVED FROM CERTIFICATE EXTINGUISHES TITLE DERIVED FROM A
SEPARATE DOCUMENT**

SEC. 4. 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 endorsement 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.

WHO MAY DELIVER A CERTIFICATE

SEC. 5. The delivery of a certificate to transfer title in accordance with the provisions of section 1 is effectual, except as provided in section 7, 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.

ENDORSEMENT EFFECTUAL IN SPITE OF FRAUD, DURESS, MISTAKE, REVOCATION, DEATH, INCAPACITY, OR LACK OF CONSIDERATION OR AUTHORITY

SEC. 6. The endorsement 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 7, though the endorser or transferor—

- (a) was induced by fraud, duress, or mistake, to make the endorsement or delivery; or
- (b) has revoked the delivery of the certificate or the authority given by the endorsement or delivery of the certificate; or
- (c) has died or become legally incapacitated after the endorsement, whether before or after the delivery of the certificate; or
- (d) has received no consideration.

RESCISSION OF TRANSFER

SEC. 7. If the endorsement or delivery of a certificate—

- (a) was procured by fraud or duress; or
- (b) was made under such mistake as to make the endorsement or delivery inequitable; or

If the delivery of a certificate was made—

- (c) without authority from the owner; or
- (d) after the owner's death or legal incapacity, the possession of the certificate may be reclaimed and the transfer thereof rescinded, unless—

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

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

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 the further transfer of the certificate or impound it.

RESCISSION OF TRANSFER OF CERTIFICATE DOES NOT INVALIDATE SUBSEQUENT TRANSFER BY TRANSFEREE IN POSSESSION

SEC. 8. 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, mediately 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.

DELIVERY OF UNENDORSED CERTIFICATE IMPOSES OBLIGATION TO ENDORSE

SEC. 9. The delivery of a certificate by the person appearing by the certificate to be the owner thereof without the endorsement 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 endorsement. The transfer shall take effect as of the time when the endorsement is actually made. This obligation may be specifically enforced.

INEFFECTUAL ATTEMPT TO TRANSFER AMOUNTS TO A PROMISE TO TRANSFER

SEC. 10. 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.

WARRANTIES ON SALE OF CERTIFICATE

SEC. 11. 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.

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.

NO WARRANTY IMPLIED FROM ACCEPTING PAYMENT OF A DEBT

SEC. 12. 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.

NO ATTACHMENT OR LEVY UPON SHARES UNLESS CERTIFICATES
SURRENDERED OR TRANSFER ENJOINED

SEC. 13. 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.

CREDITOR'S REMEDIES TO REACH CERTIFICATE

SEC. 14. 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.

THERE SHALL BE NO LIEN OR RESTRICTION UNLESS INDICATED ON
CERTIFICATE

SEC. 15. 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.

ALTERATION OF CERTIFICATE DOES NOT DIVEST TITLE TO SHARES

SEC. 16. 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.

LOST OR DESTROYED CERTIFICATE

SEC. 17. 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.

RULE FOR CASES NOT PROVIDED FOR BY THIS ACT

SEC. 18. In any case not provided for by this Act, 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.

INTERPRETATION SHALL GIVE EFFECT TO PURPOSE OF UNIFORMITY

SEC. 19. This Act shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those States which enact it.

DEFINITION OF ENDORSEMENT

SEC. 20. A certificate is endorsed 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 endorsed though it has not been delivered.

DEFINITION OF PERSON APPEARING TO BE THE OWNER OF CERTIFICATE

SEC. 21. 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 endorses 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 endorses the certificate to another specified person. Subsequent special endorsements may be made with like effect.

OTHER DEFINITIONS

SEC. 22. (1) In this Act, unless the context or subject matter otherwise requires—

“Certificate” means a certificate of stock in a corporation organized under the laws of the United States, or of the District of Columbia, or of another State whose laws are consistent with this Act.

“Delivery” means voluntary transfer of possession from one person to another.

“Person” includes a corporation or partnership of two or more persons having a joint or common interest.

“To purchase” includes to take as mortgagee or as pledgee.

“Purchaser” includes mortgagee and pledgee.

“Shares” means a share or shares of stock in a corporation organized under the laws of the United States, or of the District of

Columbia, or of another State whose laws are consistent with this Act.

“State” includes State, Territory, district, and insular possession of the United States.

“Transfer” means transfer of legal title.

“Title” means legal title and does not include a merely equitable or beneficial ownership or interest.

“Value” is any consideration sufficient to support a simple contract. An antecedent or preexisting obligation, whether for money or not, constitutes value where a certificate is taken either in satisfaction thereof or as security therefor.

(2) A thing is done “in good faith” within the meaning of this Act, when it is in fact done honestly, whether it be done negligently or not.

ACT DOES NOT APPLY TO EXISTING CERTIFICATES

SEC. 23. The provisions of this Act apply only to certificates issued after the taking effect of this Act.

INCONSISTENT LEGISLATION REPEALED

SEC. 24. All Acts or parts of Acts inconsistent with this Act are hereby repealed.

TIME WHEN THE ACT TAKES EFFECT

SEC. 25. This Act shall take effect on the 1st day of January, 1945.

NAME OF ACT

SEC. 26. This Act may be cited as the “Uniform Stock Transfer Act”.

Approved December 23, 1944.

[CHAPTER 730]

AN ACT

To eliminate as uncollectible certain credits of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, at the close of the fiscal year 1945, there are hereby authorized and directed to be eliminated, as uncollectible, from the accounts of the Treasury Department, the Post Office Department, and the General Accounting Office, the following items which have been carried as “Unavailable cash” since the year 1861: Assistant Treasurer of the United States, New Orleans, Louisiana, 1861, \$31,164.44; Depositories at Savannah, Georgia, 1861, \$205.76; Galveston, Texas, 1861, \$83.36; Little Rock, Arkansas, 1861, \$5,823.50.

The necessary bookkeeping entries are hereby authorized and directed to be made on the books of the Government to accomplish the purposes of this Act.

Approved December 23, 1944.

December 23, 1944

[S. 2071]

[Public Law 568]

Elimination of certain credits of U. S.