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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO THE UNIFORM COMMERCIAL CODE - SECURED TRANSACTIONS

Introduced By: Representatives Kennedy, and Corvese

Date Introduced: March 03, 2011

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 6A-2.1-103 of the General Laws in Chapter 6A-2.1 entitled
2 "Leases" is hereby amended to read as follows:

PART 1

GENERAL PROVISIONS

5 **6A-2.1-103. Definitions and index of definitions.** -- (1) In this chapter unless the
6 context otherwise requires:

7 (a) "Buyer in ordinary course of business" means a person who in good faith and without
8 knowledge that the sale to him or her is in violation of the ownership rights or security interest or
9 leasehold interest of a third party in the goods buys in ordinary course from a person in the
10 business of selling goods of that kind but does not include a pawnbroker. "Buying" may be for
11 cash or by exchange of other property or on secured or unsecured credit and includes acquiring
12 goods or documents of title under a preexisting contract for sale but does not include a transfer in
13 bulk or as security for or in total or partial satisfaction of a money debt.

14 (b) "Cancellation" occurs when either party puts an end to the lease contract for default
15 by the other party.

16 (c) "Commercial unit" means such a unit of goods as by commercial usage is a single
17 whole for purposes of lease and division of which materially impairs its character or value on the
18 market or in use. A commercial unit may be a single chapter, as a machine, or a set of chapters, as
19 a suite of furniture or a line of machinery, or a quantity, as a gross or carload, or any other unit

1 treated in use or in the relevant market as a single whole.

2 (d) "Conforming" goods or performance under a lease contract means goods or
3 performance that are in accordance with the obligations under the lease contract.

4 (e) "Consumer lease" means a lease that a lessor regularly engaged in the business of
5 leasing or selling makes to a lessee who is an individual and who takes under the lease primarily
6 for a personal, family, or household purpose.

7 (f) "Fault" means wrongful act, omission, breach, or default.

8 (g) "Finance lease" means a lease with respect to which:

9 (i) The lessor does not select, manufacture, or supply the goods;

10 (ii) The lessor acquires the goods or the right to possession and use of the goods in
11 connection with the lease; and

12 (iii) One of the following occurs:

13 (A) The lessee receives a copy of the contract by which the lessor acquired the goods or
14 the right to possession and use of the goods before signing the lease contract;

15 (B) The lessee's approval of the contract by which the lessor acquired the goods or the
16 right to possession and use of the goods is a condition to effectiveness of the lease contract;

17 (C) The lessee, before signing the lease contract, receives an accurate and complete
18 statement designating the promises and warranties, and any disclaimers of warranties, limitations
19 or modifications of remedies, or liquidated damages, including those of a third party, such as the
20 manufacturer of the goods, provided to the lessor by the person supplying the goods in connection
21 with or as part of the contract by which the lessor acquired the goods or the right to possession
22 and use of the goods; or

23 (D) If the lease is not a consumer lease, the lessor, before the lessee signs the lease
24 contract, informs the lessee in writing (a) of the identity of the person supplying the goods to the
25 lessor, unless the lessee has selected that person and directed the lessor to acquire the goods or the
26 right to possession and use of the goods from that person, (b) that the lessee is entitled under this
27 chapter to the promises and warranties, including those of any third party, provided to the lessor
28 by the person supplying the goods in connection with or as part of the contract by which the
29 lessor acquired the goods or the right to possession and use of the goods, and (c) that the lessee
30 may communicate with the person supplying the goods to the lessor and receive an accurate and
31 complete statement of those promises and warranties, including any disclaimers and limitations of
32 them or of remedies.

33 (h) "Goods" means all things that are movable at the time of identification to the lease
34 contract, or are fixtures (section 6A-2.1-309), but the term does not include money, documents,

1 instruments, accounts, chattel paper, general intangibles, or minerals or the like, including oil and
2 gas, before extraction. The term also includes the unborn young of animals.

3 (i) "Installment lease contract" means a lease contract that authorizes or requires the
4 delivery of goods in separate lots to be separately accepted, even though the lease contract
5 contains a clause "each delivery is a separate lease" or its equivalent.

6 (j) "Lease" means a transfer of the right to possession and use of goods for a term in
7 return for consideration, but a sale, including a sale on approval or a sale or return, or retention or
8 creation of a security interest is not a lease. Unless the context clearly indicates otherwise, the
9 term includes a sublease.

10 (k) "Lease agreement" means the bargain, with respect to the lease, of the lessor and the
11 lessee in fact as found in their language or by implication from other circumstances including
12 course of dealing or usage of trade or course of performance as provided in this chapter. Unless
13 the context clearly indicates otherwise, the term includes a sublease agreement.

14 (l) "Lease contract" means the total legal obligation that results from the lease agreement
15 as affected by this chapter and any other applicable rules of law. Unless the context clearly
16 indicates otherwise, the term includes a sublease contract.

17 (m) "Leasehold interest" means the interest of the lessor or the lessee under a lease
18 contract.

19 (n) "Lessee" means a person who acquires the right to possession and use of goods under
20 a lease. Unless the context clearly indicates otherwise, the term includes a sublessee.

21 (o) "Lessee in ordinary course of business" means a person who in good faith and
22 without knowledge that the lease to him or her is in violation of the ownership rights or security
23 interest or leasehold interest of a third party in the goods leases in ordinary course from a person
24 in the business of selling or leasing goods of that kind but does not include a pawnbroker.
25 "Leasing" may be for cash or by exchange of other property or on secured or unsecured credit and
26 includes acquiring goods or documents of title under a preexisting lease contract but does not
27 include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

28 (p) "Lessor" means a person who transfers the right to possession and use of goods under
29 a lease. Unless the context clearly indicates otherwise, the term includes a sublessor.

30 (q) "Lessor's residual interest" means the lessor's interest in the goods after expiration,
31 termination, or cancellation of the lease contract.

32 (r) "Lien" means a charge against or interest in goods to secure payment of a debt or
33 performance of an obligation, but the term does not include a security interest.

34 (s) "Lot" means a parcel or a single chapter that is the subject matter of a separate lease

1 or delivery, whether or not it is sufficient to perform the lease contract.

2 (t) "Merchant lessee" means a lessee that is a merchant with respect to goods of the kind
3 subject to the lease.

4 (u) "Present value" means the amount as of a date certain of one or more sums payable in
5 the future, discounted to the date certain. The discount is determined by the interest rate specified
6 by the parties if the rate was not manifestly unreasonable at the time the transaction was entered
7 into; otherwise, the discount is determined by a commercially reasonable rate that takes into
8 account the facts and circumstances of each case at the time the transaction was entered into.

9 (v) "Purchase" includes taking by sale, lease, mortgage, security interest, pledge, gift, or
10 any other voluntary transaction creating an interest in goods.

11 (w) "Sublease" means a lease of goods the right to possession and use of which was
12 acquired by the lessor as a lessee under an existing lease.

13 (x) "Supplier" means a person from whom a lessor buys or leases goods to be leased
14 under a finance lease.

15 (y) "Supply contract" means a contract under which a lessor buys or leases goods to be
16 leased.

17 (z) "Termination" occurs when either party pursuant to a power created by agreement or
18 law puts an end to the lease contract otherwise than for default.

19 (2) Other definitions applying to this chapter and the sections in which they appear are:

20 "Accessions". section 6A-2.1-310(1).

21 "Construction mortgage". section 6A-2.1-309(1)(d).

22 "Encumbrance". section 6A-2.1-309(1)(e).

23 "Fixtures". section 6A-2.1-309(1)(a).

24 "Fixture filing". section 6A-2.1-309(1)(b).

25 "Purchase money lease". section 6A-2.1-309(1)(c).

26 (3) The following definitions in other chapters apply to this Chapter:

27 "Account". section 6A-9-102(a)(2).

28 "Between merchants". section 6A-2-104(3).

29 "Buyer". section 6A-2-103(1)(a).

30 "Chattel paper". section 6A-9-102(a)(11).

31 "Consumer goods". section 6A-9-102(a)(23).

32 "Document". section 6A-9-102(a)(30).

33 "Entrusting". section 6A-2-403(3).

34 "General intangibles". section 6A-9-102(a)(42).

- 1 "Good faith". section 6A-2-103(1)(b).
- 2 "Instrument". section 6A-9-102(2)(47).
- 3 "Merchant". section 6A-2-104(1).
- 4 "Mortgage". section 6A-9-102(a)(55).
- 5 "Pursuant to commitment". section 6A-9-102(a)(~~68~~)(69)
- 6 "Receipt". section 6A-2-103(1)(c).
- 7 "Sale". section 6A-2-106(1).
- 8 "Sale on approval". section 6A-2-326.
- 9 "Sale or return". section 6A-2-326.
- 10 "Seller". section 6A-2-103(1)(d).

11 (4) In addition, chapter 1 of this title contains general definitions and principles of
12 construction and interpretation applicable throughout this chapter.

13 SECTION 2. Sections 6A-9-102, 6A-9-105, 6A-9-307, 6A-9-311, 6A-9-316, 6A-9-317,
14 6A-9-326, 6A-9-406, 6A-9-408, 6A-9-502, 6A-9-503, 6A-9-507, 6A-9-515, 6A-9-516, 6A-9-518,
15 6A-9-521, 6A-9-607, 6A-9-625 and 6A-9-710 of the General Laws in Chapter 6A-9 entitled
16 "Secured Transactions" are hereby amended to read as follows:

17 **6A-9-102. Definitions.** -- (a) Chapter 9 definitions. - In this chapter:

18 (1) "Accession" means goods that are physically united with other goods in such a
19 manner that the identity of the original goods is not lost.

20 (2) "Account", except as used in "account for", means a right to payment of a monetary
21 obligation, whether or not earned by performance, (i) for property that has been or is to be sold,
22 leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to be rendered,
23 (iii) for a policy of insurance issued or to be issued, (iv) for a secondary obligation incurred or to
24 be incurred, (v) for energy provided or to be provided, (vi) for the use or hire of a vessel under a
25 charter or other contract, (vii) arising out of the use of a credit or charge card or information
26 contained on or for use with the card, or (viii) as winnings in a lottery or other game of chance
27 operated or sponsored by a State, governmental unit of a State, or person licensed or authorized to
28 operate the game by a State or governmental unit of a State. The term includes health-care-
29 insurance receivables. The term does not include (i) rights to payment evidenced by chattel paper
30 or an instrument, (ii) commercial tort claims, (iii) deposit accounts, (iv) investment property, (v)
31 letter-of-credit rights or letters of credit, or (vi) rights to payment for money or funds advanced or
32 sold, other than rights arising out of the use of a credit or charge card or information contained on
33 or for use with the card.

34 (3) "Account debtor" means a person obligated on an account, chattel paper, or general

1 intangible. The term does not include persons obligated to pay a negotiable instrument, even if
2 the instrument constitutes part of chattel paper.

3 (4) "Accounting", except as used in "accounting for", means a record:

4 (i) Authenticated by a secured party;

5 (ii) Indicating the aggregate unpaid secured obligations as of a date not more than 35
6 days earlier or 35 days later than the date of the record; and

7 (iii) Identifying the components of the obligations in reasonable detail.

8 (5) "Agricultural lien" means an interest in farm products:

9 (i) Which secures payment or performance of an obligation for:

10 (A) Goods or services furnished in connection with a debtor's farming operation; or

11 (B) Rent on real property leased by a debtor in connection with its farming operation;

12 (ii) Which is created by statute in favor of a person that:

13 (A) In the ordinary course of its business furnished goods or services to a debtor in
14 connection with a debtor's farming operation; or

15 (B) Leased real property to a debtor in connection with the debtor's farming operation;

16 and

17 (iii) Whose effectiveness does not depend on the person's possession of the personal
18 property.

19 (6) "As-extracted collateral" means:

20 (i) Oil, gas, or other minerals that are subject to a security interest that:

21 (A) Is created by a debtor having an interest in the minerals before extraction; and

22 (B) Attaches to the minerals as extracted; or

23 (ii) Accounts arising out of the sale at the wellhead or minehead of oil, gas, or other
24 minerals in which the debtor had an interest before extraction.

25 (7) "Authenticate" means:

26 (i) To sign; or

27 (ii) ~~To execute or otherwise adopt a symbol, or encrypt or similarly process a record in~~
28 ~~whole or in part, with the present intent of the authenticating person to identify the person and~~
29 ~~adopt or accept a record~~ With present intent to adopt or accept a record, to attach to or logically
30 associate with the record an electronic sound, symbol, or process.

31 (8) "Bank" means an organization that is engaged in the business of banking. The term
32 includes savings banks, savings and loan associations, credit unions, and trust companies.

33 (9) "Cash proceeds" means proceeds that are money, checks, deposit accounts, or the
34 like.

1 (10) "Certificate of title" means a certificate of title with respect to which a statute
2 provides for the security interest in question to be indicated on the certificate as a condition or
3 result of the security interest's obtaining priority over the rights of a lien creditor with respect to
4 the collateral. The term includes another record maintained as an alternative to a certificate of title
5 by the governmental unit that issues certificates of title if a statute permits the security interest in
6 question to be indicated on the record as a condition or result of the security interest's obtaining
7 priority over the rights of a lien creditor with respect to the collateral.

