

(b) *An unpaid transferee of the chattel paper has a security interest in the goods against the transferor. Such security interest is prior to a security interest asserted under paragraph (a) to the extent that the transferee of the chattel paper was entitled to priority under Section 9—308.*

(c) *An unpaid transferee of the account has a security interest in the goods against the transferor. Such security is subordinate to a security interest asserted under paragraph (a).*

(d) *A security interest of an unpaid transferee asserted under paragraph (b) or (c) must be perfected for protection against creditors of the transferor and purchasers of the returned or repossessed goods.*

#### **9—307. Protection of Buyers of Goods.—**

(1) *A buyer in ordinary course of business (subsection (9) of Section 1—201) other than a person buying farm products from a person engaged in farming operations takes free of a security interest created by his seller even though the security interest is perfected and even though the buyer knows of its existence.*

(2) *In the case of consumer goods having an original purchase price not in excess of \$500 and in the case of farm equipment having an original purchase price not in excess of \$500 (other than fixtures, see Section 9—313), a buyer takes free of a security interest even though perfected if he buys without knowledge of the security interest, for value and for his own personal, family or household purposes or his own farming operations unless prior to the purchase the secured party has filed a financing statement covering such goods.*

#### **9—308. Purchase of Chattel Paper and Non-Negotiable Instruments.—**

*A purchaser of chattel paper or a non-negotiable instrument who gives new value and takes possession of it in the ordinary course of his business and without knowledge that the specific paper or instrument is subject to a security interest has priority over a security interest which is perfected under Section 9—304 (permissive filing and temporary perfection). A purchaser of chattel paper who gives new value and takes possession of it in the ordinary course of his business has priority over a security interest in chattel paper which is claimed merely as proceeds of inventory subject to a security interest (Section 9—306), even though he knows that the specific paper is subject to the security interest.*

#### **9—309. Protection of Purchasers of Instruments and Documents.—**

*Nothing in this Sub-title limits the rights of a holder in due course of a negotiable instrument (Section 3—302) or a holder to whom a negotiable document of title has been duly negotiated (Section 7—501) or a bona fide purchaser of a security (Section 8—301) and such holders or purchasers take priority over an earlier security interest even though perfected. Filing under this Sub-title does not constitute notice of the security interest to such holders or purchasers.*