

1 SB28  
2 147933-4  
3 By Senator Ward  
4 RFD: Judiciary  
5 First Read: 14-JAN-14  
6 PFD: 10/17/2013

2  
3  
4  
5  
6  
7  
8 SYNOPSIS: Under existing law, the Uniform Commercial  
9 Code-Secured Transactions, appears as Chapter 9A of  
10 Title 7 of the Code of Alabama 1975, and provides a  
11 comprehensive program for the regulation of  
12 security interests in personal property and  
13 fixtures.

14 This bill would amend Alabama's adoption of  
15 Article 9 to incorporate changes made to the  
16 Uniform Commercial Code. This bill would update  
17 Article 9 of the Uniform Commercial Code to provide  
18 greater guidance as to the name of an individual  
19 debtor to be provided on a financing statement. For  
20 business entities and other registered  
21 organizations, the bill would clarify that the  
22 proper name for protection purposes is the name  
23 filed with the state. For an individual debtor, the  
24 proper name would be that which appears on the  
25 debtor's driver's license, the debtor's actual  
26 name, or the debtor's surname and first personal  
27 name may be used on the financing statement. Other

1 amendments would change the information required on  
2 the financing statements; provide greater  
3 protection for an existing secured party having a  
4 security interest in after-acquired property when  
5 its debtor relocates to another state or merges  
6 with another entity; and provide a safe harbor for  
7 the transfer of chattel paper in conformance with  
8 the Uniform Electronic Transaction Act.

9  
10 A BILL  
11 TO BE ENTITLED  
12 AN ACT

13  
14 To amend Sections 7-9A-102, 7-9A-105, 7-9A-307,  
15 7-9A-311, 7-9A-316, 7-9A-317, 7-9A-326, 7-9A-406, 7-9A-408,  
16 7-9A-502, 7-9A-503, 7-9A-507, 7-9A-515, 7-9A-516, 7-9A-518,  
17 7-9A-521, and 7-9A-607 of, and to add Part 8, comprised of  
18 Sections 7-9A-801, 7-9A-802, 7-9A-803, 7-9A-804, 7-9A-805,  
19 7-9A-806, 7-9A-807, 7-9A-808, and 7-9A-809 to Chapter 9A of  
20 Title 7, of the Code of Alabama 1975, relating to the Uniform  
21 Commercial Code-Secured Transactions, including the  
22 effectiveness of a security agreement, and attachment of  
23 security interest.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. Sections 7-9A-102, 7-9A-105, 7-9A-307,  
26 7-9A-311, 7-9A-316, 7-9A-317, 7-9A-326, 7-9A-406, 7-9A-408,  
27 7-9A-502, 7-9A-503, 7-9A-507, 7-9A-515, 7-9A-516, 7-9A-518,

1 7-9A-521, and 7-9A-607, Code of Alabama 1975, are amended to  
2 read as follows:

3 §7-9A-102.

4 "(a) Article 9A definitions. In this article:

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

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

1 than rights arising out of the use of a credit or charge card  
2 or information contained on or for use with the card.

3 "(3) "Account debtor" means a person obligated on an  
4 account, chattel paper, or general intangible. The term does  
5 not include persons obligated to pay a negotiable instrument,  
6 even if the instrument constitutes part of chattel paper.

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

9 "(A) authenticated by a secured party;

10 "(B) indicating the aggregate unpaid secured  
11 obligations as of a date not more than 35 days earlier or 35  
12 days later than the date of the record; and

13 "(C) identifying the components of the obligations  
14 in reasonable detail.

15 "(5) "Agricultural lien" means an interest, other  
16 than a security interest, in farm products:

17 "(A) which secures payment or performance of an  
18 obligation for:

19 "(i) goods or services furnished in connection with  
20 a debtor's farming operation; or

21 "(ii) rent on real property leased by a debtor in  
22 connection with its farming operation;

23 "(B) which is created by statute in favor of a  
24 person that:

25 "(i) in the ordinary course of its business  
26 furnished goods or services to a debtor in connection with a  
27 debtor's farming operation; or

1           (ii) leased real property to a debtor in connection  
2 with the debtor's farming operation; and

3           (C) whose effectiveness does not depend on the  
4 person's possession of the personal property.

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

6           (A) oil, gas, or other minerals that are subject to  
7 a security interest that:

8           (i) is created by a debtor having an interest in  
9 the minerals before extraction; and

10          (ii) attaches to the minerals as extracted; or

11          (B) accounts arising out of the sale at the  
12 wellhead or mine of oil, gas, or other minerals in which the  
13 debtor had an interest before extraction.

14          (7) "Authenticate" means:

15          (A) to sign; or

16          (B) ~~to execute or otherwise adopt a symbol, or~~  
17 ~~encrypt or similarly process a record in whole or in part,~~  
18 ~~with the present intent of the authenticating person to~~  
19 ~~identify the person and adopt or accept a record with present~~  
20 ~~intent to adopt or accept a record, to attach to or logically~~  
21 ~~associate with the record an electronic sound, symbol, or~~  
22 ~~process.~~

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

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

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

15           "(11) "Chattel paper" means a record or records that  
16 evidence both a monetary obligation and a security interest in  
17 specific goods, a security interest in specific goods and  
18 software used in the goods, a security interest in specific  
19 goods and license of software used in the goods, a lease of  
20 specific goods, or a lease of specific goods and license of  
21 software used in the goods. In this paragraph, "monetary  
22 obligation" means a monetary obligation secured by the goods  
23 or owed under a lease of the goods and includes a monetary  
24 obligation with respect to software used in the goods. The  
25 term does not include (i) charters or other contracts  
26 involving the use or hire of a vessel or (ii) records that  
27 evidence a right to payment arising out of the use of a credit

1 or charge card or information contained on or for use with the  
2 card. If a transaction is evidenced by records that include an  
3 instrument or series of instruments, the group of records  
4 taken together constitutes chattel paper.

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

7 "(A) proceeds to which a security interest attaches;

8 "(B) accounts, chattel paper, payment intangibles,  
9 and promissory notes that have been sold; and

10 "(C) goods that are the subject of a consignment.

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

13 "(A) the claimant is an organization; or

14 "(B) the claimant is an individual and the claim:

15 "(i) arose in the course of the claimant's business  
16 or profession; and

17 "(ii) does not include damages arising out of  
18 personal injury to or the death of an individual.

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

22 "(15) "Commodity contract" means a commodity futures  
23 contract, an option on a commodity futures contract, a  
24 commodity option, or another contract if the contract or  
25 option is:



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

4 "(B) traded on a foreign commodity board of trade,  
5 exchange, or market, and is carried on the books of a  
6 commodity intermediary for a commodity customer.

7 "(16) "Commodity customer" means a person for which  
8 a commodity intermediary carries a commodity contract on its  
9 books.

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

11 "(A) is registered as a futures commission merchant  
12 under federal commodities law; or

13 "(B) in the ordinary course of its business provides  
14 clearance or settlement services for a board of trade that has  
15 been designated as a contract market pursuant to federal  
16 commodities law.

17 "(18) "Communicate" means:

18 "(A) to send a written or other tangible record;

19 "(B) to transmit a record by any means agreed upon  
20 by the persons sending and receiving the record; or

21 "(C) in the case of transmission of a record to or  
22 by a filing office, to transmit a record by any means  
23 prescribed by filing-office rule.

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

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

4           "(A) the merchant:

5           "(i) deals in goods of that kind under a name other  
6 than the name of the person making delivery;

7           "(ii) is not an auctioneer; and

8           "(iii) is not generally known by its creditors to be  
9 substantially engaged in selling the goods of others;

10          "(B) with respect to each delivery, the aggregate  
11 value of the goods is \$1,000 or more at the time of delivery;

12          "(C) the goods are not consumer goods immediately  
13 before delivery; and

14          "(D) the transaction does not create a security  
15 interest that secures an obligation.

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

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

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

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

25          "(A) an individual incurs an obligation primarily  
26 for personal, family, or household purposes; and

1           "(B) a security interest in consumer goods secures  
2 the obligation.

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

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

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

15           "(A) identifies, by its file number, the initial  
16 financing statement to which it relates; and

17           "(B) indicates that it is a continuation statement  
18 for, or that it is filed to continue the effectiveness of, the  
19 identified financing statement.

20           "(28) "Debtor" means:

21           "(A) a person having an interest, other than a  
22 security interest or other lien, in the collateral, whether or  
23 not the person is an obligor;

24           "(B) a seller of accounts, chattel paper, payment  
25 intangibles, or promissory notes; or

26           "(C) a consignee.

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

5           "(30) "Document" means a document of title or a  
6 receipt of the type described in Section 7-7-201(b).

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

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

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

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

18           "(A) crops grown, growing, or to be grown,  
19 including:

20           "(i) crops produced on trees, vines, and bushes; and

21           "(ii) aquatic goods produced in aquacultural  
22 operations;

23           "(B) livestock, born or unborn, including aquatic  
24 goods produced in aquacultural operations;

25           "(C) supplies used or produced in a farming  
26 operation; or

1           "(D) products of crops or livestock in their  
2 unmanufactured states.

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

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

8           "(37) "Filing office" means an office designated in  
9 Section 7-9A-501 as the place to file a financing statement.

10          "(38) "Filing-office rule" means a rule adopted  
11 pursuant to Section 7-9A-526.

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

15          "(40) "Fixture filing" means the filing of a  
16 financing statement covering goods that are or are to become  
17 fixtures and satisfying Section 7-9A-502(a) and (b). The term  
18 includes the filing of a financing statement covering goods of  
19 a transmitting utility which are or are to become fixtures.

