

THE OTHER PERSON IS TREATED AS HOLDING THE FINANCIAL ASSET DIRECTLY RATHER THAN AS HAVING A SECURITY ENTITLEMENT WITH RESPECT TO THE FINANCIAL ASSET.

(E) ISSUANCE OF A SECURITY IS NOT ESTABLISHMENT OF A SECURITY ENTITLEMENT.

8-502.

AN ACTION BASED ON AN ADVERSE CLAIM TO A FINANCIAL ASSET, WHETHER FRAMED IN CONVERSION, REPLEVIN, CONSTRUCTIVE TRUST, EQUITABLE LIEN, OR OTHER THEORY, MAY NOT BE ASSERTED AGAINST A PERSON WHO ACQUIRES A SECURITY ENTITLEMENT UNDER § 8-501 OF THIS SUBTITLE FOR VALUE AND WITHOUT NOTICE OF THE ADVERSE CLAIM.

8-503.

(A) 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 § 8-511 OF THIS SUBTITLE.

(B) AN ENTITLEMENT HOLDER'S PROPERTY INTEREST WITH RESPECT TO A PARTICULAR FINANCIAL ASSET UNDER SUBSECTION (A) OF THIS SECTION 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.

(C) AN ENTITLEMENT HOLDER'S PROPERTY INTEREST WITH RESPECT TO A PARTICULAR FINANCIAL ASSET UNDER SUBSECTION (A) OF THIS SECTION MAY BE ENFORCED AGAINST THE SECURITIES INTERMEDIARY ONLY BY EXERCISE OF THE ENTITLEMENT HOLDER'S RIGHTS UNDER §§ 8-505 THROUGH 8-508 OF THIS SUBTITLE.

(D) (1) AN ENTITLEMENT HOLDER'S PROPERTY INTEREST WITH RESPECT TO A PARTICULAR FINANCIAL ASSET UNDER SUBSECTION (A) OF THIS SECTION MAY BE ENFORCED AGAINST A PURCHASER OF THE FINANCIAL ASSET OR INTEREST IN THE FINANCIAL ASSET ONLY IF:

(I) INSOLVENCY PROCEEDINGS HAVE BEEN INITIATED BY OR AGAINST THE SECURITIES INTERMEDIARY;

(II) 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;