Cherokee Nation Code Annotated
Title 80: Uniform Commercial Code
Article 8: Investment Securities
Part 5. Security Entitlements
§ 8–510. Rights of purchaser of security entitlement from entitlement holder
Cite as: 80 CNCA § 8-510

Rights of Purchaser of Security Entitlement From Entitlement Holder

(a) An action based on an adverse claim to a financial asset or security entitlement, whether framed in conversion, replevin, constructive trust, equitable lien, or other theory, may not be asserted against a person who purchases a security entitlement, or an interest therein, from an entitlement holder if the purchaser gives value, does not have notice of the adverse claim, and obtains control.

(b) If an adverse claim could not have been asserted against an entitlement holder under 80 CNCA § 8–502, the adverse claim cannot be asserted against a person who purchases a security entitlement, or an interest therein, from the entitlement holder.

(c) In a case not covered by the priority rules in Article 9, a purchaser for value of a security entitlement, or an interest therein, who obtains control has priority over a purchaser of a security entitlement, or an interest therein, who does not obtain control. Purchasers who have control rank equally, except that a securities intermediary as purchaser has priority over a conflicting purchaser who has control unless otherwise agreed by the securities intermediary.

Historical Data

LA 26–03, eff. October 2, 2003.