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

23          "(42) "General intangible" means any personal  
24 property, including things in action, other than accounts,  
25 chattel paper, commercial tort claims, deposit accounts,  
26 documents, goods, instruments, investment property,  
27 letter-of-credit rights, letters of credit, money, and oil,

1 gas, or other minerals before extraction. The term includes  
2 payment intangibles and software.

3 "(43) "Good faith" means honesty in fact in the  
4 conduct or transaction concerned.

5 "(44) "Goods" means all things that are movable when  
6 a security interest attaches. The term includes (i) fixtures,  
7 (ii) standing timber that is to be cut and removed under a  
8 conveyance or contract for sale, to the extent such standing  
9 timber and cutting rights with respect thereto are considered  
10 as chattels under Section 35-4-363, (iii) the unborn young of  
11 animals, (iv) crops grown, growing, or to be grown, even if  
12 the crops are produced on trees, vines, or bushes, and (v)  
13 manufactured homes. The term also includes a computer program  
14 embedded in goods and any supporting information provided in  
15 connection with a transaction relating to the program if (i)  
16 the program is associated with the goods in such a manner that  
17 it customarily is considered part of the goods, or (ii) by  
18 becoming the owner of the goods, a person acquires a right to  
19 use the program in connection with the goods. The term does  
20 not include a computer program embedded in goods that consist  
21 solely of the medium in which the program is embedded. The  
22 term also does not include accounts, chattel paper, commercial  
23 tort claims, deposit accounts, documents, general intangibles,  
24 instruments, investment property, letter-of-credit rights,  
25 letters of credit, money, or oil, gas, or other minerals  
26 before extraction.

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

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

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

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

23                 "(A) are leased by a person as lessor;

24                 "(B) are held by a person for sale or lease or to be  
25          furnished under a contract of service;

26                 "(C) are furnished by a person under a contract of  
27          service; or

1           "(D) consist of raw materials, work in process, or  
2 materials used or consumed in a business.

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

6           "(50) "Jurisdiction of organization," with respect  
7 to a registered organization, means the jurisdiction under  
8 whose law the organization is formed or organized.

9           "(51) "Letter-of-credit right" means a right to  
10 payment or performance under a letter of credit, whether or  
11 not the beneficiary has demanded or is at the time entitled to  
12 demand payment or performance. The term does not include the  
13 right of a beneficiary to demand payment or performance under  
14 a letter of credit.

15           "(52) "Lien creditor" means:

16           "(A) a creditor that has acquired a lien on the  
17 property involved by attachment, levy, or the like;

18           "(B) an assignee for benefit of creditors from the  
19 time of assignment;

20           "(C) a trustee in bankruptcy from the date of the  
21 filing of the petition; or

22           "(D) a receiver in equity from the time of  
23 appointment.

24           "(53) "Manufactured home" means a structure defined  
25 as a "manufactured home" in Section 32-8-2.

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



1           "(A) that creates a purchase-money security interest  
2 in a manufactured home, other than a manufactured home held as  
3 inventory; or

4           "(B) in which a manufactured home, other than a  
5 manufactured home held as inventory, is the primary  
6 collateral.

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

10           "(56) "New debtor" means a person that becomes bound  
11 as debtor under Section 7-9A-203(d) by a security agreement  
12 previously entered into by another person.

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

18           "(58) "Noncash proceeds" means proceeds other than  
19 cash proceeds.

20           "(59) "Obligor" means a person that, with respect to  
21 an obligation secured by a security interest in or an  
22 agricultural lien on the collateral, (i) owes payment or other  
23 performance of the obligation, (ii) has provided property  
24 other than the collateral to secure payment or other  
25 performance of the obligation, or (iii) is otherwise  
26 accountable in whole or in part for payment or other

1 performance of the obligation. The term does not include  
2 issuers or nominated persons under a letter of credit.

3 "(60) "Original debtor," except as used in Section  
4 7-9A-310(c), means a person that, as debtor, entered into a  
5 security agreement to which a new debtor has become bound  
6 under Section 7-9A-203(d).

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

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

12 "(A) the spouse of the individual;

13 "(B) a brother, brother-in-law, sister, or  
14 sister-in-law of the individual;

15 "(C) an ancestor or lineal descendant of the  
16 individual or the individual's spouse; or

17 "(D) any other relative, by blood or marriage, of  
18 the individual or the individual's spouse who shares the same  
19 home with the individual.

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

22 "(A) a person directly or indirectly controlling,  
23 controlled by, or under common control with the organization;

24 "(B) an officer or director of, or a person  
25 performing similar functions with respect to, the  
26 organization;

1           "(C) an officer or director of, or a person  
2 performing similar functions with respect to, a person  
3 described in subparagraph (A);

4           "(D) the spouse of an individual described in  
5 subparagraph (A), (B), or (C); or

6           "(E) an individual who is related by blood or  
7 marriage to an individual described in subparagraph (A), (B),  
8 (C), or (D) and shares the same home with the individual.

9           "(64) "Proceeds," except as used in Section  
10 7-9A-609(b), means the following property:

11           "(A) whatever is acquired upon the sale, lease,  
12 license, exchange, or other disposition of collateral;

13           "(B) whatever is collected on, or distributed on  
14 account of, collateral;

15           "(C) rights arising out of collateral;

16           "(D) to the extent of the value of collateral,  
17 claims arising out of the loss, nonconformity, or interference  
18 with the use of, defects or infringement of rights in, or  
19 damage to, the collateral; or

20           "(E) to the extent of the value of collateral and to  
21 the extent payable to the debtor or the secured party,  
22 insurance payable by reason of the loss or nonconformity of,  
23 defects or infringement of rights in, or damage to, the  
24 collateral.

25           "(65) "Promissory note" means an instrument that  
26 evidences a promise to pay a monetary obligation, does not  
27 evidence an order to pay, and does not contain an

1 acknowledgment by a bank that the bank has received for  
2 deposit a sum of money or funds.

3 "(66) "Proposal" means a record authenticated by a  
4 secured party which includes the terms on which the secured  
5 party is willing to accept collateral in full or partial  
6 satisfaction of the obligation it secures pursuant to Sections  
7 7-9A-620, 7-9A-621, and 7-9A-622.

8 "(67) Omitted.

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

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

16 "(B) an organic record of a business trust  
17 consisting of the record initially filed with a state and any  
18 record filed with the state which amends or restates the  
19 initial record, if a statute of the state governing business  
20 trusts requires that the record be filed with the state; or

21 "(C) a record consisting of legislation enacted by  
22 the legislature of a state or the Congress of the United  
23 States which forms or organizes an organization, any record  
24 amending the legislation, and any record filed with or issued  
25 by the state or United States which amends or restates the  
26 name of the organization.

1           "For purposes of this definition and the definition  
2 of registered organization, a certificate of formation filed  
3 with a judge of probate pursuant to Section 10A-1-4.02(a) is  
4 filed with the state.

5           ~~"(68)~~(69) "Pursuant to commitment," with respect to  
6 an advance made or other value given by a secured party, means  
7 pursuant to the secured party's obligation, whether or not a  
8 subsequent event of default or other event not within the  
9 secured party's control has relieved or may relieve the  
10 secured party from its obligation.

11           ~~"(69)~~(70) "Record," except as used in "for record,"  
12 "of record," "record or legal title," and "record owner,"  
13 means information that is inscribed on a tangible medium or  
14 which is stored in an electronic or other medium and is  
15 retrievable in perceivable form.

16           ~~"(70)~~(71) "Registered organization" means an  
17 organization formed or organized solely under the law of a  
18 single State or the United States ~~and as to which the state or~~  
19 ~~the United States must maintain a public record showing the~~  
20 ~~organization to have been organized~~ by the filing of a public  
21 organic record with, the issuance of a public organic record  
22 by, or the enactment of legislation by the state or the United  
23 States. The term includes a business trust that is formed or  
24 organized under the law of a single state if a statute of the  
25 state governing business trusts requires that the business  
26 trust's organic record be filed with the state.

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

3           "(A) the obligor's obligation is secondary; or

4           "(B) the obligor has a right of recourse with  
5 respect to an obligation secured by collateral against the  
6 debtor, another obligor, or property of either.

7           "~~(72)~~(73) "Secured party" means:

8           "(A) a person in whose favor a security interest is  
9 created or provided for under a security agreement, whether or  
10 not any obligation to be secured is outstanding;

11           "(B) a person that holds an agricultural lien;

12           "(C) a consignor;

13           "(D) a person to which accounts, chattel paper,  
14 payment intangibles, or promissory notes have been sold;

15           "(E) a trustee, indenture trustee, agent, collateral  
16 agent, or other representative in whose favor a security  
17 interest or agricultural lien is created or provided for; or

18           "(F) a person that holds a security interest arising  
19 under Section 7-2-401, 7-2-505, 7-2-711(3), 7-2A-508(5),  
20 7-4-210, or 7-5-118.

21           "~~(73)~~(74) "Security agreement" means an agreement  
22 that creates or provides for a security interest.

23           "~~(74)~~(75) "Send," in connection with a record or  
24 notification, means:

25           "(A) to deposit in the mail, deliver for  
26 transmission, or transmit by any other usual means of  
27 communication, with postage or cost of transmission provided

1 for, addressed to any address reasonable under the  
2 circumstances; or

3 "(B) to cause the record or notification to be  
4 received within the time that it would have been received if  
5 properly sent under subparagraph (A).