8 (11) "Chattel paper" means a record or records that evidence both a monetary obligation
9 and a security interest in specific goods, a security interest in specific goods and software used in
10 the goods, a security interest in specific goods and license of software used in the goods, a lease
11 of specific goods, or a lease of specific goods and license of software used in the goods. In this
12 paragraph, "monetary obligation" means a monetary obligation secured by the goods or owed
13 under a lease of the goods and includes a monetary obligation with respect to software used in the
14 goods. The term does not include (i) charters or other contracts involving the use or hire of a
15 vessel or (ii) records that evidence a right to payment arising out of the use of a credit or charge
16 card or information contained on or for use with the card. If a transaction is evidenced by records
17 that include an instrument or series of instruments, the group of records taken together constitutes
18 chattel paper.

19 (12) "Collateral" means the property subject to a security interest or agricultural lien. The
20 term includes:

- 21 (i) Proceeds to which a security interest attaches;
- 22 (ii) Accounts, chattel paper, payment intangibles, and promissory notes that have been
23 sold; and
- 24 (iii) Goods that are the subject of a consignment.

25 (13) "Commercial tort claim" means a claim arising in tort with respect to which:

- 26 (i) The claimant is an organization; or
- 27 (ii) The claimant is an individual and the claim:
- 28 (A) Arose in the course of the claimant's business or profession; and
- 29 (B) Does not include damages arising out of personal injury to or the death of an
30 individual.

31 (14) "Commodity account" means an account maintained by a commodity intermediary
32 in which a commodity contract is carried for a commodity customer.

33 (15) "Commodity contract" means a commodity futures contract, an option on a
34 commodity futures contract, a commodity option, or another contract if the contract or option is:

1 (i) Traded on or subject to the rules of a board of trade that has been designated as a
2 contract market for such a contract pursuant to federal commodities laws; or

3 (ii) Traded on a foreign commodity board of trade, exchange, or market, and is carried
4 on the books of a commodity intermediary for a commodity customer.

5 (16) "Commodity customer" means a person for which a commodity intermediary carries
6 a commodity contract on its books.

7 (17) "Commodity intermediary" means a person that:

8 (i) Is registered as a futures commission merchant under federal commodities law; or

9 (ii) In the ordinary course of its business provides clearance or settlement services for a
10 board of trade that has been designated as a contract market pursuant to federal commodities law.

11 (18) "Communicate" means:

12 (i) To send a written or other tangible record;

13 (ii) To transmit a record by any means agreed upon by the persons sending and receiving
14 the record; or

15 (iii) In the case of transmission of a record to or by a filing office, to transmit a record by
16 any means prescribed by filing-office rule.

17 (19) "Consignee" means a merchant to which goods are delivered in a consignment.

18 (20) "Consignment" means a transaction, regardless of its form, in which a person
19 delivers goods to a merchant for the purpose of sale and:

20 (i) The merchant:

21 (A) Deals in goods of that kind under a name other than the name of the person making
22 delivery;

23 (B) Is not an auctioneer; and

24 (C) Is not generally known by its creditors to be substantially engaged in selling the
25 goods of others;

26 (ii) With respect to each delivery, the aggregate value of the goods is \$1,000 or more at
27 the time of delivery;

28 (iii) The goods are not consumer goods immediately before delivery; and

29 (iv) The transaction does not create a security interest that secures an obligation.

30 (21) "Consignor" means a person that delivers goods to a consignee in a consignment.

31 (22) "Consumer debtor" means a debtor in a consumer transaction.

32 (23) "Consumer goods" means goods that are used or bought for use primarily for
33 personal, family, or household purposes.

34 (24) "Consumer-goods transaction" means a consumer transaction in which:

1 (i) An individual incurs an obligation primarily for personal, family, or household
2 purposes; and

3 (ii) A security interest in consumer goods secures the obligation.

4 (25) "Consumer obligor" means an obligor who is an individual and who incurred the
5 obligation as part of a transaction entered into primarily for personal, family, or household
6 purposes.

7 (26) "Consumer transaction" means a transaction in which (i) an individual incurs an
8 obligation primarily for personal, family, or household purposes, (ii) a security interest secures
9 the obligation, and (iii) the collateral is held or acquired primarily for personal, family, or
10 household purposes. The term includes consumer-goods transactions.

11 (27) "Continuation statement" means an amendment of a financing statement which:

12 (i) Identifies, by its file number, the initial financing statement to which it relates; and

13 (ii) Indicates that it is a continuation statement for, or that it is filed to continue the
14 effectiveness of, the identified financing statement.

15 (28) "Debtor" means:

16 (i) A person having an interest, other than a security interest or other lien, in the
17 collateral, whether or not the person is an obligor;

18 (ii) A seller of accounts, chattel paper, payment intangibles, or promissory notes; or

19 (iii) A consignee.

20 (29) "Deposit account" means a demand, time, savings, passbook, or similar account
21 maintained with a bank. The term does not include investment property or accounts evidenced by
22 an instrument.

23 (30) "Document" means a document of title or a receipt of the type described in
24 subsection 6A-7-201(b).

25 (31) "Electronic chattel paper" means chattel paper evidenced by a record or records
26 consisting of information stored in an electronic medium.

27 (32) "Encumbrance" means a right, other than an ownership interest, in real property.
28 The term includes mortgages and other liens on real property.

29 (33) "Equipment" means goods other than inventory, farm products, or consumer goods.

30 (34) "Farm products" means goods, other than standing timber, with respect to which the
31 debtor is engaged in a farming operation and which are:

32 (i) Crops grown, growing, or to be grown, including:

33 (A) Crops produced on trees, vines, and bushes; and

34 (B) Aquatic goods, including seaweeds, produced in aquacultural operations;

1 (ii) Livestock, born or unborn, including fish, shellfish and other aquatic goods produced
2 in aquacultural operations;

3 (iii) Supplies used or produced in a farming operation; or

4 (iv) Products of crops or livestock in their unmanufactured states.

5 (35) "Farming operation" means raising, cultivating, propagating, fattening, grazing, or
6 any other farming, livestock, or aquacultural operation.

7 (36) "File number" means the number assigned to an initial financing statement pursuant
8 to section 6A-9-519(a).

9 (37) "Filing office" means an office designated in section 6A-9-501 as the place to file a
10 financing statement.

11 (38) "Filing-office rule" means a rule adopted pursuant to section 6A-9-526.

12 (39) "Financing statement" means a record or records composed of an initial financing
13 statement and any filed record relating to the initial financing statement.

14 (40) "Fixture filing" means the filing of a financing statement covering goods that are or
15 are to become fixtures and satisfying section 6A-9-502(a) and (b). The term includes the filing of
16 a financing statement covering goods of a transmitting utility which are or are to become fixtures.

17 (41) "Fixtures" means goods that have become so related to particular real property that
18 an interest in them arises under real property law.

19 (42) "General intangible" means any personal property, including things in action, other
20 than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods,
21 instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or
22 other minerals before extraction. The term includes payment intangibles and software.

23 (43) "Good faith" means honesty in fact and the observance of reasonable commercial
24 standards of fair dealing.

25 (44) "Goods" means all things that are movable when a security interest attaches. The
26 term includes (i) fixtures, (ii) standing timber that is to be cut and removed under a conveyance or
27 contract for sale, (iii) the unborn young of animals, (iv) crops grown, growing, or to be grown,
28 even if the crops are produced on trees, vines, or bushes, and (v) manufactured homes. The term
29 also includes a computer program embedded in goods and any supporting information provided
30 in connection with a transaction relating to the program if (i) the program is associated with the
31 goods in such a manner that it customarily is considered part of the goods, or (ii) by becoming the
32 owner of the goods, a person acquires a right to use the program in connection with the goods.
33 The term does not include a computer program embedded in goods that consist solely of the
34 medium in which the program is embedded. The term also does not include accounts, chattel

1 paper, commercial tort claims, deposit accounts, documents, general intangibles, instruments,
2 investment property, letter-of-credit rights, letters of credit, money, or oil, gas, or other minerals
3 before extraction.

4 (45) "Governmental unit" means a subdivision, agency, department, county, parish,
5 municipality, or other unit of the government of the United States, a State, or a foreign country.
6 The term includes an organization having a separate corporate existence if the organization is
7 eligible to issue debt on which interest is exempt from income taxation under the laws of the
8 United States.

9 (46) "Health-care-insurance receivable" means an interest in or claim under a policy of
10 insurance which is a right to payment of a monetary obligation for health-care goods or services
11 provided or to be provided.

12 (47) "Instrument" means a negotiable instrument or any other writing that evidences a
13 right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of
14 a type that in ordinary course of business is transferred by delivery with any necessary
15 indorsement assignment. The term does not include (i) investment property, (ii) letters of credit,
16 or (iii) writings that evidence a right to payment arising out of the use of a credit or charge card or
17 information contained on or for use with the card.

18 (48) "Inventory" means goods, other than farm products, which:

19 (i) Are leased by a person as lessor;

20 (ii) Are held by a person for sale or lease or to be furnished under a contract of service;

21 (iii) Are furnished by a person under a contract of service; or

22 (iv) Consist of raw materials, work in process, or materials used or consumed in a
23 business.

24 (49) "Investment property" means a security, whether certificated or uncertificated,
25 security entitlement, securities account, commodity contract, or commodity account.

26 (50) "Jurisdiction of organization", with respect to a registered organization, means the
27 jurisdiction under whose law the organization is [formed or](#) organized.

28 (51) "Letter-of-credit right" means a right to payment or performance under a letter of
29 credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment
30 or performance. The term does not include the right of a beneficiary to demand payment or
31 performance under a letter of credit.

32 (52) "Lien creditor" means:

33 (i) A creditor that has acquired a lien on the property involved by attachment, levy, or
34 the like;

- 1 (ii) An assignee for benefit of creditors from the time of assignment;
2 (iii) A trustee in bankruptcy from the date of the filing of the petition; or
3 (iv) A receiver in equity from the time of appointment.

4 (53) "Manufactured home" means a structure, transportable in one or more sections,
5 which, in the traveling mode, is eight body feet or more in width or 40 body feet or more in
6 length, or, when erected on site, is 320 or more square feet, and which is built on a permanent
7 chassis and designed to be used as a dwelling with or without a permanent foundation when
8 connected to the required utilities, and includes the plumbing, heating, air-conditioning, and
9 electrical systems contained therein. The term includes any structure that meets all of the
10 requirements of this paragraph except the size requirements and with respect to which the
11 manufacturer voluntarily files a certification required by the United States Secretary of Housing
12 and Urban Development and complies with the standards established under Title 42 of the United
13 States Code.

14 (54) "Manufactured-home transaction" means a secured transaction:

15 (i) That creates a purchase-money security interest in a manufactured home, other than a
16 manufactured home held as inventory; or

17 (ii) In which a manufactured home, other than a manufactured home held as inventory, is
18 the primary collateral.

19 (55) "Mortgage" means a consensual interest in real property, including fixtures, which
20 secures payment or performance of an obligation.

21 (56) "New debtor" means a person that becomes bound as debtor under section 6A-9-
22 203(d) by a security agreement previously entered into by another person.

23 (57) "New value" means (i) money, (ii) money's worth in property, services, or new
24 credit, or (iii) release by a transferee of an interest in property previously transferred to the
25 transferee. The term does not include an obligation substituted for another obligation.

26 (58) "Noncash proceeds" means proceeds other than cash proceeds.

27 (59) "Obligor" means a person that, with respect to an obligation secured by a security
28 interest in or an agricultural lien on the collateral, (i) owes payment or other performance of the
29 obligation, (ii) has provided property other than the collateral to secure payment or other
30 performance of the obligation, or (iii) is otherwise accountable in whole or in part for payment or
31 other performance of the obligation. The term does not include issuers or nominated persons
32 under a letter of credit.

33 (60) "Original debtor," except as used in section 6A-9-310(c), means a person that, as
34 debtor, entered into a security agreement to which a new debtor has become bound under section

1 6A-9-203(d).

2 (61) "Payment intangible" means a general intangible under which the account debtor's
3 principal obligation is a monetary obligation.

4 (62) "Person related to", with respect to an individual, means:

5 (i) The spouse of the individual;

6 (ii) A brother, brother-in-law, sister, or sister-in-law of the individual;

7 (iii) An ancestor or lineal descendant of the individual or the individual's spouse; or

8 (iv) Any other relative, by blood or marriage, of the individual or the individual's spouse
9 who shares the same home with the individual.

10 (63) "Person related to", with respect to an organization, means:

11 (i) A person directly or indirectly controlling, controlled by, or under common control
12 with the organization;

13 (ii) An officer or director of, or a person performing similar functions with respect to, the
14 organization;

15 (iii) An officer or director of, or a person performing similar functions with respect to, a
16 person described in subparagraph (i);

17 (iv) The spouse of an individual described in subparagraph (i), (ii), or (iii); or

18 (v) An individual who is related by blood or marriage to an individual described in
19 subparagraph (i), (ii), (iii), or (iv) and shares the same home with the individual.

