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Lack of genuineness of a certificated security is one complete defense of the issuer. [FN7]

[FN7] “Genuine” is defined in the Code as “free of forgery or counterfeiting.” U.C.C. § 1-201(18). [U.C.C. § 1-201(b)(19)(2001)]. A problem arises under Delaware law, in that Delaware courts have not clearly indicated whether a failure to comply with the procedural requirements, such as Delaware Gen. Corp. Law §§ 102(a)(4), 151, would make the security that the certificate attempts to represent void, or merely voidable. If the security is void, then no rights could be derived from the acquisition of the certificate, i.e. a void security, while a certificate that is voidable would allow ratification or other forms of validation subsequent to the issue of the certificate. The position taken by the author is that a certificate is "merely a muniment of title." It is evidence of the ownership of the stock. See Chapter 1, § 1:5 Page 1-16, notes 2 and 3. Delaware cases have vacillated holding a defective issuance of a certificate makes the security void, though on similar facts subsequent validation was allowed. See further Bigler and Tillman: Void or Voidable?—Curing Defects in Stock Issuances Under Delaware Law, 63 Business Lawyer, 1109 (2008) for a discussion of the approach of the Delaware Courts to this issue.