6 "~~(75)~~(76) "Software" means a computer program and  
7 any supporting information provided in connection with a  
8 transaction relating to the program. The term does not include  
9 a computer program that is included in the definition of  
10 goods.

11 "~~(76)~~(77) "State" means a state of the United  
12 States, the District of Columbia, Puerto Rico, the United  
13 States Virgin Islands, or any territory or insular possession  
14 subject to the jurisdiction of the United States.

15 "~~(77)~~(78) "Supporting obligation" means a  
16 letter-of-credit right or secondary obligation that supports  
17 the payment or performance of an account, chattel paper, a  
18 document, a general intangible, an instrument, or investment  
19 property.

20 "~~(78)~~(79) "Tangible chattel paper" means chattel  
21 paper evidenced by a record or records consisting of  
22 information that is inscribed on a tangible medium.

23 "~~(79)~~(80) "Termination statement" means an amendment  
24 of a financing statement which:

25 "(A) identifies, by its file number, the initial  
26 financing statement to which it relates; and

1           "(B) indicates either that it is a termination  
2 statement or that the identified financing statement is no  
3 longer effective.

4           "~~(80)~~(81) "Transmitting utility" means a person  
5 primarily engaged in the business of:

6           "(A) operating a railroad, subway, street railway,  
7 or trolley bus;

8           "(B) transmitting communications electrically,  
9 electromagnetically, or by light;

10          "(C) transmitting goods by pipeline or sewer;

11          "(D) transmitting or producing or distributing  
12 electricity, steam, gas, or water; or

13          "(E) owning, operating, leasing or controlling a  
14 "utility" as defined in Section 37-1-30.

15          "(b) Definitions in other articles. "Control" as  
16 provided in Section 7-7-106 and the following definitions in  
17 other articles of this title apply to this article:

18          ""Applicant" Section 7-5-102.

19          ""Beneficiary" Section 7-5-102.

20          ""Broker" Section 7-8-102.

21          ""Certificated security" Section 7-8-102.

22          ""Check" Section 7-3-104.

23          ""Clearing corporation" Section 7-8-102.

24          ""Contract for sale" Section 7-2-106.

25          ""Customer" Section 7-4-104.

26          ""Entitlement holder" Section 7-8-102.

27          ""Financial asset" Section 7-8-102.



1           ""Holder in due course" Section 7-3-302.

2           ""Issuer" (with respect to a letter of credit or  
3 letter-of-credit right) Section 7-5-102.

4           ""Issuer" (with respect to a security) Section  
5 7-8-201.

6           ""Issuer" (with respect to documents of title)  
7 Section 7-7-102.

8           ""Lease" Section 7-2A-103.

9           ""Lease agreement" Section 7-2A-103.

10          ""Lease contract" Section 7-2A-103.

11          ""Leasehold interest" Section 7-2A-103.

12          ""Lessee" Section 7-2A-103.

13          ""Lessee in ordinary course of business" Section  
14 7-2A-103.

15          ""Lessor" Section 7-2A-103.

16          ""Lessor's residual interest" Section 7-2A-103.

17          ""Letter of credit" Section 7-5-102.

18          ""Merchant" Section 7-2-104.

19          ""Negotiable instrument" Section 7-3-104.

20          ""Nominated person" Section 7-5-102.

21          ""Note" Section 7-3-104.

22          ""Proceeds of a letter of credit" Section 7-5-114.

23          ""Prove" Section 7-3-103.

24          ""Sale" Section 7-2-106.

25          ""Securities account" Section 7-8-501.

26          ""Securities intermediary" Section 7-8-102.

27          ""Security" Section 7-8-102.

1           ""Security certificate" Section 7-8-102.

2           ""Security entitlement" Section 7-8-102.

3           ""Uncertificated security" Section 7-8-102.

4           "(c) Article 1 definitions and principles. Article 1  
5 contains general definitions and principles of construction  
6 and interpretation applicable throughout this article.

7           "§7-9A-105.

8           "(a) General rule: control of electronic chattel  
9 paper. A secured party has control of electronic chattel paper  
10 if a system employed for evidencing the transfer of interests  
11 in the chattel paper reliably establishes the secured party as  
12 the person to which the chattel paper was assigned.

13           "(b) Specific facts giving control. A system  
14 satisfies subsection (a) and a secured party has control of  
15 electronic chattel paper if the record or records comprising  
16 the chattel paper are created, stored, and assigned in such a  
17 manner that:

18           "(1) a single authoritative copy of the record or  
19 records exists which is unique, identifiable and, except as  
20 otherwise provided in paragraphs (4), (5), and (6),  
21 unalterable;

22           "(2) the authoritative copy identifies the secured  
23 party as the assignee of the record or records;

24           "(3) the authoritative copy is communicated to and  
25 maintained by the secured party or its designated custodian;

1           "(4) copies or ~~revisions~~ amendments that add or  
2 change an identified assignee of the authoritative copy can be  
3 made only with the ~~participation~~ consent of the secured party;

4           "(5) each copy of the authoritative copy and any  
5 copy of a copy is readily identifiable as a copy that is not  
6 the authoritative copy; and

7           "(6) any ~~revision~~ amendment of the authoritative  
8 copy is readily identifiable as ~~an~~ authorized or unauthorized  
9 ~~revision~~.

10           "§7-9A-307.

11           "(a) "Place of business." In this section, "place of  
12 business" means a place where a debtor conducts its affairs.

13           "(b) Debtor's location: General rules. Except as  
14 otherwise provided in this section, the following rules  
15 determine a debtor's location:

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

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

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

23           "(c) Limitation of applicability of subsection (b).  
24 Subsection (b) applies only if a debtor's residence, place of  
25 business, or chief executive office, as applicable, is located  
26 in a jurisdiction whose law generally requires information  
27 concerning the existence of a nonpossessory security interest

1 to be made generally available in a filing, recording, or  
2 registration system as a condition or result of the security  
3 interest's obtaining priority over the rights of a lien  
4 creditor with respect to the collateral. If subsection (b)  
5 does not apply, the debtor is located in the District of  
6 Columbia.

7 "(d) Continuation of location: Cessation of  
8 existence, etc. A person that ceases to exist, have a  
9 residence, or have a place of business continues to be located  
10 in the jurisdiction specified by subsections (b) and (c).

11 "(e) Location of registered organization organized  
12 under State law. A registered organization that is organized  
13 under the law of a State is located in that State.

14 "(f) Location of registered organization organized  
15 under federal law; bank branches and agencies. Except as  
16 otherwise provided in subsection (i), a registered  
17 organization that is organized under the law of the United  
18 States and a branch or agency of a bank that is not organized  
19 under the law of the United States or a State are located:

20 "(1) in the State that the law of the United States  
21 designates, if the law designates a State of location;

22 "(2) in the State that the registered organization,  
23 branch, or agency designates, if the law of the United States  
24 authorizes the registered organization, branch, or agency to  
25 designate its State of location, including by designating its  
26 main office, home office, or other comparable office; or

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

3           "(g) Continuation of location: Change in status of  
4 registered organization. A registered organization continues  
5 to be located in the jurisdiction specified by subsection (e)  
6 or (f) notwithstanding:

7           "(1) the suspension, revocation, forfeiture, or  
8 lapse of the registered organization's status as such in its  
9 jurisdiction of organization; or

10           "(2) the dissolution, winding up, or cancellation of  
11 the existence of the registered organization.

12           "(h) Location of United States. The United States is  
13 located in the District of Columbia.

14           "(i) Location of foreign bank branch or agency if  
15 licensed in only one State. A branch or agency of a bank that  
16 is not organized under the law of the United States or a State  
17 is located in the State in which the branch or agency is  
18 licensed, if all branches and agencies of the bank are  
19 licensed in only one State.

20           "(j) Location of foreign air carrier. A foreign air  
21 carrier under the Federal Aviation Act of 1958, as amended, is  
22 located at the designated office of the agent upon which  
23 service of process may be made on behalf of the carrier.

24           "(k) Section applies only to this part. This section  
25 applies only for purposes of this part.

26           "(l) Information as to debtor's location. Within 10  
27 days after receipt of the secured party's authenticated

1 request, the debtor shall provide to the secured party the  
2 information reasonably necessary to enable the secured party  
3 to determine the debtor's location under this section.

4 "§7-9A-311.

5 "(a) Security interest subject to other law. Except  
6 as otherwise provided in subsection (d), the filing of a  
7 financing statement is not necessary or effective to perfect a  
8 security interest in property subject to:

9 "(1) a statute, regulation, or treaty of the United  
10 States whose requirements for a security interest's obtaining  
11 priority over the rights of a lien creditor with respect to  
12 the property preempt Section 7-9A-310(a);

13 "~~(2) a certificate-of-title statute covering~~  
14 ~~automobiles, trailers, manufactured homes, boats, farm~~  
15 ~~tractors, or the like, which provides for a security interest~~  
16 ~~to be indicated on the certificate as a condition or result of~~  
17 ~~perfection, and any non-Uniform Commercial Code central filing~~  
18 ~~statute Chapter 8 or Chapter 20 of Title 32 or another statute~~  
19 of this state which provides for a security interest to be  
20 indicated on a certificate of title as a condition or result  
21 of the security interest's obtaining priority over the rights  
22 of a lien creditor with respect to the collateral, or any  
23 central filing system created by another statute of this state  
24 governing perfection of a security interest in collateral that  
25 is subject to this article; or

26 "(3) a ~~certificate-of-title~~ statute of another  
27 jurisdiction which provides for a security interest to be

1 indicated on ~~the~~ a certificate of title as a condition or  
2 result of the security interest's obtaining priority over the  
3 rights of a lien creditor with respect to the property.