20 (64) "Proceeds," except as used in section 6A-9-609(b), means the following property:

21 (i) Whatever is acquired upon the sale, lease, license, exchange, or other disposition of
22 collateral;

23 (ii) Whatever is collected on, or distributed on account of, collateral;

24 (iii) Rights arising out of collateral;

25 (iv) To the extent of the value of collateral, claims arising out of the loss, nonconformity,
26 or interference with the use of, defects or infringement of rights in, or damage to, the collateral; or

27 (v) To the extent of the value of collateral and to the extent payable to the debtor or the
28 secured party, insurance payable by reason of the loss or nonconformity of, defects or
29 infringement of rights in, or damage to, the collateral.

30 (65) "Promissory note" means an instrument that evidences a promise to pay a monetary
31 obligation, does not evidence an order to pay, and does not contain an acknowledgment by a bank
32 that the bank has received for deposit a sum of money or funds.

33 (66) "Proposal" means a record authenticated by a secured party which includes the
34 terms on which the secured party is willing to accept collateral in full or partial satisfaction of the

1 obligation it secures pursuant to sections 6A-9-620, 6A-9-621, and 6A-9-622.

2 (67) "Public-finance transaction" means a secured transaction in connection with which:

3 (i) Debt securities are issued;

4 (ii) All or a portion of the securities issued have an initial stated maturity of at least 20
5 years; and

6 (iii) The debtor, obligor, secured party, account debtor or other person obligated on
7 collateral, assignor or assignee of a secured obligation, or assignor or assignee of a security
8 interest is a State or a governmental unit of a State.

9 (68) "Public organic record" means a record that is available to the public for inspection
10 and is:

11 (i) A record of consisting of the record initially filed with or issued by a state or the
12 United States to form or organize an organization and any record filed with or issued by the state
13 of the United States which amends or restates the initial record;

14 (ii) An organic record of a business trust consisting of the record initially filed with a
15 state and any record filed with the state which amends or restates the initial record, if a statute of
16 the state governing business trusts requires that the record be filed with the state; or

17 (iii) A record consisting of legislation enacted by the legislature of a state or the Congress
18 of the United States which forms or organizes an organization, any record amending the
19 legislation, and any record filed with or issued by the state or the United States which amends or
20 restates the name of the organization.

21 ~~(68)~~(69) "Pursuant to commitment", with respect to an advance made or other value
22 given by a secured party, means pursuant to the secured party's obligation, whether or not a
23 subsequent event of default or other event not within the secured party's control has relieved or
24 may relieve the secured party from its obligation.

25 ~~(69)~~(70) "Record", except as used in "for record", "of record", "record or legal title", and
26 "record owner", means information that is inscribed on a tangible medium or which is stored in
27 an electronic or other medium and is retrievable in perceivable form.

28 ~~(70)~~(71) "Registered organization" means an organization formed or organized solely
29 under the law of a single State or the United States ~~and as to which the State or the United States~~
30 ~~must maintain a public record showing the organization to have been organized~~ by the filing of a
31 public organic record with, the issuance of a public organic record by, or the enactment of
32 legislation by the state or United States. The term includes a business trust that is formed or
33 organized under the law of a single state if a statute of the state governing business trusts requires
34 that the business trust's organic record be filed with the state.

1 ~~(71)~~(72) "Secondary obligor" means an obligor to the extent that:

2 (i) The obligor's obligation is secondary; or

3 (ii) The obligor has a right of recourse with respect to an obligation secured by collateral
4 against the debtor, another obligor, or property of either.

5 ~~(72)~~(73) "Secured party" means:

6 (i) A person in whose favor a security interest is created or provided for under a security
7 agreement, whether or not any obligation to be secured is outstanding;

8 (ii) A person that holds an agricultural lien;

9 (iii) A consignor;

10 (iv) A person to which accounts, chattel paper, payment intangibles, or promissory notes
11 have been sold;

12 (v) A trustee, indenture trustee, agent, collateral agent, or other representative in whose
13 favor a security interest or agricultural lien is created or provided for; or

14 (vi) A person that holds a security interest arising under section 6A-2-401, 6A-2-505,
15 6A-2-711(3), 6A-2.1-508(5), 6A-4-210, or 6A-5-118.

16 ~~(73)~~(74) "Security agreement" means an agreement that creates or provides for a security
17 interest.

18 ~~(74)~~(75) "Send", in connection with a record or notification, means:

19 (i) To deposit in the mail, deliver for transmission, or transmit by any other usual means
20 of communication, with postage or cost of transmission provided for, addressed to any address
21 reasonable under the circumstances; or

22 (ii) To cause the record or notification to be received within the time that it would have
23 been received if properly sent under subparagraph (i).

24 ~~(75)~~(76) "Software" means a computer program and any supporting information
25 provided in connection with a transaction relating to the program. The term does not include a
26 computer program that is included in the definition of goods.

27 ~~(76)~~(77) "State" means a State of the United States, the District of Columbia, Puerto
28 Rico, the United States Virgin Islands, or any territory or insular possession subject to the
29 jurisdiction of the United States.

30 ~~(77)~~(78) "Supporting obligation" means a letter-of-credit right or secondary obligation
31 that supports the payment or performance of an account, chattel paper, a document, a general
32 intangible, an instrument, or investment property.

33 ~~(78)~~(79) "Tangible chattel paper" means chattel paper evidenced by a record or records
34 consisting of information that is inscribed on a tangible medium.

1 ~~(79)~~(80) "Termination statement" means an amendment of a financing statement which:
2 (i) Identifies, by its file number, the initial financing statement to which it relates; and
3 (ii) Indicates either that it is a termination statement or that the identified financing
4 statement is no longer effective.

5 ~~(80)~~(81) "Transmitting utility" means a person primarily engaged in the business of:

- 6 (i) Operating a railroad, subway, street railway, or trolley bus;
7 (ii) Transmitting communications electrically, electromagnetically, or by light;
8 (iii) Transmitting goods by pipeline or sewer; or
9 (iv) Transmitting or producing and transmitting electricity, steam, gas, or water.

10 (b) Definitions in other chapters. - "Control" as provided in section 6A-7-206 and the
11 following definitions in other chapters apply to this chapter:

12	"Applicant"	section 6A-5-102.
13	"Beneficiary"	section 6A-5-102.
14	"Broker"	section 6A-8-102.
15	"Certificated security"	section 6A-8-102.
16	"Check"	section 6A-3-104.
17	"Clearing corporation"	section 6A-8-102.
18	"Contract for sale"	section 6A-2-106.
19	"Customer"	section 6A-4-104.
20	"Entitlement holder"	section 6A-8-102.
21	"Financial asset"	section 6A-8-102.
22	"Holder in due course"	section 6A-3-302.
23	"Issuer" (with respect to a letter of	section 6A-5-102.
24	credit or letter-of-credit right)	
25	"Issuer" (with respect to a security)	section 6A-8-201.
26	"Issuer" (with respect to documents of title)	section 6A-7-102.
27	"Lease"	section 6A-2.1-103.
28	"Lease agreement"	section 6A-2.1-103.
29	"Lease contract"	section 6A-2.1-103.
30	"Leasehold interest"	section 6A-2.1-103.
31	"Lessee"	section 6A-2.1-103.
32	"Lessee in ordinary course of business"	section 6A-2.1-103.
33	"Lessor"	section 6A-2.1-103.
34	"Lessor's residual interest"	section 6A-2.1-103.

1	"Letter of credit"	section 6A-5-102.
2	"Merchant"	section 6A-2-104.
3	"Negotiable instrument"	section 6A-3-104.
4	"Nominated person"	section 6A-5-102.
5	"Note"	section 6A-3-104.
6	"Proceeds of a letter of credit"	section 6A-5-114.
7	"Prove"	section 6A-3-103.
8	"Sale"	section 6A-2-106.
9	"Securities account"	section 6A-8-501.
10	"Securities intermediary"	section 6A-8-102.
11	"Security"	section 6A-8-102.
12	"Security certificate"	section 6A-8-102.
13	"Security entitlement"	section 6A-8-102.
14	"Uncertificated security"	section 6A-8-102.

15 (c) Chapter 1 definitions and principles. - Chapter 1 of this title contains general
16 definitions and principles of construction and interpretation applicable throughout this chapter.

17 **6A-9-105. Control of electronic chattel paper.** – (a) General rule: control of electronic
18 chattel paper. A secured party has control of electronic chattel paper if the record or records
19 comprising the chattel paper are created, stored, and assigned in such a manner that: A secured
20 party has control of an electronic chattel paper if a system employed for evidencing the transfer of
21 interests in the chattel paper reliably establishes the secured party as the person to which the
22 chattel paper was assigned.

23 (b) Specific facts giving control. A system satisfies subsection (a) if the record or records
24 comprising the chattel paper are created, stored, and assigned in such a manner that:

25 (1) A single authoritative copy of the record or records exists which is unique,
26 identifiable and, except as otherwise provided in paragraphs (4), (5), and (6), unalterable;

27 (2) The authoritative copy identifies the secured party as the assignee of the record or
28 records;

29 (3) The authoritative copy is communicated to and maintained by the secured party or its
30 designated custodian;

31 (4) Copies or ~~revisions~~ amendments that add or change an identified assignee of the
32 authoritative copy can be made only with the ~~participation~~ consent of the secured party;

33 (5) Each copy of the authoritative copy and any copy of a copy is readily identifiable as a
34 copy that is not the authoritative copy; and

1 (6) Any ~~revision~~ amendment of the authoritative copy is readily identifiable as ~~an~~
2 authorized or unauthorized ~~revision~~.

3 **6A-9-307. Location of debtor.** -- (a) "Place of business." - In this section, "place of
4 business" means a place where a debtor conducts its affairs.

5 (b) Debtor's location: general rules. - Except as otherwise provided in this section, the
6 following rules determine a debtor's location:

7 (1) A debtor who is an individual is located at the individual's principal residence.

8 (2) A debtor that is an organization and has only one place of business is located at its
9 place of business.

10 (3) A debtor that is an organization and has more than one place of business is located at
11 its chief executive office.

12 (c) Limitation of applicability of subsection (b). - Subsection (b) applies only if a
13 debtor's residence, place of business, or chief executive office, as applicable, is located in a
14 jurisdiction whose law generally requires information concerning the existence of a
15 nonpossessory security interest to be made generally available in a filing, recording, or
16 registration system as a condition or result of the security interest's obtaining priority over the
17 rights of a lien creditor with respect to the collateral. If subsection (b) does not apply, the debtor
18 is located in the District of Columbia.

19 (d) Continuation of location: cessation of existence, etc. - A person that ceases to exist,
20 have a residence, or have a place of business continues to be located in the jurisdiction specified
21 by subsections (b) and (c).

22 (e) Location of registered organization organized under State law. - A registered
23 organization that is organized under the law of a State is located in that State.

24 (f) Location of registered organization organized under federal law; bank branches and
25 agencies. - Except as otherwise provided in subsection (i), a registered organization that is
26 organized under the law of the United States and a branch or agency of a bank that is not
27 organized under the law of the United States or a State are located:

28 (1) In the State that the law of the United States designates, if the law designates a State
29 of location;

30 (2) In the State that the registered organization, branch, or agency designates, if the law
31 of the United States authorizes the registered organization, branch, or agency to designate its
32 State of location including by designating its main office, home office or other comparable office;
33 or

34 (3) In the District of Columbia, if neither paragraph (1) nor paragraph (2) applies.

1 (g) Continuation of location: change in status of registered organization. - A registered
2 organization continues to be located in the jurisdiction specified by subsection (e) or (f)
3 notwithstanding:

4 (1) The suspension, revocation, forfeiture, or lapse of the registered organization's status
5 as such in its jurisdiction of organization; or

6 (2) The dissolution, winding up, or cancellation of the existence of the registered
7 organization.

8 (h) Location of United States. - The United States is located in the District of Columbia.

9 (i) Location of foreign bank branch or agency if licensed in only one state. - A branch or
10 agency of a bank that is not organized under the law of the United States or a State is located in
11 the State in which the branch or agency is licensed, if all branches and agencies of the bank are
12 licensed in only one State.

13 (j) Location of foreign air carrier. - A foreign air carrier under the Federal Aviation Act
14 of 1958, as amended, is located at the designated office of the agent upon which service of
15 process may be made on behalf of the carrier.

16 (k) Section applies only to this part. - This section applies only for purposes of this part.

17 **6A-9-311. Perfection of security interests in property subject to certain statutes,**
18 **regulations, and treaties.** -- (a) Security interest subject to other law. - Except as otherwise
19 provided in subsection (d), the filing of a financing statement is not necessary or effective to
20 perfect a security interest in property subject to:

21 (1) A statute, regulation, or treaty of the United States whose requirements for a security
22 interest's obtaining priority over the rights of a lien creditor with respect to the property preempt
23 section 6A-9-310(a);

24 (2) A statute of this State, which provides for a security interest to be indicated on ~~the~~ a
25 certificate as a condition or result of perfection, including chapter 3.1 of Title 31 and chapter 22.1
26 of Title 46; or

27 (3) A ~~certificate of title~~ statute of another jurisdiction which provides for a security
28 interest to be indicated on ~~the~~ a certificate of title as a condition or result of the security interest's
29 obtaining priority over the rights of a lien creditor with respect to the property.

