

554.14104 Rights in controllable account, controllable electronic record, and controllable payment intangible.

1. *Applicability of section to controllable account and controllable payment intangible.* This section applies to the acquisition and purchase of rights in a controllable account or controllable payment intangible, including the rights of a purchaser and a qualifying purchaser and under subsections 3, 4, and 6, and in the same manner this section applies to a controllable electronic record.

2. *Applicability of other law to acquisition of rights.* Except as provided in this section, law other than this Article determines whether a person acquires a right in a controllable electronic record and the right the person acquires.

3. *Shelter principle and purchase of limited interest.* A purchaser of a controllable electronic record acquires all rights in the controllable electronic record that the transferor had or had power to transfer, except that a purchaser of a limited interest in a controllable electronic record acquires rights only to the extent of the interest purchased.

4. *Rights of qualifying purchaser.* A qualifying purchaser acquires its rights in the controllable electronic record free of a claim of a property right in the controllable electronic record.

5. *Limitation of rights of qualifying purchaser in other property.* Except as provided in subsections 1 and 4 for controllable accounts and controllable payment intangibles or law other than this Article, a qualifying purchaser takes a right to payment, right to performance, or interest in property evidenced by the controllable electronic record subject to a claim of a property right in the right to payment, right to performance, or other interest in property.

6. *No-action protection for qualifying purchaser.* An action shall not be asserted against a qualifying purchaser based on both a purchase by the qualifying purchaser of a controllable electronic record and a claim of a property right in another controllable electronic record, whether framed in conversion, replevin, constructive trust, equitable lien, or other theory.

7. *Filing notice.* Filing of a financing statement under Article 9 is not notice of a claim of a property right in a controllable electronic record.

2022 Acts, ch 1117, §4

NEW section