4 "(b) Compliance with other law. Compliance with the  
5 requirements of a statute, regulation, or treaty described in  
6 subsection (a) for obtaining priority over the rights of a  
7 lien creditor is equivalent to the filing of a financing  
8 statement under this article. Except as otherwise provided in  
9 subsection (d) and Sections 7-9A-313 and 7-9A-316(d) and (e)  
10 for goods covered by a certificate of title, a security  
11 interest in property subject to a statute, regulation, or  
12 treaty described in subsection (a) may be perfected only by  
13 compliance with those requirements, and a security interest so  
14 perfected remains perfected notwithstanding a change in the  
15 use or transfer of possession of the collateral.

16 "(c) Duration and renewal of perfection. Except as  
17 otherwise provided in subsection (d) and Section 7-9A-316(d)  
18 and (e), duration and renewal of perfection of a security  
19 interest perfected by compliance with the requirements  
20 prescribed by a statute, regulation, or treaty described in  
21 subsection (a) are governed by the statute, regulation, or  
22 treaty. In other respects, the security interest is subject to  
23 this article.

24 "(d) Inapplicability to certain inventory. During  
25 any period in which collateral subject to a statute specified  
26 in subsection (a) (2) is inventory held for sale or lease by a  
27 person or leased by that person as lessor and that person is

1 in the business of selling goods of that kind, this section  
2 does not apply to a security interest in that collateral  
3 created by that person.

4 "§7-9A-316.

5 "(a) General rule: Effect on perfection of change in  
6 governing law. A security interest perfected pursuant to the  
7 law of the jurisdiction designated in Section 7-9A-301(1) or  
8 7-9A-305(c) remains perfected until the earliest of:

9 "(1) the time perfection would have ceased under the  
10 law of that jurisdiction;

11 "(2) the expiration of four months after a change of  
12 the debtor's location to another jurisdiction; or

13 "(3) the expiration of one year after a transfer of  
14 collateral to a person that thereby becomes a debtor and is  
15 located in another jurisdiction.

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

25 "(c) Possessory security interest in collateral  
26 moved to new jurisdiction. A possessory security interest in  
27 collateral, other than goods covered by a certificate of title



1 and as-extracted collateral consisting of goods, remains  
2 continuously perfected if:

3 "(1) the collateral is located in one jurisdiction  
4 and subject to a security interest perfected under the law of  
5 that jurisdiction;

6 "(2) thereafter the collateral is brought into  
7 another jurisdiction; and

8 "(3) upon entry into the other jurisdiction, the  
9 security interest is perfected under the law of the other  
10 jurisdiction.

11 "(d) Goods covered by certificate of title from this  
12 State. Except as otherwise provided in subsection (e), a  
13 security interest in goods covered by a certificate of title  
14 which is perfected by any method under the law of another  
15 jurisdiction when the goods become covered by a certificate of  
16 title from this State remains perfected until the security  
17 interest would have become unperfected under the law of the  
18 other jurisdiction had the goods not become so covered.

19 "(e) When subsection (d) security interest becomes  
20 unperfected against purchasers. A security interest described  
21 in subsection (d) becomes unperfected as against a purchaser  
22 of the goods for value and is deemed never to have been  
23 perfected as against a purchaser of the goods for value if the  
24 applicable requirements for perfection under Section  
25 7-9A-311(b) or 7-9A-313 are not satisfied before the earlier  
26 of:

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

5           "(2) the expiration of four months after the goods  
6 had become so covered.

7           "(f) Change in jurisdiction of bank, issuer,  
8 nominated person, securities intermediary, or commodity  
9 intermediary. A security interest in deposit accounts,  
10 letter-of-credit rights, or investment property which is  
11 perfected under the law of the bank's jurisdiction, the  
12 issuer's jurisdiction, a nominated person's jurisdiction, the  
13 securities intermediary's jurisdiction, or the commodity  
14 intermediary's jurisdiction, as applicable, remains perfected  
15 until the earlier of:

16           "(1) the time the security interest would have  
17 become unperfected under the law of that jurisdiction; or

18           "(2) the expiration of four months after a change of  
19 the applicable jurisdiction to another jurisdiction.

20           "(g) Subsection (f) security interest perfected or  
21 unperfected under law of new jurisdiction. If a security  
22 interest described in subsection (f) becomes perfected under  
23 the law of the other jurisdiction before the earlier of the  
24 time or the end of the period described in that subsection, it  
25 remains perfected thereafter. If the security interest does  
26 not become perfected under the law of the other jurisdiction  
27 before the earlier of that time or the end of that period, it

1 becomes unperfected and is deemed never to have been perfected  
2 as against a purchaser of the collateral for value.

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

7 "(1) A financing statement filed before the change  
8 pursuant to the law of the jurisdiction designated in Section  
9 7-9A-301(1) or 7-9A-305(c) is effective to perfect a security  
10 interest in the collateral if the financing statement would  
11 have been effective to perfect a security interest in the  
12 collateral if the debtor had not changed its location.

13 "(2) If a security interest that is perfected by a  
14 financing statement that is effective under paragraph (1)  
15 becomes perfected under the law of the other jurisdiction  
16 before the earlier of the time the financing statement would  
17 have become ineffective under the law of the jurisdiction  
18 designated in Section 7-9A-301(1) or 7-9A-305(c) or the  
19 expiration of the four-month period, it remains perfected  
20 thereafter. If the security interest does not become perfected  
21 under the law of the other jurisdiction before the earlier  
22 time or event, it becomes unperfected and is deemed never to  
23 have been perfected as against a purchaser of the collateral  
24 for value.

25 "(i) Effect of change in governing law on financing  
26 statement filed against original debtor. If a financing  
27 statement naming an original debtor is filed pursuant to the

1 law of the jurisdiction designated in Section 7-9A-301(1) or  
2 7-9A-305(c) and the new debtor is located in another  
3 jurisdiction, the following rules apply:

4 "(1) The financing statement is effective to perfect  
5 a security interest in collateral acquired by the new debtor  
6 before, and within four months after, the new debtor becomes  
7 bound under Section 7-9A-203(d), if the financing statement  
8 would have been effective to perfect a security interest in  
9 the collateral if the collateral had been acquired by the  
10 original debtor.

11 "(2) A security interest that is perfected by the  
12 financing statement and which becomes perfected under the law  
13 of the other jurisdiction before the earlier of the expiration  
14 of the four-month period or the time the financing statement  
15 would have become ineffective under the law of the  
16 jurisdiction designated in Section 7-9A-301(1) or 7-9A-305(c)  
17 remains perfected thereafter. A security interest that is  
18 perfected by the financing statement but which does not become  
19 perfected under the law of the other jurisdiction before the  
20 earlier time or event becomes unperfected and is deemed never  
21 to have been perfected as against a purchaser of the  
22 collateral for value.

23 "§7-9A-317.

24 "(a) Conflicting security interests and rights of  
25 lien creditors. A security interest or agricultural lien is  
26 subordinate to the rights of:

1                   "(1) a person entitled to priority under Section  
2 7-9A-322; and

3                   "(2) except as otherwise provided in subsection (e),  
4 a person that becomes a lien creditor before the earlier of  
5 the time:

6                   "(A) the security interest or agricultural lien is  
7 perfected; or

8                   "(B) one of the conditions specified in Section  
9 7-9A-203(b) (3) is met and a financing statement covering the  
10 collateral is filed.

11                   "(b) Buyers that receive delivery. Except as  
12 otherwise provided in subsection (e), a buyer, other than a  
13 secured party, of tangible chattel paper, tangible documents,  
14 goods, instruments, or a certificated security ~~certificate~~  
15 takes free of a security interest or agricultural lien if the  
16 buyer gives value and receives delivery of the collateral  
17 without knowledge of the security interest or agricultural  
18 lien and before it is perfected.

19                   "(c) Lessees that receive delivery. Except as  
20 otherwise provided in subsection (e), a lessee of goods takes  
21 free of a security interest or agricultural lien if the lessee  
22 gives value and receives delivery of the collateral without  
23 knowledge of the security interest or agricultural lien and  
24 before it is perfected.

25                   "(d) Licensees and buyers of certain collateral. A  
26 licensee of a general intangible or a buyer, other than a  
27 secured party, of ~~accounts, electronic chattel paper, general~~

1 ~~intangibles, or investment property collateral~~ other than  
2 ~~tangible chattel paper, tangible documents, goods,~~  
3 ~~instruments, or~~ a certificated security takes free of a  
4 security interest if the licensee or buyer gives value without  
5 knowledge of the security interest and before it is perfected.

6 "(e) Purchase-money security interest. Except as  
7 otherwise provided in Sections 7-9A-320 and 7-9A-321, if a  
8 person files a financing statement with respect to a  
9 purchase-money security interest before or within 20 days  
10 after the debtor receives delivery of the collateral, the  
11 security interest takes priority over the rights of a buyer,  
12 lessee, or lien creditor which arise between the time the  
13 security interest attaches and the time of filing.

14 "§7-9A-326.

