

**§ 25-9-206. Security interest arising in purchase or delivery of financial asset.**

(a) Security interest when person buys through securities intermediary. – A security interest in favor of a securities intermediary attaches to a person's security entitlement if:

- (1) 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
- (2) The securities intermediary credits the financial asset to the buyer's securities account before the buyer pays the securities intermediary.

(b) Security interest secures obligation to pay for financial asset. – The security interest described in subsection (a) of this section secures the person's obligation to pay for the financial asset.

(c) Security interest in payment against delivery transaction. – 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:

- (1) The security or other financial asset:
  - a. In the ordinary course of business is transferred by delivery with any necessary indorsement or assignment; and
  - b. Is delivered under an agreement between persons in the business of dealing with such securities or financial assets; and
- (2) The agreement calls for delivery against payment.

(d) Security interest secures obligation to pay for delivery. – The security interest described in subsection (c) of this section secures the obligation to make payment for the delivery. (1997-181, s. 6; 2000-169, s. 1.)