**§8-1503. Property interest of entitlement holder in financial asset held by securities intermediary**

**(1).**  To the extent necessary for a securities intermediary to satisfy all security entitlements with respect to a particular financial asset, all interests in that financial asset held by the securities intermediary are held by the securities intermediary for the entitlement holders, are not property of the securities intermediary and are not subject to claims of creditors of the securities intermediary, except as otherwise provided in section 8‑1511.

[PL 1997, c. 429, Pt. B, §2 (NEW).]

**(2).**  An entitlement holder's property interest with respect to a particular financial asset under subsection (1) is a pro rata property interest in all interests in that financial asset held by the securities intermediary, without regard to the time the entitlement holder acquired the security entitlement or the time the securities intermediary acquired the interest in that financial asset.

[PL 1997, c. 429, Pt. B, §2 (NEW).]

**(3).**  An entitlement holder's property interest with respect to a particular financial asset under subsection (1) may be enforced against the securities intermediary only by exercise of the entitlement holder's rights under sections 8‑1505 to 8‑1508.

[PL 1997, c. 429, Pt. B, §2 (NEW).]

**(4).**  An entitlement holder's property interest with respect to a particular financial asset under subsection (1) may be enforced against a purchaser of the financial asset or interest in the financial asset only if:

(a). Insolvency proceedings have been initiated by or against the securities intermediary; [PL 1997, c. 429, Pt. B, §2 (NEW).]

(b). The securities intermediary does not have sufficient interests in the financial asset to satisfy the security entitlements of all of its entitlement holders to that financial asset; [PL 1997, c. 429, Pt. B, §2 (NEW).]

(c). The securities intermediary violated its obligations under section 8‑1504 by transferring the financial asset or interest in the financial asset to the purchaser; and [PL 1997, c. 429, Pt. B, §2 (NEW).]

(d). The purchaser is not protected under subsection (5). The trustee or other liquidator, acting on behalf of all entitlement holders having security entitlements with respect to a particular financial asset, may recover the financial asset, or interest in the financial asset, from the purchaser. If the trustee or other liquidator elects not to pursue that right, an entitlement holder whose security entitlement remains unsatisfied has the right to recover its interest in the financial asset from the purchaser. [PL 1997, c. 429, Pt. B, §2 (NEW).]

[PL 1997, c. 429, Pt. B, §2 (NEW).]

**(5).**  An action based on the entitlement holder's property interest with respect to a particular financial asset under subsection (1), whether framed in conversion, replevin, constructive trust, equitable lien or other theory, may not be asserted against any purchaser of a financial asset or interest in a financial asset who gives value, obtains control and does not act in collusion with the securities intermediary in violating the securities intermediary's obligations under section 8‑1504.

[PL 1997, c. 429, Pt. B, §2 (NEW).]

SECTION HISTORY

PL 1997, c. 429, §B2 (NEW).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 131st Maine Legislature and is current through January 1, 2025
 . The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.