15 "(a) Subordination of security interest created by  
16 new debtor. Subject to subsection (b), a security interest  
17 that is created by a new debtor which is in collateral in  
18 which the new debtor has or acquires rights and is perfected  
19 solely by a filed financing statement that is effective solely  
20 under Section 7-9A-508 in collateral in which a new debtor has  
21 or acquires rights would be ineffective to perfect the  
22 security interest but for the application of Section  
23 7-9A-316(i)(1) or 7-9A-508 is subordinate to a security  
24 interest in the same collateral which is perfected other than  
25 by such a filed financing statement ~~that is effective solely~~  
26 ~~under Section 7-9A-508.~~

1           "(b) Priority under other provisions; multiple  
2 original debtors. The other provisions of this part determine  
3 the priority among conflicting security interests in the same  
4 collateral perfected by filed financing statements ~~that are~~  
5 ~~effective solely under Section 7-9A-508~~ described in  
6 subsection (a). However, if the security agreements to which a  
7 new debtor became bound as debtor were not entered into by the  
8 same original debtor, the conflicting security interests rank  
9 according to priority in time of the new debtor's having  
10 become bound.

11           "§7-9A-406.

12           "(a) Discharge of account debtor; effect of  
13 notification. Subject to subsections (b) through (i), an  
14 account debtor on an account, chattel paper, or a payment  
15 intangible may discharge its obligation by paying the assignor  
16 until, but not after, the account debtor receives a  
17 notification, authenticated by the assignor or the assignee,  
18 that the amount due or to become due has been assigned and  
19 that payment is to be made to the assignee. After receipt of  
20 the notification, the account debtor may discharge its  
21 obligation by paying the assignee and may not discharge the  
22 obligation by paying the assignor.

23           "(b) When notification ineffective. Subject to  
24 subsection (h), notification is ineffective under subsection  
25 (a):

26           "(1) if it does not reasonably identify the rights  
27 assigned;

1           "(2) to the extent that an agreement between an  
2 account debtor and a seller of a payment intangible limits the  
3 account debtor's duty to pay a person other than the seller  
4 and the limitation is effective under law other than this  
5 article; or

6           "(3) at the option of an account debtor, if the  
7 notification notifies the account debtor to make less than the  
8 full amount of any installment or other periodic payment to  
9 the assignee, even if:

10           "(A) only a portion of the account, chattel paper,  
11 or payment intangible has been assigned to that assignee;

12           "(B) a portion has been assigned to another  
13 assignee; or

14           "(C) the account debtor knows that the assignment to  
15 that assignee is limited.

16           "(c) Proof of assignment. Subject to subsection (h),  
17 if requested by the account debtor, an assignee shall  
18 seasonably furnish reasonable proof that the assignment has  
19 been made. Unless the assignee complies, the account debtor  
20 may discharge its obligation by paying the assignor, even if  
21 the account debtor has received a notification under  
22 subsection (a).

23           "(d) Term restricting assignment generally  
24 ineffective. Except as otherwise provided in subsection (e)  
25 and Sections 7-2A-303 and 7-9A-407, and subject to subsection  
26 (h), a term in an agreement between an account debtor and an



1 assignor or in a promissory note is ineffective to the extent  
2 that it:

3 "(1) prohibits, restricts, or requires the consent  
4 of the account debtor or person obligated on the promissory  
5 note to the assignment or transfer of, or the creation,  
6 attachment, perfection, or enforcement of a security interest  
7 in, the account, chattel paper, payment intangible, or  
8 promissory note; or

9 "(2) provides that the assignment or transfer or the  
10 creation, attachment, perfection, or enforcement of the  
11 security interest may give rise to a default, breach, right of  
12 recoupment, claim, defense, termination, right of termination,  
13 or remedy under the account, chattel paper, payment  
14 intangible, or promissory note.

15 "(e) Inapplicability of subsection (d) to certain  
16 sales. Subsection (d) does not apply to the sale of a payment  
17 intangible or promissory note, other than a sale pursuant to a  
18 disposition under Section 7-9A-610 or an acceptance of  
19 collateral under Section 7-9A-620.

20 "(f) Legal restrictions on assignment generally  
21 ineffective. Except as otherwise provided in Sections 7-2A-303  
22 and 7-9A-407 and subject to subsections (h) and (i), a rule of  
23 law, statute, or regulation that prohibits, restricts, or  
24 requires the consent of a government, governmental body or  
25 official, or account debtor to the assignment or transfer of,  
26 or creation of a security interest in, an account or chattel

1 paper is ineffective to the extent that the rule of law,  
2 statute, or regulation:

3 "(1) prohibits, restricts, or requires the consent  
4 of the government, governmental body or official, or account  
5 debtor to the assignment or transfer of, or the creation,  
6 attachment, perfection, or enforcement of a security interest  
7 in the account or chattel paper; or

8 "(2) provides that the assignment or transfer or the  
9 creation, attachment, perfection, or enforcement of the  
10 security interest may give rise to a default, breach, right of  
11 recoupment, claim, defense, termination, right of termination,  
12 or remedy under the account or chattel paper.

13 "(g) Subsection (b) (3) not waivable. Subject to  
14 subsection (h), an account debtor may not waive or vary its  
15 option under subsection (b) (3).

16 "(h) Rule for individual under other law. This  
17 section is subject to law other than this article which  
18 establishes a different rule for an account debtor who is an  
19 individual and who incurred the obligation primarily for  
20 personal, family, or household purposes.

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

24 "(j) Section prevails over inconsistent law. This  
25 section prevails over any inconsistent provision of an  
26 existing or future statute, rule, or regulation of this State  
27 unless the provision is contained in a statute of this State,

1 refers expressly to this section, and states that the  
2 provision prevails over this section.

3 "§7-9A-408.

4 "(a) Term restricting assignment generally  
5 ineffective. Except as otherwise provided in subsection (b), a  
6 term in a promissory note or in an agreement between an  
7 account debtor and a debtor which relates to a  
8 health-care-insurance receivable or a general intangible,  
9 including a contract, permit, license, or franchise, and which  
10 term prohibits, restricts, or requires the consent of the  
11 person obligated on the promissory note or the account debtor  
12 to, the assignment or transfer of, or creation, attachment, or  
13 perfection of a security interest in, the promissory note,  
14 health-care-insurance receivable, or general intangible, is  
15 ineffective to the extent that the term:

16 "(1) would impair the creation, attachment, or  
17 perfection of a security interest; or

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

24 "(b) Applicability of subsection (a) to sales of  
25 certain rights to payment. Subsection (a) applies to a  
26 security interest in a payment intangible or promissory note  
27 only if the security interest arises out of a sale of the

1 payment intangible or promissory note, other than a sale  
2 pursuant to a disposition under Section 7-9A-610 or an  
3 acceptance of collateral under Section 7-9A-620.

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

15 "(1) would impair the creation, attachment, or  
16 perfection of a security interest; or

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

23 "(d) Limitation on ineffectiveness under subsections  
24 (a) and (c). To the extent that a term in a promissory note or  
25 in an agreement between an account debtor and a debtor which  
26 relates to a health-care-insurance receivable or general  
27 intangible or a rule of law, statute, or regulation described

1 in subsection (c) would be effective under law other than this  
2 article but is ineffective under subsection (a) or (c), the  
3 creation, attachment, or perfection of a security interest in  
4 the promissory note, health-care-insurance receivable, or  
5 general intangible:

6 "(1) is not enforceable against the person obligated  
7 on the promissory note or the account debtor;

8 "(2) does not impose a duty or obligation on the  
9 person obligated on the promissory note or the account debtor;

10 "(3) does not require the person obligated on the  
11 promissory note or the account debtor to recognize the  
12 security interest, pay or render performance to the secured  
13 party, or accept payment or performance from the secured  
14 party;

15 "(4) does not entitle the secured party to use or  
16 assign the debtor's rights under the promissory note,  
17 health-care-insurance receivable, or general intangible,  
18 including any related information or materials furnished to  
19 the debtor in the transaction giving rise to the promissory  
20 note, health-care-insurance receivable, or general intangible;

21 "(5) does not entitle the secured party to use,  
22 assign, possess, or have access to any trade secrets or  
23 confidential information of the person obligated on the  
24 promissory note or the account debtor; and

25 "(6) does not entitle the secured party to enforce  
26 the security interest in the promissory note,  
27 health-care-insurance receivable, or general intangible.

1           "(e) Section prevails over inconsistent law. This  
2 section prevails over any inconsistent provision of an  
3 existing or future statute, rule, or regulation of this State  
4 unless the provision is contained in a statute of this State,  
5 refers expressly to this section, and states that the  
6 provision prevails over this section.

7           "§7-9A-502.

8           "(a) Sufficiency of financing statement. Subject to  
9 subsection (b), a financing statement is sufficient only if  
10 it:

11           "(1) provides the name of the debtor;

12           "(2) provides the name of the secured party or a  
13 representative of the secured party; and

14           "(3) indicates the collateral covered by the  
15 financing statement.

16           "(b) Real-property-related financing statements.  
17 Except as otherwise provided in Section 7-9A-501(b), to be  
18 sufficient, a financing statement that covers as-extracted  
19 collateral or timber to be cut, or which is filed as a fixture  
20 filing and covers goods that are or are to become fixtures,  
21 must satisfy subsection (a) and also:

22           "(1) indicate that it covers this type of  
23 collateral;

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

26           "(3) provide a description of the real property to  
27 which the collateral is related sufficient to give

1 constructive notice of a mortgage under the law of this State  
2 if the description were contained in a record of the mortgage  
3 of the real property; and

4 "(4) if the debtor does not have an interest of  
5 record in the real property, provide the name of a record  
6 owner.

