(1)   THE ELECTRONIC DOCUMENT CEASES TO HAVE ANY EFFECT OR VALIDITY; AND

(2)   THE PERSON THAT PROCURED ISSUANCE OF THE TANGIBLE DOCUMENT WARRANTS TO ALL SUBSEQUENT PERSONS ENTITLED UNDER THE TANGIBLE DOCUMENT THAT THE WARRANTOR WAS A PERSON ENTITLED UNDER THE ELECTRONIC DOCUMENT WHEN THE WARRANTOR SURRENDERED CONTROL OF THE ELECTRONIC DOCUMENT TO THE ISSUER.

(C)   UPON REQUEST OF A PERSON ENTITLED UNDER A TANGIBLE DOCUMENT OF TITLE, THE ISSUER OF THE TANGIBLE DOCUMENT MAY ISSUE AN ELECTRONIC DOCUMENT OF TITLE AS A SUBSTITUTE FOR THE TANGIBLE DOCUMENT IF:

(1)   THE PERSON ENTITLED UNDER THE TANGIBLE DOCUMENT SURRENDERS POSSESSION OF THE DOCUMENT TO THE ISSUER; AND

(2)   THE ELECTRONIC DOCUMENT WHEN ISSUED CONTAINS A STATEMENT THAT IT IS ISSUED IN SUBSTITUTION FOR THE TANGIBLE DOCUMENT.

(D)   UPON ISSUANCE OF AN ELECTRONIC DOCUMENT OF TITLE IN SUBSTITUTION FOR A TANGIBLE DOCUMENT OF TITLE IN ACCORDANCE WITH SUBSECTION (C):

(1)   THE TANGIBLE DOCUMENT CEASES TO HAVE ANY EFFECT OR VALIDITY; AND

(2)   THE PERSON THAT PROCURED ISSUANCE OF THE ELECTRONIC DOCUMENT WARRANTS TO ALL SUBSEQUENT PERSONS ENTITLED UNDER THE ELECTRONIC DOCUMENT THAT THE WARRANTOR WAS A PERSON ENTITLED UNDER THE TANGIBLE DOCUMENT WHEN THE WARRANTOR SURRENDERED POSSESSION OF THE TANGIBLE DOCUMENT TO THE ISSUER.

7–106.

(A)   A PERSON HAS CONTROL OF AN ELECTRONIC DOCUMENT OF TITLE IF A SYSTEM EMPLOYED FOR EVIDENCING THE TRANSFER OF INTERESTS IN THE ELECTRONIC DOCUMENT RELIABLY ESTABLISHES THAT PERSON AS THE PERSON TO WHICH THE ELECTRONIC DOCUMENT WAS ISSUED OR TRANSFERRED.

(B)   A SYSTEM SATISFIES SUBSECTION (A), AND A PERSON IS DEEMED TO HAVE CONTROL OF AN ELECTRONIC DOCUMENT OF TITLE, IF THE DOCUMENT IS CREATED, STORED, AND ASSIGNED IN SUCH A MANNER THAT:

(1)   A SINGLE AUTHORITATIVE COPY OF THE DOCUMENT EXISTS WHICH IS UNIQUE, IDENTIFIABLE, AND, EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPHS (4), (5), AND (6), UNALTERABLE;

(2)   THE AUTHORITATIVE COPY IDENTIFIES THE PERSON ASSERTING CONTROL AS:

(A)   THE PERSON TO WHICH THE DOCUMENT WAS ISSUED; OR