30 (b) Compliance with other law. - Compliance with the requirements of a statute,
31 regulation, or treaty described in subsection (a) for obtaining priority over the rights of a lien
32 creditor is equivalent to the filing of a financing statement under this chapter. Except as otherwise
33 provided in subsection (d) and section 6A-9-313 and section 6A-9-316(d) and (e) for goods
34 covered by a certificate of title, a security interest in property subject to a statute, regulation, or

1 treaty described in subsection (a) may be perfected only by compliance with those requirements,
2 and a security interest so perfected remains perfected notwithstanding a change in the use or
3 transfer of possession of the collateral.

4 (c) Duration and renewal of perfection. - Except as otherwise provided in subsection (d)
5 and section 6A-9-316(d) and (e), duration and renewal of perfection of a security interest
6 perfected by compliance with the requirements prescribed by a statute, regulation, or treaty
7 described in subsection (a) are governed by the statute, regulation, or treaty. In other respects, the
8 security interest is subject to this chapter.

9 (d) Inapplicability to certain inventory. - During any period in which collateral subject to
10 a statute specified in subsection (a)(2) is inventory held for sale or lease by a person or leased by
11 that person as lessor and that person is in the business of selling or leasing goods of that kind, this
12 section does not apply to a security interest in that collateral created by that person.

13 **6A-9-316. Continued perfection of security interest following change in governing**
14 **law. — Effect of change in governing law. --** (a) General rule: effect on perfection of change in
15 governing law. - A security interest perfected pursuant to the law of the jurisdiction designated in
16 section 6A-9-301(1) or 6A-9-305(c) remains perfected until the earliest of:

17 (1) The time perfection would have ceased under the law of that jurisdiction;

18 (2) The expiration of four months after a change of the debtor's location to another
19 jurisdiction; or

20 (3) The expiration of one year after a transfer of collateral to a person that thereby
21 becomes a debtor and is located in another jurisdiction.

22 (b) Security interest perfected or unperfected under law of new jurisdiction. - If a
23 security interest described in subsection (a) becomes perfected under the law of the other
24 jurisdiction before the earliest time or event described in that subsection, it remains perfected
25 thereafter. If the security interest does not become perfected under the law of the other
26 jurisdiction before the earliest time or event, it becomes unperfected and is deemed never to have
27 been perfected as against a purchaser of the collateral for value.

28 (c) Possessory security interest in collateral moved to new jurisdiction. - A possessory
29 security interest in collateral, other than goods covered by a certificate of title and as-extracted
30 collateral consisting of goods, remains continuously perfected if:

31 (1) The collateral is located in one jurisdiction and subject to a security interest perfected
32 under the law of that jurisdiction;

33 (2) Thereafter the collateral is brought into another jurisdiction; and

34 (3) Upon entry into the other jurisdiction, the security interest is perfected under the law

1 of the other jurisdiction.

2 (d) Goods covered by certificate of title from this state. - Except as otherwise provided in
3 subsection (e), a security interest in goods covered by a certificate of title which is perfected by
4 any method under the law of another jurisdiction when the goods become covered by a certificate
5 of title from this State remains perfected until the security interest would have become
6 unperfected under the law of the other jurisdiction had the goods not become so covered.

7 (e) When subsection (d) security interest becomes unperfected against purchasers. - A
8 security interest described in subsection (d) becomes unperfected as against a purchaser of the
9 goods for value and is deemed never to have been perfected as against a purchaser of the goods
10 for value if the applicable requirements for perfection under section 6A-9-311(b) or 6A-9-313 are
11 not satisfied before the earlier of:

12 (1) The time the security interest would have become unperfected under the law of the
13 other jurisdiction had the goods not become covered by a certificate of title from this State; or

14 (2) The expiration of four months after the goods had become so covered.

15 (f) Change in jurisdiction of bank, issuer, nominated person, securities intermediary, or
16 commodity intermediary. - A security interest in deposit accounts, letter-of-credit rights, or
17 investment property which is perfected under the law of the bank's jurisdiction, the issuer's
18 jurisdiction, a nominated person's jurisdiction, the securities intermediary's jurisdiction, or the
19 commodity intermediary's jurisdiction, as applicable, remains perfected until the earlier of:

20 (1) The time the security interest would have become unperfected under the law of that
21 jurisdiction; or

22 (2) The expiration of four months after a change of the applicable jurisdiction to another
23 jurisdiction.

24 (g) Subsection (f) security interest perfected or unperfected under law of new
25 jurisdiction. - If a security interest described in subsection (f) becomes perfected under the law of
26 the other jurisdiction before the earlier of the time or the end of the period described in that
27 subsection, it remains perfected thereafter. If the security interest does not become perfected
28 under the law of the other jurisdiction before the earlier of that time or the end of that period, it
29 becomes unperfected and is deemed never to have been perfected as against a purchaser of the
30 collateral for value.

31 (h) Effect on filed financing statement of change in governing law. The following rules
32 apply to collateral to which a security interest attaches within four (4) months after the debtor
33 changes its location to another jurisdiction:

34 (1) A financing statement filed before the change pursuant to the law of the jurisdiction

1 designated in subdivision 6A-9-301(1) or subsection 6A-9-305(c) is effective to perfect a security
2 interest in the collateral if the financing statement would have been effective to perfect a security
3 interest in the collateral had the debtor not changed its location.

4 (2) If a security interest perfected by a financing statement that is effective under
5 subdivision (1) becomes perfected under the law of the other jurisdiction before the earlier of the
6 time the financing statement would have become ineffective under the law of the jurisdiction
7 designated in subdivision 6A-9-301(1) or subsection 6A-9-305(c) or the expiration of the four (4)
8 month period, it remains perfected thereafter. If the security interest does not become perfected
9 under the law of the other jurisdiction before the earlier time or event, it becomes unperfected and
10 is deemed never to have been perfected as against a purchaser of the collateral for value.

11 (i) Effect of change in governing law on financing statement filed against original debtor.
12 If a financing statement naming an original debtor is filed pursuant to the law of the jurisdiction
13 designated in subdivision 6A-9-301(1) or subsection 6A-9-305(c) and the new debtor is located in
14 another jurisdiction, the following rules apply:

15 (1) The financing statement is effective to perfect a security interest in collateral acquired
16 by the new debtor before, and within four (4) months after, the new debtor becomes bound under
17 subsection 6A-9-203(d), if the financing statement would have been effective to perfect a security
18 interest in the collateral had the collateral been acquired by the original debtor.

19 (2) A security interest perfected by the financing statement and which becomes perfected
20 under the law of the other jurisdiction before the earlier of the time the financing statement would
21 have become ineffective under the law of the jurisdiction designated in subdivision 6A-9-301(1)
22 or subsection 6A-9-305(c) or the expiration of the four (4) month period remains perfected
23 thereafter. A security interest that is perfected by the financing statement but which does not
24 become perfected under the law of the other jurisdiction before the earlier time or event becomes
25 unperfected and is deemed never to have been perfected as against a purchaser of the collateral
26 for value.

27 **6A-9-317. Interests that take priority over or take free of security interest or**
28 **agricultural lien.** -- (a) Conflicting security interests and rights of lien creditors. - A security
29 interest or agricultural lien is subordinate to the rights of:

30 (1) A person entitled to priority under section 6A-9-322; and

31 (2) Except as otherwise provided in subsection (e), a person that becomes a lien creditor
32 before the earlier of the time: (i) the security interest or agricultural lien is perfected; or (ii) one of
33 the conditions specified in section 6A-9-203(b)(3) is met and a financing statement covering the
34 collateral is filed.

1 (b) Buyers that receive delivery. - Except as otherwise provided in subsection (e), a
2 buyer, other than a secured party, of tangible chattel paper, tangible documents, goods,
3 instruments, or a ~~security certificate~~ certificated security takes free of a security interest or
4 agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge
5 of the security interest or agricultural lien and before it is perfected.

6 (c) Lessees that receive delivery. - Except as otherwise provided in subsection (e), a
7 lessee of goods takes free of a security interest or agricultural lien if the lessee gives value and
8 receives delivery of the collateral without knowledge of the security interest or agricultural lien
9 and before it is perfected.

10 (d) Licensees and buyers of certain collateral. - A licensee of a general intangible or a
11 buyer, other than a secured party, of ~~accounts, electronic chattel paper, electronic documents,~~
12 ~~general intangibles, or investment property~~ collateral other than tangible chattel papers, tangible
13 documents, goods, instruments, or a certificated security takes free of a security interest if the
14 licensee or buyer gives value without knowledge of the security interest and before it is perfected.

15 (e) Purchase-money security interest. - Except as otherwise provided in sections 6A-9-
16 320 and 6A-9-321, if a person files a financing statement with respect to a purchase-money
17 security interest before or within 20 days after the debtor receives delivery of the collateral, the
18 security interest takes priority over the rights of a buyer, lessee, or lien creditor which arise
19 between the time the security interest attaches and the time of filing.

20 **6A-9-326. Priority of security interests created by new debtor.** -- (a) Subordination of
21 security interest created by new debtor. - Subject to subsection (b), a security interest that is
22 created by a new debtor ~~which is~~ in collateral in which the new debtor has or acquires rights and
23 is perfected solely by a filed financing statement that ~~is effective solely under section 6A-9-508 in~~
24 ~~collateral in which a new debtor has or acquires rights~~ would be ineffective to perfect the security
25 interest but for the application of subdivision 6A-9-316-(i)(1) or section 6A-9-508 is subordinate
26 to a security interest in the same collateral which is perfected other than by such a filed financing
27 statement ~~that is effective solely under section 6A-9-508~~.

28 (b) Priority under other provisions; multiple original debtors. - The other provisions of
29 this part determine the priority among conflicting security interests in the same collateral
30 perfected by filed financing statements ~~that are effective solely under section 6A-9-508~~ described
31 in subsection (a). However, if the security agreements to which a new debtor became bound as
32 debtor were not entered into by the same original debtor, the conflicting security interests rank
33 according to priority in time of the new debtor's having become bound.

34 **6A-9-406. Discharge of account debtor; notification of assignment; identification**

1 **and proof of assignment; restrictions on assignment of accounts, chattel paper, payment**
2 **intangibles, and promissory notes ineffective.** -- (a) Discharge of account debtor; effect of
3 notification. - Subject to subsections (b) through (i), an account debtor on an account, chattel
4 paper, or a payment intangible may discharge its obligation by paying the assignor until, but not
5 after, the account debtor receives a notification, authenticated by the assignor or the assignee, that
6 the amount due or to become due has been assigned and that payment is to be made to the
7 assignee. After receipt of the notification, the account debtor may discharge its obligation by
8 paying the assignee and may not discharge the obligation by paying the assignor.

9 (b) When notification ineffective. - Subject to subsection (h), notification is ineffective
10 under subsection (a):

11 (1) If it does not reasonably identify the rights assigned;

12 (2) To the extent that an agreement between an account debtor and a seller of a payment
13 intangible limits the account debtor's duty to pay a person other than the seller and the limitation
14 is effective under law other than this chapter; or

15 (3) At the option of an account debtor, if the notification notifies the account debtor to
16 make less than the full amount of any installment or other periodic payment to the assignee, even
17 if:

18 (i) Only a portion of the account, chattel paper, or payment intangible has been assigned
19 to that assignee;

20 (ii) A portion has been assigned to another assignee; or

21 (iii) The account debtor knows that the assignment to that assignee is limited.

22 (c) Proof of assignment. - Subject to subsection (h), if requested by the account debtor,
23 an assignee shall seasonably furnish reasonable proof that the assignment has been made. Unless
24 the assignee complies, the account debtor may discharge its obligation by paying the assignor,
25 even if the account debtor has received a notification under subsection (a).

26 (d) Term restricting assignment generally ineffective. - Except as otherwise provided in
27 subsection (e) and section 6A-2.1-303 and section 6A-9-407, and subject to subsection (h), a term
28 in an agreement between an account debtor and an assignor or in a promissory note is ineffective
29 to the extent that it:

30 (1) Prohibits, restricts, or requires the consent of the account debtor or person obligated
31 on the promissory note to the assignment or transfer of, or the creation, attachment, perfection, or
32 enforcement of a security interest in, the account, chattel paper, payment intangible, or
33 promissory note; or

34 (2) Provides that the assignment or transfer or the creation, attachment, perfection, or

1 enforcement of the security interest may give rise to a default, breach, right of recoupment, claim,
2 defense, termination, right of termination, or remedy under the account, chattel paper, payment
3 intangible, or promissory note.

4 (e) Inapplicability of subsection (d) to certain sales. - Subsection (d) does not apply to
5 the sale of a payment intangible or promissory note, other than a sale pursuant to a disposition
6 under section 6A-9-610 or an acceptance of collateral under section 6A-9-620.

7 (f) Legal restrictions on assignment generally ineffective. - Except as otherwise provided
8 in sections 6A-2.1-303 and 6A-9-407 and subject to subsections (h) and (i), a rule of law, statute,
9 or regulation that prohibits, restricts, or requires the consent of a government, governmental body
10 or official, or account debtor to the assignment or transfer of, or creation of a security interest in,
11 an account or chattel paper is ineffective to the extent that the rule of law, statute, or regulation:

12 (1) Prohibits, restricts, or requires the consent of the government, governmental body or
13 official, or account debtor to the assignment or transfer of, or the creation, attachment, perfection,
14 or enforcement of a security interest in the account or chattel paper; or

15 (2) Provides that the assignment or transfer or the creation, attachment, perfection, or
16 enforcement of the security interest may give rise to a default, breach, right of recoupment, claim,
17 defense, termination, right of termination, or remedy under the account or chattel paper.

