

(III) THE SECURITIES INTERMEDIARY VIOLATED ITS OBLIGATIONS UNDER § 8-504 OF THIS SUBTITLE BY TRANSFERRING THE FINANCIAL ASSET OR INTEREST IN THE FINANCIAL ASSET TO THE PURCHASER; AND

(IV) THE PURCHASER IS NOT PROTECTED UNDER SUBSECTION (E) OF THIS SECTION.

(2) 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.

(E) AN ACTION BASED ON THE ENTITLEMENT HOLDER'S PROPERTY INTEREST WITH RESPECT TO A PARTICULAR FINANCIAL ASSET UNDER SUBSECTION (A) OF THIS SECTION, 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 § 8-504 OF THIS SUBTITLE.

8-504.

(A) A SECURITIES INTERMEDIARY SHALL PROMPTLY OBTAIN AND THEREAFTER MAINTAIN A FINANCIAL ASSET IN A QUANTITY CORRESPONDING TO THE AGGREGATE OF ALL SECURITY ENTITLEMENTS THE SECURITIES INTERMEDIARY HAS ESTABLISHED IN FAVOR OF ITS ENTITLEMENT HOLDERS WITH RESPECT TO THAT FINANCIAL ASSET. THE SECURITIES INTERMEDIARY MAY MAINTAIN THOSE FINANCIAL ASSETS DIRECTLY OR THROUGH ONE OR MORE OTHER SECURITIES INTERMEDIARIES.

(B) EXCEPT TO THE EXTENT OTHERWISE AGREED BY ITS ENTITLEMENT HOLDER, A SECURITIES INTERMEDIARY MAY NOT GRANT ANY SECURITY INTERESTS IN A FINANCIAL ASSET IT IS OBLIGATED TO MAINTAIN IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION.

(C) A SECURITIES INTERMEDIARY SATISFIES THE DUTY IN SUBSECTION (A) OF THIS SECTION IF:

(1) THE SECURITIES INTERMEDIARY ACTS WITH RESPECT TO THE DUTY AS AGREED UPON BY THE ENTITLEMENT HOLDER AND THE SECURITIES INTERMEDIARY; OR

(2) IN THE ABSENCE OF AGREEMENT, THE SECURITIES INTERMEDIARY EXERCISES DUE CARE IN ACCORDANCE WITH REASONABLE COMMERCIAL STANDARDS TO OBTAIN AND MAINTAIN THE FINANCIAL ASSET.