7 "(c) Record of mortgage as financing statement. A  
8 record of a mortgage is effective, from the date of recording,  
9 as a financing statement filed as a fixture filing or as a  
10 financing statement covering as-extracted collateral or timber  
11 to be cut only if:

12 "(1) the record indicates the goods or accounts that  
13 it covers;

14 "(2) the goods are or are to become fixtures related  
15 to the real property described in the record or the collateral  
16 is related to the real property described in the record and is  
17 as-extracted collateral or timber to be cut;

18 "(3) the record satisfies the requirements for a  
19 financing statement in this section, but: other than an  
20 indication

21 "(A) the record need not indicate that it is to be  
22 filed in the real property records; and

23 "(B) the record sufficiently provides the name of a  
24 debtor who is an individual if it provides the individual name  
25 of the debtor or the surname and first personal name of the  
26 debtor, even if the debtor is an individual to whom Section  
27 7-9A-503(a)(4) applies; and

1           "(4) the record is recorded.

2           "(d) Filing before security agreement or attachment.  
3 A financing statement may be filed before a security agreement  
4 is made or a security interest otherwise attaches.

5           "§7-9A-503.

6           "(a) Sufficiency of debtor's name. A financing  
7 statement sufficiently provides the name of the debtor:

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

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

25           "(3) if the ~~debtor is a trust or a trustee acting~~  
26 ~~with respect to property held in trust,~~ only if the financing



1 statement collateral is held in a trust that is not a  
2 registered organization, only if the financing statement:

3 ~~"(A) provides the name specified for the trust in~~  
4 ~~its organic documents or, if no name is specified, provides~~  
5 ~~the name of the settlor and additional information sufficient~~  
6 ~~to distinguish the debtor from other trusts having one or more~~  
7 ~~of the same settlors; and~~

8 ~~"(B) indicates, in the debtor's name or otherwise,~~  
9 ~~that the debtor is a trust or is a trustee acting with respect~~  
10 ~~to property held in trust; and~~

11 "(A) provides, as the name of the debtor:

12 "(i) if the organic record of the trust specifies a  
13 name for the trust, the name so specified; or

14 "(ii) if the organic record of the trust does not  
15 specify a name for the trust, the name of the settlor or  
16 testator; and

17 "(B) in a separate part of the financing statement:

18 "(i) if the name is provided in accordance with  
19 subparagraph (A) (i), indicates that the collateral is held in  
20 a trust; or

21 "(ii) if the name is provided in accordance with  
22 subparagraph (A) (ii), provides additional information  
23 sufficient to distinguish the trust from other trusts having  
24 one or more of the same settlors or the same testator and  
25 indicates that the collateral is held in a trust, unless the  
26 additional information so indicates;

1           "(4) subject to subsection (g), if the debtor is an  
2           individual to whom this state has issued a driver's license or  
3           nondriver identification card that has not expired, only if it  
4           provides the name of the individual which is indicated on the  
5           driver's license or nondriver identification card;

6           "(5) if the debtor is an individual to whom  
7           paragraph (4) does not apply, only if it provides the  
8           individual name of the debtor or the surname and first  
9           personal name of the debtor; and

10           ~~"(4)(6)~~ in other cases:

11           "(A) if the debtor has a name, only if ~~it~~ the  
12           financing statement provides the ~~individual or~~ organizational  
13           name of the debtor; and

14           "(B) if the debtor does not have a name, only if it  
15           provides the names of the partners, members, associates, or  
16           other persons comprising the debtor, in a manner that each  
17           name provided would be sufficient if the person named were the  
18           debtor.

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

23           (1) a trade name or other name of the debtor; or

24           "(2) unless required under subsection (a) ~~(4)(6)~~ (B),  
25           names of partners, members, associates, or other persons  
26           comprising the debtor.

1           "(c) Debtor's trade name insufficient. A financing  
2 statement that provides only the debtor's trade name does not  
3 sufficiently provide the name of the debtor.

4           "(d) Representative capacity. Failure to indicate  
5 the representative capacity of a secured party or  
6 representative of a secured party does not affect the  
7 sufficiency of a financing statement.

8           "(e) Multiple debtors and secured parties. A  
9 financing statement may provide the name of more than one  
10 debtor and the name of more than one secured party.

11           "(f) Name of decedent. The name of the decedent  
12 indicated on the order appointing the personal representative  
13 of the decedent issued by the court having jurisdiction over  
14 the collateral is sufficient as the name of the decedent under  
15 subsection (a) (2).

16           "(g) Multiple driver's licenses or nondriver  
17 identification cards. If this state has issued to an  
18 individual more than one driver's license or nondriver  
19 identification card of a kind described in subsection (a) (4),  
20 the card that was issued most recently is the card to which  
21 subsection (a) (4) refers.

22           "(h) Definition. The name of the settlor or testator  
23 means:

24           "(1) if the settlor is a registered organization,  
25 the name that is stated to be the settlor's name on the public  
26 organic record most recently filed with or issued or enacted

1 by the settlor's jurisdiction of organization which purports  
2 to state, amend, or restate the settlor's name; or

3 "(2) in other cases, the name of the settlor or  
4 testator indicated in the trust's organic record.

5 "§7-9A-507.

6 "(a) Disposition. A filed financing statement  
7 remains effective with respect to collateral that is sold,  
8 exchanged, leased, licensed, or otherwise disposed of and in  
9 which a security interest or agricultural lien continues, even  
10 if the secured party knows of or consents to the disposition.

11 "(b) Information becoming seriously misleading.  
12 Except as otherwise provided in subsection (c) and Section  
13 7-9A-508, a financing statement is not rendered ineffective  
14 if, after the financing statement is filed, the information  
15 provided in the financing statement becomes seriously  
16 misleading under Section 7-9A-506.

17 "(c) Change in debtor's name. If ~~a debtor so changes~~  
18 its the name that a filed financing statement provides for a  
19 debtor becomes insufficient as the name of the debtor under  
20 Section 7-9A-503(a) so that the financing statement becomes  
21 seriously misleading under Section 7-9A-506:

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

26 "(2) the financing statement is not effective to  
27 perfect a security interest in collateral acquired by the

1 debtor more than four months after the ~~change~~ filed financing  
2 statement becomes seriously misleading, unless an amendment to  
3 the financing statement which renders the financing statement  
4 not seriously misleading is filed within four months after ~~the~~  
5 ~~change~~ that event.

6 "§7-9A-515.

7 "(a) Five-year effectiveness. Except as otherwise  
8 provided in subsections (b), (e), (f), (g), and (h), a filed  
9 financing statement is effective for a period of five years  
10 after the date of filing.

11 "(b) Manufactured-home transaction. Except as  
12 otherwise provided in subsections (e), (f), and (g), an  
13 initial financing statement filed in connection with a  
14 manufactured-home transaction is effective for a period of 30  
15 years after the date of filing if it indicates that it is  
16 filed in connection with a manufactured-home transaction.

17 "(c) Lapse and continuation of financing statement.  
18 The effectiveness of a filed financing statement lapses on the  
19 expiration of the period of its effectiveness unless before  
20 the lapse a continuation statement is filed pursuant to  
21 subsection (d). Upon lapse, a financing statement ceases to be  
22 effective and any security interest or agricultural lien that  
23 was perfected by the financing statement becomes unperfected,  
24 unless the security interest is perfected otherwise. If the  
25 security interest or agricultural lien becomes unperfected  
26 upon lapse, it is deemed never to have been perfected as  
27 against a purchaser of the collateral for value.

1           "(d) When continuation statement may be filed. A  
2 continuation statement may be filed only within six months  
3 before the expiration of the five-year period specified in  
4 subsection (a) or the 30-year period specified in subsection  
5 (b), whichever is applicable.

6           "(e) Effect of filing continuation statement. Except  
7 as otherwise provided in Section 7-9A-510, upon timely filing  
8 of a continuation statement, the effectiveness of the initial  
9 financing statement continues for a period of five years  
10 commencing on the day on which the financing statement would  
11 have become ineffective in the absence of the filing. Upon the  
12 expiration of the five-year period, the financing statement  
13 lapses in the same manner as provided in subsection (c),  
14 unless, before the lapse, another continuation statement is  
15 filed pursuant to subsection (d). Succeeding continuation  
16 statements may be filed in the same manner to continue the  
17 effectiveness of the initial financing statement.

18           "(f) Transmitting utility financing statement. If a  
19 debtor is a transmitting utility and a filed initial financing  
20 statement so indicates, the financing statement is effective  
21 until a termination statement is filed.

22           "(g) Record of mortgage as financing statement. A  
23 record of a mortgage that is effective as a financing  
24 statement filed as a fixture filing under Section 7-9A-502(c)  
25 remains effective as a financing statement filed as a fixture  
26 filing until the mortgage is released or satisfied of record

1 or its effectiveness otherwise terminates as to the real  
2 property.

3 "(h) Obligations made pursuant to the provisions of  
4 the Alabama Small Loan Act. If the secured obligation is made  
5 pursuant to the provisions of the Alabama Small Loan Act, the  
6 effectiveness of a filed financing statement lapses upon the  
7 earlier of repayment of the loan in full or the expiration of  
8 five years after the date of filing.

9 "§7-9A-516.

10 "(a) What constitutes filing. Except as otherwise  
11 provided in subsection (b), communication of a record to a  
12 filing office and tender of the filing fee or acceptance of  
13 the record by the filing office constitutes filing.