18 (g) Subsection (b)(3) not waivable. - Subject to subsection (h), an account debtor may
19 not waive or vary its option under subsection (b)(3).

20 (h) Rule for individual under other law. - This section is subject to law other than this
21 chapter which establishes a different rule for an account debtor who is an individual and who
22 incurred the obligation primarily for personal, family, or household purposes.

23 (i) Inapplicability to health-care-insurance receivable. - This section does not apply to an
24 assignment of a health-care-insurance receivable.

25 (j) Section prevails over inconsistent law. - This section prevails over any statutes, rules,
26 and regulations inconsistent with this section.

27 **6A-9-408. Restrictions on assignment of promissory notes, health-care insurance**
28 **receivables, and certain general intangibles ineffective.** -- (a) Term restricting assignment
29 generally ineffective. - Except as otherwise provided in subsection (b), a term in a promissory
30 note or in an agreement between an account debtor and a debtor which relates to a health-care-
31 insurance receivable or a general intangible, including a contract, permit, license, or franchise,
32 and which term prohibits, restricts, or requires the consent of the person obligated on the
33 promissory note or the account debtor to, the assignment or transfer of, or creation, attachment, or
34 perfection of a security interest in, the promissory note, health-care-insurance receivable, or

1 general intangible, is ineffective to the extent that the term:

2 (1) Would impair the creation, attachment, or perfection of a security interest; or

3 (2) Provides that the assignment or transfer or the creation, attachment, or perfection of
4 the security interest may give rise to a default, breach, right of recoupment, claim, defense,
5 termination, right of termination, or remedy under the promissory note, health-care-insurance
6 receivable, or general intangible.

7 (b) Applicability of subsection (a) to sales of certain rights to payment. - Subsection (a)
8 applies to a security interest in a payment intangible or promissory note only if the security
9 interest arises out of a sale of the payment intangible or promissory note, other than a sale
10 pursuant to a disposition under section 6A-9-610 or an acceptance of collateral under section 6A-
11 9-620.

12 (c) Legal restrictions on assignment generally ineffective. - A rule of law, statute, or
13 regulation that prohibits, restricts, or requires the consent of a government, governmental body or
14 official, person obligated on a promissory note, or account debtor to the assignment or transfer of,
15 or creation of a security interest in, a promissory note, health-care-insurance receivable, or
16 general intangible, including a contract, permit, license, or franchise between an account debtor
17 and a debtor, is ineffective to the extent that the rule of law, statute, or regulation:

18 (1) Would impair the creation, attachment, or perfection of a security interest; or

19 (2) Provides that the assignment or transfer or the creation, attachment, or perfection of
20 the security interest may give rise to a default, breach, right of recoupment, claim, defense,
21 termination, right of termination, or remedy under the promissory note, health-care-insurance
22 receivable, or general intangible.

23 (d) Limitation on ineffectiveness under subsections (a) and (c). - To the extent that a
24 term in a promissory note or in an agreement between an account debtor and a debtor which
25 relates to a health-care-insurance receivable or general intangible or a rule of law, statute, or
26 regulation described in subsection (c) would be effective under law other than this chapter but is
27 ineffective under subsection (a) or (c), the creation, attachment, or perfection of a security interest
28 in the promissory note, health-care-insurance receivable, or general intangible:

29 (1) Is not enforceable against the person obligated on the promissory note or the account
30 debtor;

31 (2) Does not impose a duty or obligation on the person obligated on the promissory note
32 or the account debtor;

33 (3) Does not require the person obligated on the promissory note or the account debtor to
34 recognize the security interest, pay or render performance to the secured party, or accept payment

1 or performance from the secured party;

2 (4) Does not entitle the secured party to use or assign the debtor's rights under the
3 promissory note, health-care-insurance receivable, or general intangible, including any related
4 information or materials furnished to the debtor in the transaction giving rise to the promissory
5 note, health-care-insurance receivable, or general intangible;

6 (5) Does not entitle the secured party to use, assign, possess, or have access to any trade
7 secrets or confidential information of the person obligated on the promissory note or the account
8 debtor; and

9 (6) Does not entitle the secured party to enforce the security interest in the promissory
10 note, health-care-insurance receivable, or general intangible.

11 (e) Section prevails over inconsistent law. - This section prevails over any statutes, rules,
12 and regulations inconsistent with this section.

13 **6A-9-502. Contents of financing statement; record of mortgage as financing**
14 **statement; time of filing financing statement.** -- (a) Sufficiency of financing statement. -

15 Subject to subsection (b), a financing statement is sufficient only if it:

16 (1) Provides the name of the debtor;

17 (2) Provides the name of the secured party or a representative of the secured party; and

18 (3) Indicates the collateral covered by the financing statement.

19 (b) Real-property-related financing statements. - Except as otherwise provided in section
20 6A-9-501(b), to be sufficient, a financing statement that covers as-extracted collateral or timber to
21 be cut, or which is filed as a fixture filing and covers goods that are or are to become fixtures,
22 must satisfy subsection (a) and also:

23 (1) Indicate that it covers this type of collateral;

24 (2) Indicate that it is to be filed in the real property records;

25 (3) Provide a description of the real property to which the collateral is related; and

26 (4) If the debtor does not have an interest of record in the real property, provide the name
27 of a record owner.

28 (c) Record of mortgage as financing statement. - A record of a mortgage is effective,
29 from the date of recording, as a financing statement filed as a fixture filing or as a financing
30 statement covering as-extracted collateral or timber to be cut only if:

31 (1) The record indicates the goods or accounts that it covers;

32 (2) The goods are or are to become fixtures related to the real property described in the
33 record or the collateral is related to the real property described in the record and is as-extracted
34 collateral or timber to be cut;

1 (3) The record satisfies the requirements for a financing statement in this section, ~~other~~
2 ~~than an indication that it is to be filed in the real property records; and~~ but:

3 (i) The record need not indicate that it is to be filed in the real property records; and

4 (ii) The record sufficiently provides the name of a debtor who is an individual if it
5 provides the individual name of the debtor or the surname and first personal name of the debtor,
6 even if the debtor is an individual to whom subdivision 6A-9-503-(a)(4) applies; and

7 (4) The record is duly recorded.

8 (d) Filing before security agreement or attachment. - A financing statement may be filed
9 before a security agreement is made or a security interest otherwise attaches.

10 **6A-9-503. Name of debtor and secured party.** -- (a) Sufficiency of debtor's name. - A
11 financing statement sufficiently provides the name of the debtor:

12 (1) ~~If~~ Except as otherwise provided in subdivision (3), if the debtor is a registered
13 organization or the collateral is held in a trust that is a registered organization, and only if the
14 financing statement provides the name ~~of the debtor indicated~~ that is stated to be the registered
15 organization's name on the public organic record ~~of~~ most recently filed with or issued or enacted
16 by the ~~debtor's~~ registered organization's jurisdiction of organization which ~~shows the debtor to~~
17 ~~have been organized~~ purports to state, amend, or restate the registered organization's name;

18 (2) ~~If~~ Subject to subsection (f) if, the ~~debtor is a decedent's estate~~ collateral is being
19 administered by the personal representative of a decedent, only if the financing statement
20 provides, as the name of the debtor, the name of the decedent and, in a separate part of the
21 financing statement, indicates that the ~~debtor is an estate~~ collateral is being administered by a
22 personal representative;

23 (3) If the ~~debtor is a trust or a trustee acting with respect to property held in trust, only if~~
24 ~~the financing statement:~~ collateral is held in a trust that is not a registered organization, only if the
25 financing statement:

26 (i) Provides, as the name of the debtor:

27 (A) If the organic record of the trust specifies a name for the trust, the name specified; or

28 (B) If the organic record of the trust does not specify a name for the trust, the name of the
29 settler or testator; and

30 (ii) In a separate part of the financing statement:

31 (A) If the name is provided in accordance with subparagraph (i)(A), indicates that the
32 collateral is held in a trust; or

33 (B) If the name is provided in accordance with subparagraph (ii)(A), provides additional
34 information sufficient to distinguish the trust from other trusts having one or more the same

1 settlers or the same testator and indicates that the collateral is held in a trust, unless the additional
2 information so indicates;

3 (4) Subject to subsection (g), if the debtor is an individual to whom this state has issued a
4 driver's license, or in lieu of such a driver's license a personal identification card issued by the
5 same office of this state that issues driver's licenses, that has not expired, only if the financing
6 statement provides the name of the individual which is indicated on the driver's license or
7 personal identification card;

8 (5) If the debtor is an individual to whom paragraph (4) does not apply, only if the
9 financing statement provides the individual name of the debtor or the surname and first personal
10 name of the debtor; and

11 ~~(i) Provides the name specified for the trust in its organic documents or, if no name is~~
12 ~~specified, provides the name of the settlor and additional information sufficient to distinguish the~~
13 ~~debtor from other trusts having one or more of the same settlors; and~~

14 ~~(ii) Indicates, in the debtor's name or otherwise, that the debtor is a trust or is a trustee~~
15 ~~acting with respect to property held in trust; and~~

16 ~~(4)~~(6) In other cases:

17 (i) If the debtor has a name, only if ~~it~~ the financing statement provides the ~~individual or~~
18 organizational name of the debtor; and

19 (ii) If the debtor does not have a name, only if it provides the names of the partners,
20 members, associates, or other persons comprising the debtor, in a manner that each name
21 provided would be sufficient if the person named were the debtor.

22 (b) Additional debtor-related information. - A financing statement that provides the
23 name of the debtor in accordance with subsection (a) is not rendered ineffective by the absence
24 of:

25 (1) A trade name or other name of the debtor; or

26 (2) Unless required under subsection ~~(a)(4)(B)~~ (a)(6)(ii), names of partners, members,
27 associates, or other persons comprising the debtor.

28 (c) Debtor's trade name insufficient. - A financing statement that provides only the
29 debtor's trade name does not sufficiently provide the name of the debtor.

30 (d) Representative capacity. - Failure to indicate the representative capacity of a secured
31 party or representative of a secured party does not affect the sufficiency of a financing statement.

32 (e) Multiple debtors and secured parties. - A financing statement may provide the name
33 of more than one debtor and the name of more than one secured party.

34 (f) Name of decedent. The name of the decedent indicated on the order appointing the

1 personal representative of the decedent issued by the court having jurisdiction over the collateral
2 is sufficient as the “name of the decedent” under subdivision (a)(2).

3 (g) Multiple drivers' licenses. If this state has issued to an individual more than one
4 driver's license or personal identification card of a kind described in paragraph (a)(4), the one that
5 was issued most recently is the one to which paragraph (a)(4) refers.

6 (h) Definition. In this section, the “name of the settlor or testator” means:

7 (1) If the settlor is a registered organization, the name that is stated to be the settlor’s
8 name on the public organic record most recently filed with or issued or enacted by the settlor’s
9 jurisdiction of organization which purports to state, amend, or restate the settlor’s name; or

10 (2) In other cases, the name of the settlor or testator indicated in the trust’s organic
11 record.

12 **6A-9-507. Effect of certain events on effectiveness of financing statement. --** (a)

13 Disposition. - A filed financing statement remains effective with respect to collateral that is sold,
14 exchanged, leased, licensed, or otherwise disposed of and in which a security interest or
15 agricultural lien continues, even if the secured party knows of or consents to the disposition.

16 (b) Information becoming seriously misleading. - Except as otherwise provided in
17 subsection (c) and section 6A-9-508, a financing statement is not rendered ineffective if, after the
18 financing statement is filed, the information provided in the financing statement becomes
19 seriously misleading under section 6A-9-506.

20 (c) Change in debtor's name. - If ~~a debtor so changes it's~~ the name that a filed financing
21 statement provides for a debtor becomes insufficient as the name of the debtor under subsection
22 6-A-9-503(a) so that the financing statement becomes seriously misleading under section 6A-9-
23 506:

24 (1) The financing statement is effective to perfect a security interest in collateral
25 acquired by the debtor before, or within four months after, the ~~change~~ filed financing statement
26 becomes seriously misleading; and

27 (2) The financing statement is not effective to perfect a security interest in collateral
28 acquired by the debtor more than four months after the ~~change~~ filed financing statement becomes
29 seriously misleading, unless an amendment to the financing statement which renders the
30 financing statement not seriously misleading is filed within four months after the ~~change~~
31 financing statement becomes seriously misleading.

32 **6A-9-515. Duration and effectiveness of financing statement; effect of lapsed**

33 **financing statement.** -- (a) Five-year effectiveness. - Except as otherwise provided in subsections
34 (b), (e), (f), and (g), a filed financing statement is effective for a period of five years after the date

1 of filing.

2 (b) Public-finance or manufactured-home transaction. - Except as otherwise provided in
3 subsections (e), (f), and (g), an initial financing statement filed in connection with a public-
4 finance transaction or manufactured-home transaction is effective for a period of 30 years after
5 the date of filing if it indicates that it is filed in connection with a public-finance transaction or
6 manufactured-home transaction.

