

355.9-331 Priority of rights of purchasers of controllable accounts, controllable electronic records, controllable payment tangibles, documents, instruments, and securities under other articles -- Priority of interests in financial assets and security entitlements and protection against assertion of claim under Articles 8 and 12.

- (1) This article does not limit the rights of a holder in due course of a negotiable instrument, a holder to which a negotiable document of title has been duly negotiated, a protected purchaser of a security, or a qualifying purchaser of a controllable account, controllable electronic record, or controllable payment intangible. These holders or purchasers take priority over an earlier security interest, even if perfected, to the extent provided in Articles 3, 7, 8, and 12 of this chapter.
- (2) This article does not limit the rights of or impose liability on a person to the extent that the person is protected against the assertion of a claim under Article 8 or 12 of this chapter.
- (3) Filing under this article does not constitute notice of a claim or defense to the holders, or purchasers, or persons described in subsections (1) and (2) of this section.

Effective: January 1, 2025

History: Amended 2024 Ky. Acts ch. 10, sec. 72, effective January 1, 2025. -- Created 2000 Ky. Acts ch. 408, sec. 71, effective July 1, 2001.