14 "(b) Refusal to accept record; filing does not  
15 occur. Filing does not occur with respect to a record that a  
16 filing office refuses to accept because:

17 "(1) the record is not communicated by a method or  
18 medium of communication authorized by the filing office;

19 "(2) an amount equal to or greater than the  
20 applicable filing fee is not tendered;

21 "(3) the filing office is unable to index the record  
22 because:

23 "(A) in the case of an initial financing statement,  
24 the record does not provide a name for the debtor;

25 "(B) in the case of an amendment or ~~correction~~  
26 information statement, the record:

1           "(i) does not identify the initial financing  
2 statement as required by Section 7-9A-512 or 7-9A-518, as  
3 applicable; or

4           "(ii) identifies an initial financing statement  
5 whose effectiveness has lapsed under Section 7-9A-515;

6           "(C) in the case of an initial financing statement  
7 that provides the name of a debtor identified as an individual  
8 or an amendment that provides a name of a debtor identified as  
9 an individual which was not previously provided in the  
10 financing statement to which the record relates, the record  
11 does not identify the debtor's ~~last name~~ surname; or

12           "(D) in the case of a record filed or recorded in  
13 the filing office described in Section 7-9A-501(a)(1), the  
14 record does not provide a sufficient description of the real  
15 property to which it relates;

16           "(4) in the case of an initial financing statement  
17 or an amendment that adds a secured party of record, the  
18 record does not provide a name and mailing address for the  
19 secured party of record;

20           "(5) in the case of an initial financing statement  
21 or an amendment that provides a name of a debtor which was not  
22 previously provided in the financing statement to which the  
23 amendment relates, the record does not:

24           "(A) provide a mailing address for the debtor; or

25           "(B) indicate whether the name provided as the name  
26 of the debtor is the name of an individual or an organization;

27 or



1           ~~"(C) if the financing statement indicates that the~~  
2 ~~debtor is an organization, provide:~~

3           ~~"(i) a type of organization for the debtor; or~~

4           ~~"(ii) a jurisdiction of organization for the debtor.~~

5           "(6) in the case of an assignment reflected in an  
6 initial financing statement under Section 7-9A-514(a) or an  
7 amendment filed under Section 7-9A-514(b), the record does not  
8 provide a name and mailing address for the assignee; or

9           "(7) in the case of a continuation statement, the  
10 record is not filed within the six-month period prescribed by  
11 Section 7-9A-515(d).

12           "(c) Rules applicable to subsection (b). For  
13 purposes of subsection (b):

14           "(1) a record does not provide information if the  
15 filing office is unable to read or decipher the information;  
16 and

17           "(2) a record that does not indicate that it is an  
18 amendment or identify an initial financing statement to which  
19 it relates, as required by Section 7-9A-512, 7-9A-514, or  
20 7-9A-518, is an initial financing statement.

21           "(d) Refusal to accept record; record effective as  
22 filed record. A record that is communicated to the filing  
23 office with tender of the filing fee, but which the filing  
24 office refuses to accept for a reason other than one set forth  
25 in subsection (b), is effective as a filed record except as  
26 against a purchaser of the collateral which gives value in

1 reasonable reliance upon the absence of the record from the  
2 files.

3 "§7-9A-518.

4 "(a) ~~Correction statement~~ Statement with respect to  
5 record indexed under person's name. A person may file in the  
6 filing office ~~a correction~~ an information statement with  
7 respect to a record indexed there under the person's name if  
8 the person believes that the record is inaccurate or was  
9 wrongfully filed.

10 "(b) ~~Sufficiency~~ Contents of ~~correction~~ statement  
11 under subsection (a). ~~A correction~~ An information statement  
12 under subsection (a) must:

13 "(1) identify the record to which it relates by the  
14 file number assigned to the initial financing statement to  
15 which the record relates;

16 "(2) indicate that it is ~~a correction~~ an information  
17 statement; and

18 "(3) provide the basis for the person's belief that  
19 the record is inaccurate and indicate the manner in which the  
20 person believes the record should be amended to cure any  
21 inaccuracy or provide the basis for the person's belief that  
22 the record was wrongfully filed.

23 "(c) Statement by secured party of record. A person  
24 may file in the filing office an information statement with  
25 respect to a record filed there if the person is a secured  
26 party of record with respect to the financing statement to  
27 which the record relates and believes that the person that

1 filed the record was not entitled to do so under Section  
2 7-9A-509(d).

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

5 "(1) identify the record to which it relates by the  
6 file number assigned to the initial financing statement to  
7 which the record relates;

8 "(2) indicate that it is an information statement;  
9 and

10 "(3) provide the basis for the person's belief that  
11 the person that filed the record was not entitled to do so  
12 under Section 7-9A-509(d).

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

17 "§7-9A-521.

18 "(a) Initial financing statement form. A filing  
19 office that accepts written records may not refuse to accept a  
20 written initial financing statement in the following form and  
21 format except for a reason set forth in Section 7-9A-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  
27 Address)

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

2 ~~"1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one~~  
3 ~~debtor name (1a or 1b) - do not abbreviate or combine names~~

4 ~~"1a. ORGANIZATION'S NAME \_\_\_\_\_~~

5 ~~or~~

6 ~~"1b. INDIVIDUAL'S LAST NAME \_\_\_\_\_~~

7 ~~"FIRST NAME \_\_\_\_\_~~

8 ~~"MIDDLE NAME \_\_\_\_\_~~

9 ~~"SUFFIX \_\_\_\_\_~~

10 ~~"1c. MAILING ADDRESS \_\_\_\_\_~~

11 ~~"CITY \_\_\_\_\_~~

12 ~~"STATE \_\_\_\_\_~~

13 ~~"POSTAL CODE \_\_\_\_\_~~

14 ~~"COUNTRY \_\_\_\_\_~~

15 ~~"1d. TAX ID # SSN OR EIN \_\_\_\_\_~~

16 ~~"ADD'L INFO RE ORGANIZATION DEBTOR \_\_\_\_\_~~

17 ~~"1e. TYPE OF ORGANIZATION \_\_\_\_\_~~

18 ~~"1f. JURISDICTION OF ORGANIZATION \_\_\_\_\_~~

19 ~~"1g. ORGANIZATIONAL ID #, if any \_\_\_\_\_ NONE \_\_\_\_\_~~

20 ~~"2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME -~~

21 ~~Insert only one debtor name (2a or 2b) - do not abbreviate or~~  
22 ~~combine names~~

23 ~~"2a. ORGANIZATION'S NAME \_\_\_\_\_~~

24 ~~or~~

25 ~~"2b. INDIVIDUAL'S LAST NAME \_\_\_\_\_~~

26 ~~"FIRST NAME \_\_\_\_\_~~

27 ~~"MIDDLE NAME \_\_\_\_\_~~

1 "SUFFIX \_\_\_\_\_  
2 "2c. MAILING ADDRESS \_\_\_\_\_  
3 "CITY \_\_\_\_\_  
4 "STATE \_\_\_\_\_  
5 "POSTAL CODE \_\_\_\_\_  
6 "COUNTRY \_\_\_\_\_  
7 "2d. TAX ID # SSN OR EIN \_\_\_\_\_  
8 "ADD'L INFO RE ORGANIZATION DEBTOR \_\_\_\_\_  
9 "2e. TYPE OF ORGANIZATION \_\_\_\_\_  
10 "2f. JURISDICTION OF ORGANIZATION \_\_\_\_\_  
11 "2g. ORGANIZATIONAL ID #, if any \_\_\_\_\_ NONE \_\_\_\_\_  
12 "3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE  
13 or ASSIGNOR S/P) - Insert only one secured party name (3a or  
14 3b)  
15 "3a. ORGANIZATION'S NAME \_\_\_\_\_  
16 or  
17 "3b. INDIVIDUAL'S LAST NAME \_\_\_\_\_  
18 "FIRST NAME \_\_\_\_\_  
19 "MIDDLE NAME \_\_\_\_\_  
20 "SUFFIX \_\_\_\_\_  
21 "3c. MAILING ADDRESS \_\_\_\_\_  
22 "CITY \_\_\_\_\_  
23 "STATE \_\_\_\_\_  
24 "POSTAL CODE \_\_\_\_\_  
25 "COUNTRY \_\_\_\_\_  
26 "4. This FINANCING STATEMENT covers the following  
27 collateral

1 \_\_\_\_\_  
2 ~~"5. ALTERNATIVE DESIGNATION (If applicable)~~

3 \_\_\_\_\_  
4 "LESSEE/LESSOR \_\_\_\_\_

5 "CONSIGNEE/CONSIGNOR \_\_\_\_\_

6 "BAILEE/BAILOR \_\_\_\_\_

7 "SELLER/BUYER \_\_\_\_\_

8 "AG. LIEN \_\_\_\_\_

9 "NON-UCC FILING \_\_\_\_\_

10 ~~"6. This FINANCING STATEMENT is to be filed (for~~  
11 ~~record) (or recorded) in the REAL ESTATE RECORDS. Attach~~  
12 ~~Addendum (if applicable)~~

13 ~~"7. Check to REQUEST SEARCH REPORT(S) on Debtor(s)~~  
14 ~~ADDITIONAL FEE (optional)~~

15 "\_\_\_\_\_ All Debtors

16 "\_\_\_\_\_ Debtor 1

17 "\_\_\_\_\_ Debtor 2

18 ~~"8. OPTIONAL FILER REFERENCE DATA~~

19 ~~"9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED~~  
20 ~~FINANCING STATEMENT~~

21 ~~"9a. ORGANIZATION'S NAME \_\_\_\_\_~~

22 or

23 ~~"9b. INDIVIDUAL'S LAST NAME \_\_\_\_\_~~

24 ~~"FIRST NAME \_\_\_\_\_~~

25 ~~"MIDDLE NAME, SUFFIX \_\_\_\_\_~~

26 ~~"10. MISCELLANEOUS:~~

27 \_\_\_\_\_

1 ~~"11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME -~~

2 ~~Insert only one name (11a or 11b) - do not abbreviate or~~  
3 ~~combine names~~