7 (c) Lapse and continuation of financing statement. - The effectiveness of a filed
8 financing statement lapses on the expiration of the period of its effectiveness unless before the
9 lapse a continuation statement is filed pursuant to subsection (d). Upon lapse, a financing
10 statement ceases to be effective and any security interest or agricultural lien that was perfected by
11 the financing statement becomes unperfected, unless the security interest is perfected otherwise.
12 If the security interest or agricultural lien becomes unperfected upon lapse, it is deemed never to
13 have been perfected as against a purchaser of the collateral for value.

14 (d) When continuation statement may be filed. - A continuation statement may be filed
15 only within six months before the expiration of the five-year period specified in subsection (a) or
16 the 30-year period specified in subsection (b), whichever is applicable.

17 (e) Effect of filing continuation statement. - Except as otherwise provided in section 6A-
18 9-510, upon timely filing of a continuation statement, the effectiveness of the initial financing
19 statement continues for a period of five years commencing on the day on which the financing
20 statement would have become ineffective in the absence of the filing. Upon the expiration of the
21 five-year period, the financing statement lapses in the same manner as provided in subsection (c),
22 unless, before the lapse, another continuation statement is filed pursuant to subsection (d).
23 Succeeding continuation statements may be filed in the same manner to continue the
24 effectiveness of the initial financing statement.

25 (f) Transmitting utility financing statement. - If a debtor is a transmitting utility and a
26 filed [initial](#) financing statement so indicates, the financing statement is effective until a
27 termination statement is filed.

28 (g) Record of mortgage as financing statement. - A record of a mortgage that is effective
29 as a financing statement filed as a fixture filing under section 6A-9-502(c) remains effective as a
30 financing statement filed as a fixture filing until the mortgage is released or satisfied of record or
31 its effectiveness otherwise terminates as to the real property.

32 **6A-9-516. What constitutes filing; effectiveness of filing.** -- (a) What constitutes filing.
33 - Except as otherwise provided in subsection (b), communication of a record to a filing office and
34 tender of the filing fee or acceptance of the record by the filing office constitutes filing.

1 (b) Refusal to accept record; filing does not occur. - Filing does not occur with respect to
2 a record that a filing office refuses to accept because:

3 (1) The record is not communicated by a method or medium of communication
4 authorized by the filing office;

5 (2) An amount equal to or greater than the applicable filing fee is not tendered;

6 (3) The filing office is unable to index the record because:

7 (i) In the case of an initial financing statement, the record does not provide a name for
8 the debtor;

9 (ii) In the case of an amendment or ~~correction~~ [information](#) statement, the record:

10 (A) Does not identify the initial financing statement as required by section 6A-9-512 or
11 section 6A-9-518, as applicable; or

12 (B) Identifies an initial financing statement whose effectiveness has lapsed under section
13 6A-9-515;

14 (iii) In the case of an initial financing statement that provides the name of a debtor
15 identified as an individual or an amendment that provides a name of a debtor identified as an
16 individual which was not previously provided in the financing statement to which the record
17 relates, the record does not identify the debtor's ~~last-name~~ [surname](#); or

18 (iv) In the case of a record filed or recorded in the filing office described in section 6A-
19 9-501(a)(1), the record does not provide a sufficient description of the real property to which it
20 relates;

21 (4) In the case of an initial financing statement or an amendment that adds a secured
22 party of record, the record does not provide a name and mailing address for the secured party of
23 record;

24 (5) In the case of an initial financing statement or an amendment that provides a name of
25 a debtor which was not previously provided in the financing statement to which the amendment
26 relates, the record does not:

27 (i) Provide a mailing address for the debtor; [or](#)

28 (ii) Indicate whether the [name provided as the name of the](#) debtor is [the name of](#) an
29 individual or an organization; ~~or~~

30 ~~(iii) If the financing statement indicates that the debtor is an organization, provide:~~

31 ~~(A) A type of organization for the debtor;~~

32 ~~(B) A jurisdiction of organization for the debtor; or~~

33 ~~(C) An organizational identification number for the debtor or indicate that the debtor has~~

34 ~~none;~~

1 (6) In the case of an assignment reflected in an initial financing statement under section
2 6A-9-514(a) or an amendment filed under section 6A-9-514(b), the record does not provide a
3 name and mailing address for the assignee; or

4 (7) In the case of a continuation statement, the record is not filed within the six-month
5 period prescribed by section 6A-9-515(d).

6 (c) Rules applicable to subsection (b). - For purposes of subsection (b):

7 (1) A record does not provide information if the filing office is unable to read or
8 decipher the information; and

9 (2) A record that does not indicate that it is an amendment or identify an initial financing
10 statement to which it relates, as required by section 6A-9-512, 6A-9-514, or 6A-9-518, is an
11 initial financing statement.

12 (d) Refusal to accept record; record effective as filed record. - A record that is
13 communicated to the filing office with tender of the filing fee, but which the filing office refuses
14 to accept for a reason other than one set forth in subsection (b), is effective as a filed record
15 except as against a purchaser of the collateral which gives value in reasonable reliance upon the
16 absence of the record from the files.

17 **6A-9-518. Claim concerning inaccurate or wrongfully filed record.** -- (a) ~~Correction~~
18 ~~statement~~ Statement with respect to record indexed under person's name. - A person may file in
19 the filing office ~~a correction~~ an information statement with respect to a record indexed there
20 under the person's name if the person believes that the record is inaccurate or was wrongfully
21 filed.

22 (b) ~~Sufficiency~~ Contents of ~~correction~~ statement under subsection (a). - ~~A correction~~ An
23 information statement under subsection (a) must:

24 (1) Identify the record to which it relates by: ~~(i) The~~ the file number assigned to the
25 initial financing statement to which the record relates; and

26 ~~(ii) If the correction statement relates to a record filed in a filing office described in~~
27 ~~section 6A-9-501(a)(1), the information specified in section 6A-9-502(b) and (A) the date and~~
28 ~~time that the initial financing statement was filed or (B) the book and page references of the~~
29 ~~filing;~~

30 (2) Indicate that it is ~~a correction~~ an information statement; and

31 (3) Provide the basis for the person's belief that the record is inaccurate and indicate the
32 manner in which the person believes the record should be amended to cure any inaccuracy or
33 provide the basis for the person's belief that the record was wrongfully filed.

34 (c) Statement by secured party of record. A person may file in the filing office an

1 information statement with respect to a record filed there if the person is a secured party of record
2 with respect to the financing statement to which the record relates and believes that the person
3 that filed the record was not entitled to do so under subsection 6A-9-509(d).

4 (d) Contents of statement under subsection (c). An information statement under
5 subsection (c) must:

6 (1) Identify the record to which it relates by:

7 (i) The file number assigned to the initial financing statement to which the record relates;
8 and

9 (ii) If the information statement relates to a record filed in a filing office described in
10 subdivision 6A-9-501(a)(1), the date and time that the initial financing statement was filed and
11 the information specified in subsection 6A-9-502(b);

12 (2) Indicate that it is an information statement; and

13 (3) Provide the basis for the person's belief that the person who filed the record was not
14 entitled to do so under subsection 6A-9-509(d).

15 ~~(e)~~(e) Record not affected by ~~correction~~ information statement. - The filing of a
16 ~~correction~~ an information statement does not affect the effectiveness of an initial financing
17 statement or other filed record.

18 **6A-9-521. Uniform form of written financing statement and amendment.** -- (a) Initial
19 financing statement form. - A filing office that accepts written records may not refuse to accept a
20 written initial financing statement in the following form and format except for a reason set forth
21 in section 6A-9-516(b):

22 ~~UCC FINANCING STATEMENT~~

23 ~~FOLLOW INSTRUCTIONS (front and back) CAREFULLY~~

24 ~~A. NAME & PHONE OF CONTACT AT FILER [optional]~~

25 _____

26 ~~B. SEND ACKNOWLEDGMENT TO: (Name and Address)~~

27 _____

28 _____

29 _____

30 ~~THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY~~

31 ~~1. DEBTOR'S EXACT FULL LEGAL NAME—insert only one debtor name (1a or 1b)—do not~~
32 ~~abbreviate or combine names~~

33 ~~1a. ORGANIZATION'S NAME~~

34 ~~Or~~ _____

1 ~~1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX~~
2 _____
3 ~~1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY~~
4 _____
5 ~~1d. TAX ID #: SSN OR EIN ADD'L INFO REORGANIZATION DEBTOR~~
6 _____
7 ~~1e. TYPE OF ORGANIZATION~~
8 _____
9 ~~1f. JURISDICTION OF ORGANIZATION~~
10 _____
11 ~~1g. ORGANIZATIONAL ID #, if any NONE~~
12 _____
13 ~~2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME insert only one debtor name (2a~~
14 ~~or 2b) do not abbreviate or combine names~~
15 ~~2a. ORGANIZATION'S NAME~~
16 ~~Or~~ _____
17 ~~2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX~~
18 _____
19 ~~2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY~~
20 _____
21 ~~2d. TAX ID #: SSN OR EIN ADD'L INFO REORGANIZATION DEBTOR~~
22 _____
23 ~~2e. TYPE OF ORGANIZATION~~
24 _____
25 ~~2f. JURISDICTION OF ORGANIZATION~~
26 _____
27 ~~2g. ORGANIZATIONAL ID #, if any NONE~~
28 _____
29 ~~3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) insert~~
30 ~~only one secured party name (3a or 3b)~~
31 ~~3a. ORGANIZATION'S NAME~~
32 ~~Or~~ _____
33 ~~3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX~~
34 _____

1 ~~3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY~~
2 _____

3 ~~4. This FINANCING STATEMENT covers the following collateral:~~

4
5 ~~5. ALTERNATIVE DESIGNATION [if applicable]: LESSEE/LESSOR~~

6 ~~CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN~~
7 ~~NON-UCC FILING~~

8 ~~6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL~~
9 ~~ESTATE RECORDS. Attach Addendum _____ [if applicable]~~

10 ~~7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional]~~
11 ~~All Debtors Debtor 1 Debtor 2~~

12 ~~8. OPTIONAL FILER REFERENCE DATA~~

13 _____
14 ~~FILING OFFICE COPY NATIONAL UCC FINANCING STATEMENT (FORM UCC1)(REV.~~
15 ~~07/29/98)~~

17 **~~UCC FINANCING STATEMENT ADDENDUM~~**

18 ~~FOLLOW INSTRUCTIONS (front and back) CAREFULLY~~

19 ~~THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY~~

20 ~~9. NAME OF FIRST DEBTOR (9a or 9b) ON RELATED FINANCING STATEMENT~~

21 ~~9a. ORGANIZATION'S NAME~~
22 ~~Or _____~~

23 ~~9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX~~
24 ~~_____~~

25 ~~10. MISCELLANEOUS:~~

26 _____

27 ~~11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME insert only one name (11a or~~
28 ~~11b) do not abbreviate or combine names~~

29 ~~11a. ORGANIZATION'S NAME~~
30 ~~Or _____~~

31 ~~11b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX~~
32 ~~_____~~

33 ~~11c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY~~
34 _____

1 ~~11d. TAX ID #: SSN OR EIN _____ ADD'L INFO REORGANIZATION DEBTOR~~

2 _____

3 ~~11e. TYPE OF ORGANIZATION~~

4 _____

5 ~~11f. JURISDICTION OF ORGANIZATION~~

6 _____

7 ~~11g. ORGANIZATIONAL ID #, if any _____ NONE~~

8 _____

9 ~~12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME — insert only one~~
10 ~~name (12a or 12b)~~

11 ~~12a. ORGANIZATION'S NAME~~

12 ~~Or _____~~

13 ~~12b. INDIVIDUAL'S LAST NAME _____ FIRST NAME _____ MIDDLE NAME _____ SUFFIX _____~~

14 _____

15 ~~12c. MAILING ADDRESS _____ CITY _____ STATE _____ POSTAL CODE _____ COUNTRY _____~~

16 _____

17 ~~13. This FINANCING STATEMENT covers timber to be cut or as extracted collateral, or~~
18 ~~is filed as a fixture filing.~~

19 ~~14. Description of real estate: _____~~

20 _____

21 ~~15. Name and address of a RECORD OWNER of above described real estate (if Debtor does not~~
22 ~~have a record interest): _____~~

23 ~~16. Additional collateral description: _____~~

24 _____

25 ~~17. Check only if applicable and check only one box.~~

26 ~~Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's~~
27 ~~Estate~~

28 ~~18. Check only if applicable and check only one box.~~

29 ~~Debtor is a TRANSMITTING UTILITY~~

30 ~~Filed in connection with a Manufactured Home Transaction — effective 30 years~~

31 ~~Filed in connection with a Public Finance Transaction — effective 30 years~~

32 _____

33 ~~FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT ADDENDUM (FORM~~
34 ~~UCC1Ad) (REV. 07/29/98)~~

1 UCC FINANCING STATEMENT

2 FOLLOW INSTRUCTIONS

3 A. NAME & PHONE OF CONTACT AT FILER (optional)

4 _____

5 B. EMAIL CONTACT AT FILER (optional)

6 _____

7 C. SEND ACKNOWLEDGMENT TO: (Name and Address)

8 _____

9 THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10 1. DEBTOR'S NAME- provide only one Debtor name (1a or 1b) (use exact, full name; do not
11 omit, modify, or abbreviate any word in the debtor's name)

12 1a. ORGANIZATION'S NAME

13 or

14 1b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

15 _____

16 ADDITIONAL NAME(S)/INITIAL(S)

17 THAT ARE PART OF THE NAME OF THIS DEBTOR

SUFFIX

18 _____

19 1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

20 _____

21 2. DEBTOR'S NAME- provide only one Debtor name (2a or 2b) (use exact, full name; do not
22 omit, modify, or abbreviate any word in the debtor's name)

23 2a. ORGANIZATION'S NAME

24 or

25 2b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

26 _____

27 ADDITIONAL NAME(S)/INITIAL(S)

28 THAT ARE PART OF THE NAME OF THIS DEBTOR

SUFFIX

29 _____

30 1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

31 _____

32 3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR secured party)—
33 provide only one secured party name (3a or 3b)

34 3a. ORGANIZATION'S NAME

1 or _____
2 3b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME
3 _____

4 ADDITIONAL NAME(S)/INITIAL(S) SUFFIX
5 _____

6 3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
7 _____

8 4. COLLATERAL: This financing statement covers the following collateral:
9 _____
10 _____

11 5. Check only if applicable and check only one box:
12 Collateral is held in a Trust (see Instructions) being administered by a Decedent's
13 Personal Representative.

