

**355.9-206 Security interest arising in purchase or delivery of financial asset.**

- (1) A security interest in favor of a securities intermediary attaches to a person's security entitlement if:
  - (a) The person buys a financial asset through the securities intermediary in a transaction in which the person is obligated to pay the purchase price to the securities intermediary at the time of the purchase; and
  - (b) The securities intermediary credits the financial asset to the buyer's securities account before the buyer pays the securities intermediary.
- (2) The security interest described in subsection (1) of this section secures the person's obligation to pay for the financial asset.
- (3) A security interest in favor of a person that delivers a certificated security or other financial asset represented by a writing attaches to the security or other financial asset if:
  - (a) The security or other financial asset:
    1. In the ordinary course of business is transferred by delivery with any necessary indorsement or assignment; and
    2. Is delivered under an agreement between persons in the business of dealing with such securities or financial assets; and
  - (b) The agreement calls for delivery against payment.
- (4) The security interest described in subsection (3) of this section secures the obligation to make payment for the delivery.

**Effective:** July 1, 2001

**History:** Repealed and reenacted 2000 Ky. Acts ch. 408, sec. 36, effective July 1, 2001.  
-- Amended 1964 Ky. Acts ch. 130, sec. 22, effective July 1, 1964. -- Created 1958 Ky. Acts ch. 77, sec. 9-206, effective July 1, 1960.