

ISSUER MAY ELECT TO TREAT THE INSTRUCTION AS A TRANSFER INSTRUCTION UNDER SUBSECTION (3) OF § 8-407. IF THE ISSUER SO ELECTS, THE ISSUER SHALL, IN LIEU OF REGISTERING THE PLEDGE:

(A) CANCEL THE UNCERTIFICATED SECURITY;

(B) ISSUE, IN THE NAME OF THE REGISTERED OWNER, AN EQUIVALENT CERTIFICATED SECURITY ON WHICH SHALL BE NOTED CONSPICUOUSLY ANY LIENS AND RESTRICTIONS OF THE ISSUER AND ANY ADVERSE CLAIMS (AS TO WHICH, THE ISSUER HAS A DUTY UNDER SUBSECTION (4) OF § 8-403) TO WHICH THE UNCERTIFICATED SECURITY WAS SUBJECT;

(C) DELIVER THE CERTIFICATED SECURITY TO THE REGISTERED OWNER; AND

(D) NOTIFY THE INTENDED REGISTERED PLEDGEE THAT THE ISSUER HAS SO ELECTED.

8-402.

(1) The issuer may require the following assurance that each necessary indorsement OF A CERTIFICATED SECURITY OR EACH INSTRUCTION (§ 8-308) is genuine and effective:

(a) In all cases, a guarantee of the signature ([subsection (1) of] § 8-312 (1) OR (2)) of the person indorsing A CERTIFICATED SECURITY OR ORIGINATING AN INSTRUCTION INCLUDING, IN THE CASE OF AN INSTRUCTION, A WARRANTY OF THE TAXPAYER IDENTIFICATION NUMBER OR, IN THE ABSENCE THEREOF, OTHER REASONABLE ASSURANCE OF IDENTITY; [and]

(b) [Where] IF the indorsement is MADE OR THE INSTRUCTION IS ORIGINATED by an agent, appropriate assurance of authority to sign;

(c) [Where] IF the indorsement is MADE OR THE INSTRUCTION IS ORIGINATED by a fiduciary, appropriate evidence of appointment or incumbency;

(d) [Where] IF there is more than one fiduciary, reasonable assurance that all who are required to sign have done so; AND

(e) [Where] IF the indorsement is MADE OR THE INSTRUCTION IS ORIGINATED by a person not covered by any of the foregoing, assurance appropriate to the case corresponding as nearly as may be to the foregoing.

(2) A "guarantee of the signature" in subsection (1) means a guarantee signed by or on behalf of a person reasonably believed by the issuer to be responsible. The issuer may adopt standards with respect to responsibility [provided such standards] IF THEY are not manifestly unreasonable.