14 6a. Check only if applicable and check only one box:
15 Public-Finance Transaction Manufactured-Home Transaction
16 A Debtor is a Transmitting Utility

17 6b. check only is applicable and check only one box:
18 Agricultural Lien Non-UCC Filing

19 7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor
20 Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

21 8. OPTIONAL FILER REFERENCE DATA _____
22 _____

23 [UCC FINANCING STATEMENT (Form UCC1)]
24 _____

25 **UCC FINANCING STATEMENT ADDENDUM**
26 **FOLLOW INSTRUCTIONS**

27 THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

28 9. DEBTOR'S NAME- provide only one Debtor name (1a or 1b) (use exact, full name; do not
29 omit, modify, or abbreviate any word in the debtor's name)

30 9a. ORGANIZATION'S NAME
31 or _____

32 9b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME
33 _____
34 ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

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10. ADDITIONAL DEBTOR’S NAME- provide only one Debtor name (10a or 10b) (use exact, full name; do not omit, modify, or abbreviate any word in the debtor’s name)

10a. ORGANIZATION’S NAME

or _____

10b. INDIVIDUAL’S SURNAME FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

THAT ARE PART OF THE NAME OF THIS DEBTOR SUFFIX

10c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

11. ADDITIONAL SECURED PARTY’S NAME or ASSIGNOR SECURED PARTY’S NAME—provide only one secured party name (11a or 11b)

11a. ORGANIZATION’S NAME

or _____

11b. INDIVIDUAL’S SURNAME FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

11c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (collateral)

13. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT:

covers timber to be cut covers as-extended is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:

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17. MISCELLANEOUS:

UCC FINANCING STATEMENT ADDENDUM (Form UCC1Ad)

(b) Amendment form. - A filing office that accepts written records may not refuse to accept a written record in the following form and format except for a reason set forth in section 6A-9-516(b):

~~UCC FINANCING STATEMENT AMENDMENT~~

~~FOLLOW INSTRUCTIONS (front and back) CAREFULLY~~

~~A. NAME & PHONE OF CONTACT AT FILER [optional]~~

~~_____~~

~~B. SEND ACKNOWLEDGMENT TO: (Name and Address)~~

~~_____~~

~~_____~~

~~_____~~

~~THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY~~

~~1a. INITIAL FINANCING STATE FILE _____~~

~~1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.~~

~~2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.~~

~~3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.~~

~~4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address assignee in item 7c; and also give name of assignor in item 9.~~

~~5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.~~

~~Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.~~

~~CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.~~

~~DELETE name: give record name to be deleted in item 6a or 6b.~~

1 ~~ADD name: Complete item 7a or 7b, and also complete items 7d-7g (if applicable).~~

2 ~~6. CURRENT RECORD INFORMATION:~~

3 ~~6a. ORGANIZATION'S NAME~~

4 ~~or _____~~

5 ~~6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX~~

6 ~~_____~~

7 ~~7. CHANGED (NEW) OR ADDED INFORMATION:~~

8 ~~7a. ORGANIZATION'S NAME~~

9 ~~or _____~~

10 ~~7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX~~

11 ~~_____~~

12 ~~7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY~~

13 ~~_____~~

14 ~~7d. TAX ID #: SSN OR EIN ADD'L INFO REORGANIZATION DEBTOR~~

15 ~~_____~~

16 ~~7e. TYPE OF ORGANIZATION~~

17 ~~_____~~

18 ~~7f. JURISDICTION OF ORGANIZATION~~

19 ~~_____~~

20 ~~7g. ORGANIZATIONAL ID #, if any NONE~~

21 ~~_____~~

22 ~~8. AMENDMENT (COLLATERAL CHANGE) CHECK ONLY ONE BOX.~~

23 ~~describe collateral deleted or give entire restated collateral description, or describe~~
24 ~~collateral assigned.~~

25 ~~9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name~~
26 ~~of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds~~
27 ~~collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check~~
28 ~~here and enter name of DEBTOR authorizing this Amendment.~~

29 ~~9a. ORGANIZATION'S NAME~~

30 ~~or _____~~

31 ~~9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX~~

32 ~~_____~~

33 ~~10. OPTIONAL FILER REFERENCE DATA~~

34 ~~_____~~

1 ~~NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV.~~
2 ~~07/29/98)~~

4 ~~UCC FINANCING STATEMENT AMENDMENT ADDENDUM~~

5 ~~FOLLOW INSTRUCTIONS (front and back) CAREFULLY~~

6 ~~THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY~~

7 ~~11. INITIAL FINANCING STATE FILE # _____~~

8 ~~12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment~~
9 ~~form)~~

10 ~~12a. ORGANIZATION'S NAME~~

11 ~~or _____~~

12 ~~12b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX~~

13 ~~_____~~

14 ~~13. Use this space for additional information~~

15 ~~_____~~

16 ~~_____~~

18 UCC FINANCING STATEMENT AMENDMENT

19 FOLLOW INSTRUCTIONS

20 A. NAME & PHONE OF CONTACT AT FILER (optional)

21 _____

22 B. EMAIL CONTACT AT FILER (optional)

23 _____

24 C. SEND ACKNOWLEDGMENT TO: (Name and Address)

25 _____

26 THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

27 1a. INITIAL FINANCING STATEMENT FILE # _____

28 1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded)
29 in the REAL ESTATE RECORDS.

30 2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated
31 with respect to the security interest(s) of Secured Party authorizing this Termination Statement

32 3. ASSIGNMENT (full or partial): Provide name of Assignee in item 7a or 7b, and address
33 Assignee in item 7c and name of Assignor in item 9. For partial assignment, complete items 7 and
34 9 and also indicate affected collateral in item 8

1 4. CONTINUATION: Effectiveness of the Financing Statement identified above with respect
2 to the security interest(s) of Secured Party authorizing this Continuation Statement is continued
3 for the additional period provided by applicable law

4 5. PARTY INFORMATION CHANGE:

5 Check one of these three boxes:

6 This Change affects Debtor or Secured Party of record AND Check one of these three boxes
7 to:

8 CHANGE name and/or address: Complete item 6a or 6b, and item 7a or 7b and item 7c.

9 ADD name: Complete item 7a or 7b, and item 7c.

10 DELETE name: Give record name to be deleted in item 6a or 6b.

11 6. CURRENT RECORD INFORMATION: Complete for Party Information Change – provide
12 only one name (6a or 6b) (use exact, full name; do not omit, modify, or abbreviate any word in
13 the Debtor’s name)

14 6a. ORGANIZATION’S NAME

15 or _____

16 6b. INDIVIDUAL’S SURNAME FIRST PERSONAL NAME

17 _____

18 ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

19 _____

20 7. CHANGED OR ADDED INFORMATION: Complete for Assignment of Party Information
21 Change – provide only one name (7a or 7b) (use exact full name; do not omit, modify, or
22 abbreviate any word in the Debtor’s name)

23 7a. ORGANIZATION’S NAME

24 or _____

25 7b. INDIVIDUAL’S SURNAME FIRST PERSONAL NAME

26 _____

27 ADDITIONAL NAME(S)/INITIAL(S) THAT ARE PART OF THE NAME OF THIS DEBTOR

28 SUFFIX

29 _____

30 7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

31 _____

32 8. COLLATERAL CHANGE:

33 Also check one of these four boxes:

34 ADD collateral DELETE collateral RESTATE covered collateral ASSIGN

1 collateral

2 Indicate Collateral: _____

3 9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT –

4 provide only one name (9a or 9b) (name of Assignor, if this is an Assignment)

5 If this is an Amendment authorized by a DEBTOR, check here and provide name of

6 authorizing Debtor

7 9a. ORGANIZATION’S NAME

8 or _____

9 9b. INDIVIDUAL’S SURNAME FIRST PERSONAL NAME

10 _____

11 ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

12 _____

13 10. OPTIONAL FILER REFERENCE DATA

14 _____

15 _____

16 [UCC FINANCING STATEMENT AMENDMENT (Form UCC3)]

17

18 **UCC FINANCING STATEMENT AMENDMENT ADDENDUM**

19 FOLLOW INSTRUCTIONS

20 11. INITIAL FINANCING STATEMENT FILE NUMBER (same as item 1a on Amendment

21 form) _____

22 12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment

23 form)

24 12a. ORGANIZATION’S NAME

25 or _____

26 12b. INDIVIDUAL’S SURNAME FIRST PERSONAL NAME

27 _____

28 ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

29 _____

30 THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

31 13. Name of DEBTOR on related financing statement (Name of a current Debtor of record

32 required for indexing purposes only in some filing offices – see Instruction for item 13 – insert

33 only one Debtor name (13a or 13b) (use exact, full name; do not omit, modify, or abbreviate any

34 word in the Debtor’s name)

1 13a. ORGANIZATION'S NAME
2 or _____

3 13b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME
4 _____

5 ADDITIONAL NAME(S)/INITIAL(S) SUFFIX
6 _____

7 14. ADDITIONAL SPACE FOR ITEM 8 (Collateral)
8 _____
9 _____

10 15. This FINANCING STATEMENT AMENDMENT:

- 11 covers timber to be cut
- 12 covers as-extracted collateral
- 13 is filed as a fixture filing

14 16. Name and address of a RECORD OWNER of real estate described in item 17 (if Debtor does
15 not have a record interest): _____
16 _____

17 17. Description of real estate
18 _____
19 _____

20 18. MISCELLANEOUS:
21 _____
22 _____

23 [UCC FINANCING STATEMENT AMENDMENT ADDENDUM (Form UCC3Ad)]

24 **6A-9-607. Collection and enforcement by secured party.** -- (a) Collection and
25 enforcement generally. - If so agreed, and in any event after default, a secured party:

- 26 (1) May notify an account debtor or other person obligated on collateral to make
27 payment or otherwise render performance to or for the benefit of the secured party;
- 28 (2) May take any proceeds to which the secured party is entitled under section 6A-9-315;
- 29 (3) May enforce the obligations of an account debtor or other person obligated on
30 collateral and exercise the rights of the debtor with respect to the obligation of the account debtor
31 or other person obligated on collateral to make payment or otherwise render performance to the
32 debtor, and with respect to any property that secures the obligations of the account debtor or other
33 person obligated on the collateral;
- 34 (4) If it holds a security interest in a deposit account perfected by control under section

1 6A-9-104(a)(1), may apply the balance of the deposit account to the obligation secured by the
2 deposit account; and

3 (5) If it holds a security interest in a deposit account perfected by control under section
4 6A-9-104(a)(2) or (3), may instruct the bank to pay the balance of the deposit account to or for
5 the benefit of the secured party.

6 (b) Nonjudicial enforcement of mortgage. - If necessary to enable a secured party to
7 exercise under subsection (a)(3) the right of a debtor to enforce a mortgage nonjudicially, the
8 secured party may record in the office in which a record of the mortgage is recorded:

9 (1) A copy of the security agreement that creates or provides for a security interest in the
10 obligation secured by the mortgage; and

11 (2) The secured party's sworn affidavit in recordable form stating that:

12 (i) A default has occurred [with respect to the obligation secured by the mortgage](#); and

13 (ii) The secured party is entitled to enforce the mortgage nonjudicially.

14 (c) Commercially reasonable collection and enforcement. - A secured party shall proceed
15 in a commercially reasonable manner if the secured party:

16 (1) Undertakes to collect from or enforce an obligation of an account debtor or other
17 person obligated on collateral; and

18 (2) Is entitled to charge back uncollected collateral or otherwise to full or limited
19 recourse against the debtor or a secondary obligor.

20 (d) Expenses of collection and enforcement. - A secured party may deduct from the
21 collections made pursuant to subsection (c) reasonable expenses of collection and enforcement,
22 including reasonable attorney's fees and legal expenses incurred by the secured party.

23 (e) Duties to secured party not affected. - This section does not determine whether an
24 account debtor, bank, or other person obligated on collateral owes a duty to a secured party.

