

(2) Unless otherwise agreed when documents appear on their face to comply with the terms of a credit but a required document does not in fact conform to the warranties made on negotiation or transfer of a document of title (§ 7-507) or of a CERTIFICATED security (§ 8-306) or is forged or fraudulent or there is fraud in the transaction:

(a) The issuer must honor the draft or demand for payment if honor is demanded by a negotiating bank or other holder of the draft or demand which has taken the draft or demand under the credit and under circumstances which would make it a holder in due course (§ 3-302) and in an appropriate case would make it a person to whom a document of title has been duly negotiated (§ 7-502) or a bona fide purchaser of a CERTIFICATED security (§ 8-302); and

(b) In all other cases as against its customer, an issuer acting in good faith may honor the draft or demand for payment despite notification from the customer of fraud, forgery or other defect not apparent on the face of the documents but a court of appropriate jurisdiction may enjoin such honor.

8-101.

This title shall be known and may be cited as Maryland Uniform Commercial Code -- Investment Securities.

8-102.

(1) In this title unless the context otherwise requires:

(a) [A "security" is an instrument which

(i) Is issued in bearer or registered form; and

(ii) Is of a type commonly dealt in upon securities exchanges or markets or commonly recognized in any area in which it is issued or dealt in as a medium for investment; and

(iii) Is either one of a class or series or by its terms is divisible into a class or series of instruments; and

(iv) Evidences a share, participation or other interest in property or in an enterprise or evidences an obligation of the issuer.] A "CERTIFICATED SECURITY" IS A SHARE, PARTICIPATION, OR OTHER INTEREST IN PROPERTY OF, OR AN ENTERPRISE OF, THE ISSUER OR AN OBLIGATION OF THE ISSUER WHICH IS:

(I) REPRESENTED BY AN INSTRUMENT ISSUED IN BEARER OR REGISTERED FORM;

(II) OF A TYPE COMMONLY DEALT IN ON SECURITIES EXCHANGES OR MARKETS OR COMMONLY RECOGNIZED IN ANY AREA IN WHICH IT IS ISSUED OR DEALT IN AS A MEDIUM FOR INVESTMENT; AND