25 **6A-9-625. Remedies for secured party's failure to comply with chapter.** -- (a) Judicial
26 orders concerning noncompliance. - If it is established that a secured party is not proceeding in
27 accordance with this chapter, a court may order or restrain collection, enforcement, or disposition
28 of collateral on appropriate terms and conditions.

29 (b) Damages for noncompliance. - Subject to subsections (c), (d), and (f), a person is
30 liable for damages in the amount of any loss caused by a failure to comply with this chapter. Loss
31 caused by a failure to comply may include loss resulting from the debtor's inability to obtain, or
32 increased costs of, alternative financing.

33 (c) Persons entitled to recover damages; statutory damages in consumer-goods
34 transaction [if collateral is consumer goods](#). - Except as otherwise provided in section 6A-9-628:

1 (1) A person that, at the time of the failure, was a debtor, was an obligor, or held a
2 security interest in or other lien on the collateral may recover damages under subsection (b) for its
3 loss; and

4 (2) If the collateral is consumer goods, a person that was a debtor or a secondary obligor
5 at the time a secured party failed to comply with this part may recover for that failure in any event
6 an amount not less than the credit service charge plus 10 percent of the principal amount of the
7 obligation or the time-price differential plus 10 percent of the cash price.

8 (d) Recovery when deficiency eliminated or reduced. - A debtor whose deficiency is
9 eliminated under section 6A-9-626 may recover damages for the loss of any surplus. However, a
10 debtor or secondary obligor whose deficiency is eliminated or reduced under section 6A-9-626
11 may not otherwise recover under subsection (b) for noncompliance with the provisions of this
12 part relating to collection, enforcement, disposition, or acceptance.

13 (e) Statutory damages: noncompliance with specified provisions. - In addition to any
14 damages recoverable under subsection (b), the debtor, consumer obligor, or person named as a
15 debtor in a filed record, as applicable, may recover \$500 in each case from a person that:

16 (1) Fails to comply with section 6A-9-208;

17 (2) Fails to comply with section 6A-9-209;

18 (3) Files a record that the person is not entitled to file under section 6A-9-509(a);

19 (4) Fails to cause the secured party of record to file or send a termination statement as
20 required by section 6A-9-513(a) or (c);

21 (5) Fails to comply with section 6A-9-616(b)(1) and whose failure is part of a pattern, or
22 consistent with a practice, of noncompliance; or

23 (6) Fails to comply with section 6A-9-616(b)(2).

24 (f) Statutory damages: noncompliance with section 6A-9-210. - A debtor or consumer
25 obligor may recover damages under subsection (b) and, in addition, \$500 in each case from a
26 person that, without reasonable cause, fails to comply with a request under section 6A-9-210. A
27 recipient of a request under section 6A-9-210 which never claimed an interest in the collateral or
28 obligations that are the subject of a request under that section has a reasonable excuse for failure
29 to comply with the request within the meaning of this subsection.

30 (g) Limitation of security interest: noncompliance with section 6A-9-210. - If a secured
31 party fails to comply with a request regarding a list of collateral or a statement of account under
32 section 6A-9-210, the secured party may claim a security interest only as shown in the list or
33 statement included in the request as against a person that is reasonably misled by the failure.

34 **6A-9-710. Official comments.** -- It is the intention of the general assembly that the

1 official comments to this chapter, including the 2010 amendments to said official comments,
2 represent the express legislative intent of the general assembly and shall be used as a guide for
3 interpretation of this chapter.

4 SECTION 3. Chapter 6A-9 of the General Laws entitled "Secured Transactions" is
5 hereby amended by adding thereto the following sections:

6 **6A- 9-801. Effective Date.** – (a) In this part, “amendatory act” means the public law by
7 which this part is added to chapter 9 of title 6A effective July 1, 2013.

8 (b) This amendatory act takes effect on July 1, 2013.

9 **6A-9-802. Savings Clause.** -- (a) Pre-effective-date transactions or liens. Except as
10 otherwise provided in this part, the amendatory act applies to a transaction or lien within its
11 scope, even if the transaction or lien was entered into or created before the amendatory act takes
12 effect.

13 (b) Pre-effective-date proceedings. The amendatory act does not affect an action, case, or
14 proceeding commenced before the amendatory act takes effect.

15 **6A-9-803. Security interest perfected before effective date.** -- (a) Continuing
16 perfection: perfection requirements satisfied. A security interest that is a perfected security
17 interest immediately before the amendatory act takes effect is a perfected security interest under
18 this chapter as amended by the amendatory act if, when the amendatory act takes effect, the
19 applicable requirements for attachment and perfection under this chapter, as amended by the
20 amendatory act, are satisfied without further action.

21 (b) Continuing perfection: perfection requirements not satisfied. Except as otherwise
22 provided in section 6A-9-805, if, immediately before the amendatory act takes effect, a security
23 interest is a perfected security interest, but the applicable requirements for perfection under this
24 chapter, as amended by the amendatory act, are not satisfied when the amendatory act takes
25 effect, the security interest remains perfected thereafter only if the applicable requirements for
26 perfection under this chapter as amended by the amendatory act are satisfied within one year after
27 the amendatory act takes effect.

28 **6A- 9-804. Security interest unperfected before effective date.** -- A security interest
29 that is an unperfected security interest immediately before the amendatory act takes effect
30 becomes a perfected security interest:

31 (1) Without further action, when the amendatory act takes effect if the applicable
32 requirements for perfection under this chapter as amended by the amendatory act are satisfied
33 before or at that time; or

34 (2) When the applicable requirements for perfection are satisfied if the requirements are

1 satisfied after that time.

2 **6A-9-805. Effectiveness of action taken before effective date.** -- (a) Pre-effective-date
3 filing effective. The filing of a financing statement before the amendatory act takes effect is
4 effective to perfect a security interest to the extent the filing would satisfy the applicable
5 requirements for perfection under this chapter as amended by the amendatory act.

6 (b) When pre-effective-date filing becomes ineffective. The amendatory act does not
7 render ineffective an effective financing statement that, before the amendatory act takes effect, is
8 filed and satisfies the applicable requirements for perfection under the law of the jurisdiction
9 governing perfection as provided in this chapter as it existed before the amendatory act took
10 effect. However, except as otherwise provided in subsections (c) and (d) and section 6A-9-806,
11 the financing statement ceases to be effective:

12 (1) If the financing statement is filed in this state, at the time the financing statement
13 would have ceased to be effective had the amendatory act not taken effect; or

14 (2) If the financing statement is filed in another jurisdiction, at the earlier of:

15 (i) The time the financing statement would have ceased to be effective under the law of
16 that jurisdiction; or

17 (ii) June 30, 2018.

18 (c) Continuation statement. The filing of a continuation statement after the amendatory
19 act takes effect does not continue the effectiveness of a financing statement filed before the
20 amendatory act takes effect. However, upon the timely filing of a continuation statement after the
21 amendatory act takes effect and in accordance with the law of the jurisdiction governing
22 perfection as provided in this chapter as amended by the amendatory act, the effectiveness of a
23 financing statement filed in the same office in that jurisdiction before the amendatory act takes
24 effect continues for the period provided by the law of that jurisdiction.

25 (d) Application of subparagraph 6A-9-804 (b)(2)(B) to transmitting utility financing
26 statement. Subparagraph 6A-9-804 (b)(2)(B) applies to a financing statement that, before the
27 amendatory act takes effect, is filed against a transmitting utility and satisfies the applicable
28 requirements for perfection under the law of the jurisdiction governing perfection as provided in
29 this chapter as it existed before the amendatory act took effect, only to the extent that this chapter
30 as amended by the amendatory act provides that the law of a jurisdiction other than the
31 jurisdiction in which the financing statement is filed governs perfection of a security interest in
32 collateral covered by the financing statement.

33 (e) Application of Part 5. A financing statement that includes a financing statement filed
34 before the amendatory act takes effect and a continuation statement filed after the amendatory act

1 takes effect is effective only to the extent that it satisfies the requirements of Part 5 of this chapter
2 as amended by the amendatory act for an initial financing statement. A financing statement that
3 indicates that the debtor is a decedent's estate indicates that the collateral is being administered
4 by a personal representative within the meaning of subdivision 6A-9-503(a)(2) as amended by the
5 amendatory act. A financing statement that indicates that the debtor is a trust or is a trustee acting
6 with respect to property held in trust indicates that the collateral is held in a trust within the
7 meaning of subdivision 6A-9-503(a)(3) as amended by the amendatory act.

8 **6A-9-806. When initial financing statement suffices to continue effectiveness of**
9 **financing statement. -- (a) Initial financing statement in lieu of continuation statement. The**
10 **filing of an initial financing statement in the office specified in section 6A-9-501 continues the**
11 **effectiveness of a financing statement filed before the amendatory act takes effect if:**

12 (1) The filing of an initial financing statement in that office would be effective to perfect
13 a security interest under this chapter as amended by the amendatory act;

14 (2) The pre-effective-date financing statement was filed in an office in another state; and

15 (3) The initial financing statement satisfies subsection (c).

16 (b) Period of continued effectiveness. The filing of an initial financing statement under
17 subsection (a) continues the effectiveness of the pre-effective-date financing statement:

18 (1) If the initial financing statement is filed before the amendatory act takes effect, for the
19 period provided in section 6A-9-515 before the amendatory act took effect with respect to an
20 initial financing statement; and

21 (2) If the initial financing statement is filed after the amendatory act takes effect, for the
22 period provided in section 6A-9-515 as amended by the amendatory act with respect to an initial
23 financing statement.

24 (c) Requirements for initial financing statement under subsection (a). To be effective for
25 purposes of subsection (a), an initial financing statement must:

26 (1) Satisfy the requirements of Part 5 of this chapter as amended by the amendatory act
27 for an initial financing statement;

28 (2) Identify the pre-effective-date financing statement by indicating the office in which
29 the financing statement was filed and providing the dates of filing and file numbers, if any, of the
30 financing statement and of the most recent continuation statement filed with respect to the
31 financing statement; and

32 (3) Indicate that the pre-effective-date financing statement remains effective.

33 **6A-9-807. Amendment of pre-effective-date financing statement. -- (a) Pre-effective-**
34 **date financing statement. In this section, "pre-effective-date financing statement" means a**

1 financing statement filed before the amendatory act takes effect.

2 (b) Applicable law. After the amendatory act takes effect, a person may add or delete
3 collateral covered by, continue or terminate the effectiveness of, or otherwise amend the
4 information provided in, a pre-effective-date financing statement only in accordance with the law
5 of the jurisdiction governing perfection as provided in this chapter as amended by the amendatory
6 act. However, the effectiveness of a pre-effective-date financing statement also may be
7 terminated in accordance with the law of the jurisdiction in which the financing statement is filed.

8 (c) Method of amending: general rule. Except as otherwise provided in subsection (d), if
9 the law of this state governs perfection of a security interest, the information in a pre-effective-
10 date financing statement may be amended after the amendatory act takes effect only if:

11 (1) The pre-effective-date financing statement and an amendment are filed in the office
12 specified in section 6A-9-501;

13 (2) An amendment is filed in the office specified in section 6A-9-501 concurrently with,
14 or after the filing in that office of, an initial financing statement that satisfies subsection 6A-9-
15 806(c); or

16 (3) An initial financing statement that provides the information as amended and satisfies
17 subsection 6A-9-806(c) is filed in the office specified in section 6A-9-501.

18 (d) Method of amending: continuation. If the law of this state governs perfection of a
19 security interest, the effectiveness of a pre-effective-date financing statement may be continued
20 only under subsections 6A-9-805(c) and (e) or section 6A-9-806.

21 (e) Method of amending: additional termination rule. Whether or not the law of this state
22 governs perfection of a security interest, the effectiveness of a pre-effective-date financing
23 statement filed in this state may be terminated after the amendatory act takes effect by filing a
24 termination statement in the office in which the pre-effective-date financing statement is filed,
25 unless an initial financing statement that satisfies subsection 6A-9-806(c) has been filed in the
26 office specified by the law of the jurisdiction governing perfection as provided in this chapter as
27 amended by the amendatory act as the office in which to file a financing statement.

28 **6A-9-808. Person entitled to file initial financing statement or continuation**
29 **statement. A person may file an initial financing statement or a continuation statement under this**
30 **part if:**

31 (1) The secured party of record authorizes the filing; and

32 (2) The filing is necessary under this part:

33 (i) To continue the effectiveness of a financing statement filed before the amendatory act
34 takes effect; or

1 (ii) To perfect or continue the perfection of a security interest.

2 **6A-9-809. Priority.** – The amendatory act determines the priority of conflicting claims to
3 collateral. However, if the relative priorities of the claims were established before the amendatory
4 act took effect, then this chapter, as it existed before the amendatory act took effect determines
5 priority.

6 SECTION 4. Sections 1 and 2 of this act shall take effect upon passage and section 3 of
7 this act shall take effect on July 1, 2013.

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LC01576/SUB A/2
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO THE UNIFORM COMMERCIAL CODE - SECURED TRANSACTIONS

1 This act would update Article 9 (Secured Transactions) of the Rhode Island Uniform
2 Commercial Code in accordance with suggestions of the National Conference of Commissioners
3 on Uniform State Laws.

4 Sections 1 and 2 of this act would take effect upon passage and Section 3 of this act
5 would take effect on July 1, 2013.

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LC01576/SUB A/2
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