4 ~~"11a. ORGANIZATION'S NAME \_\_\_\_\_~~

5 ~~or~~

6 ~~"11b. INDIVIDUAL'S LAST NAME \_\_\_\_\_~~

7 ~~"FIRST NAME \_\_\_\_\_~~

8 ~~"MIDDLE NAME \_\_\_\_\_~~

9 ~~"SUFFIX \_\_\_\_\_~~

10 ~~"11c. MAILING ADDRESS \_\_\_\_\_~~

11 ~~"CITY \_\_\_\_\_~~

12 ~~"STATE \_\_\_\_\_~~

13 ~~"POSTAL CODE \_\_\_\_\_~~

14 ~~"COUNTRY \_\_\_\_\_~~

15 ~~"11d. TAX ID # SSN OR EIN \_\_\_\_\_~~

16 ~~"ADD'L INFO RE ORGANIZATION DEBTOR \_\_\_\_\_~~

17 ~~"11e. TYPE OF ORGANIZATION \_\_\_\_\_~~

18 ~~"11f. JURISDICTION OF ORGANIZATION \_\_\_\_\_~~

19 ~~"11g. ORGANIZATIONAL ID #, if any \_\_\_\_\_ NONE \_\_\_\_\_~~

20 ~~"12. ADDITIONAL SECURED PARTY'S~~

21 ~~or~~

22 ~~"ASSIGNOR S/P'S NAME - Insert only one name (12a or~~  
23 ~~12b)~~

24 ~~"12a. ORGANIZATION'S NAME \_\_\_\_\_~~

25 ~~or~~

26 ~~"12b. INDIVIDUAL'S LAST NAME \_\_\_\_\_~~

27 ~~"FIRST NAME \_\_\_\_\_~~

1 "MIDDLE NAME \_\_\_\_\_  
2 "SUFFIX \_\_\_\_\_  
3 "12c. MAILING ADDRESS \_\_\_\_\_  
4 "CITY \_\_\_\_\_  
5 "STATE \_\_\_\_\_  
6 "POSTAL CODE \_\_\_\_\_  
7 "COUNTRY \_\_\_\_\_  
8 "13. This FINANCING STATEMENT covers \_\_\_\_\_ timber to  
9 be cut or \_\_\_\_\_ as extracted collateral, or be filed as a \_\_\_\_\_  
10 future filing.  
11 "14. Description of real estate  
12 \_\_\_\_\_  
13 \_\_\_\_\_  
14 "15. Name and address of a RECORD OWNER of above  
15 described real estate (if Debtor does not have a record  
16 interest):  
17 \_\_\_\_\_  
18 "16. Additional collateral description:  
19 \_\_\_\_\_  
20 "17. Check only if applicable and check only one  
21 box:  
22 Debtor is a \_\_\_\_\_ Trust or \_\_\_\_\_ Trustee acting with  
23 respect to property held in trust or \_\_\_\_\_ Decedent's Estate  
24 "18. Check only if applicable and check only one  
25 box:  
26 "\_\_\_\_\_ Debtor is a TRANSMITTING UTILITY





1                   ~~"4. \_\_\_\_\_ ASSIGNMENT (full or partial): Give name of~~  
2 ~~consignee in box 7a or 7b and address of consignee in item 7c,~~  
3 ~~and also give name of assignor in Item 9.~~

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

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

9                   ~~"\_\_\_\_\_ CHANGE name and/or address: Give current~~  
10 ~~record name in Item 6a or 6b; also give new name (if name~~  
11 ~~change) in Items 7a or 7b and/or new address (if address~~  
12 ~~change) in Item 7c.~~

13                   ~~"\_\_\_\_\_ DELETE name. Give record name to be deleted~~  
14 ~~in Item 6a or 6b.~~

15                   ~~"\_\_\_\_\_ ADD name. Complete Item 7a or 7b, and also~~  
16 ~~Item 7c; also complete Items 7d-7g (if applicable).~~

17                   ~~"6. CURRENT RECORD INFORMATION~~

18                   ~~"6a. ORGANIZATION'S NAME \_\_\_\_\_~~

19                   ~~or~~

20                   ~~"6b. INDIVIDUAL'S LAST NAME \_\_\_\_\_~~

21                   ~~"FIRST NAME \_\_\_\_\_~~

22                   ~~"MIDDLE NAME \_\_\_\_\_~~

23                   ~~"SUFFIX \_\_\_\_\_~~

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

25                   ~~"7a. ORGANIZATION'S NAME \_\_\_\_\_~~

26                   ~~or~~

27                   ~~"7b. INDIVIDUAL'S LAST NAME \_\_\_\_\_~~

1 "FIRST NAME \_\_\_\_\_  
2 "MIDDLE NAME \_\_\_\_\_  
3 "SUFFIX \_\_\_\_\_  
4 "7c. MAILING ADDRESS \_\_\_\_\_  
5 "CITY \_\_\_\_\_  
6 "STATE \_\_\_\_\_  
7 "POSTAL CODE \_\_\_\_\_  
8 "COUNTRY \_\_\_\_\_  
9 "7d. TAX ID # SSN OR EIN \_\_\_\_\_  
10 "ADD'L INFO RE ORGANIZATION DEBTOR \_\_\_\_\_  
11 "7e. TYPE OF ORGANIZATION \_\_\_\_\_  
12 "7f. JURISDICTION OF ORGANIZATION \_\_\_\_\_  
13 "7g. ORGANIZATIONAL ID #, if any \_\_\_\_\_ NONE \_\_\_\_\_  
14 "8. AMENDMENT (COLLATERAL CHANGE): Check only one  
15 box:  
16 "Describe collateral \_\_\_\_\_ deleted or \_\_\_\_\_ added,  
17 or give entire \_\_\_\_\_ restated collateral description, or  
18 describe collateral \_\_\_\_\_ assigned.  
19 \_\_\_\_\_  
20 \_\_\_\_\_  
21 "9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS  
22 AMENDMENT (name of assignor, if this is an Assignment). If  
23 this is an Amendment authorized by a Debtor which adds  
24 collateral or adds the authorizing Debtor, or if this is a  
25 Termination authorized by a Debtor, check here \_\_\_\_\_ and enter  
26 name of DEBTOR authorizing this Amendment.  
27 "9a. ORGANIZATION'S NAME \_\_\_\_\_

1 or  
2 "9b. INDIVIDUAL'S LAST NAME \_\_\_\_\_  
3 "FIRST NAME \_\_\_\_\_  
4 "MIDDLE NAME \_\_\_\_\_  
5 "SUFFIX \_\_\_\_\_  
6 "10. OPTIONAL FILER REFERENCE DATA  
7 \_\_\_\_\_  
8 "11. INITIAL FINANCING STATEMENT FILE # (same as  
9 Item 1a on Amendment form) \_\_\_\_\_  
10 "12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same  
11 as Item 8 on Amendment form)  
12 "12a. ORGANIZATION'S NAME  
13 or  
14 "12b. INDIVIDUAL'S LAST NAME \_\_\_\_\_  
15 "FIRST NAME \_\_\_\_\_  
16 "MIDDLE NAME, SUFFIX \_\_\_\_\_  
17 "13. Use this space for additional information  
18 \_\_\_\_\_  
19 \_\_\_\_\_  
20 "UCC FINANCING STATEMENT  
21 "FOLLOW INSTRUCTIONS  
22 "A. NAME & PHONE OF CONTACT AT FILER (optional)  
23 \_\_\_\_\_  
24 "B. E-MAIL CONTACT AT FILER (optional) \_\_\_\_\_  
25 "C. SEND ACKNOWLEDGMENT TO: (Name and Address)  
26 \_\_\_\_\_  
27 "THE ABOVE SPACE IS FOR

1                   "FILING OFFICE USE ONLY

2                   "1. DEBTOR'S NAME: Provide only one Debtor name (1a  
3 or 1b) (use exact, full name; do not omit, modify, or  
4 abbreviate any part of the Debtor's name); if any part of the  
5 Individual Debtors name will not fit in line 1b, leave all of  
6 item 1 blank, check here [ ] and provide the Individual Debtor  
7 information in item 10 of the Financing Statement Addendum  
8 (Form UCC1Ad)

9                   "1a. ORGANIZATION'S NAME

10 \_\_\_\_\_

11                   "OR

12                   "1b. INDIVIDUAL'S SURNAME \_\_\_\_\_

13                   "FIRST PERSONAL NAME \_\_\_\_\_

14                   "ADDITIONAL NAME(S) /INITIAL(S) \_\_\_\_\_

15                   "SUFFIX \_\_\_\_\_

16                   "1c. MAILING ADDRESS \_\_\_\_\_

17                   "CITY \_\_\_\_\_

18                   "STATE \_\_\_\_\_

19                   "POSTAL CODE \_\_\_\_\_

20                   "COUNTRY \_\_\_\_\_

21                   "2. DEBTOR'S NAME: Provide only one Debtor name (2a  
22 or 2b) (use exact, full name; do not omit, modify, or  
23 abbreviate any part of the Debtor's name); if any part of the  
24 Individual Debtor's name will not fit in line 2b, leave all of  
25 item 2 blank, check here [ ] and provide the Individual Debtor  
26 information in item 10 of the Financing Statement Addendum  
27 (Form UCC1Ad)

1            "2a. ORGANIZATION'S NAME \_\_\_\_\_  
2            "OR  
3            "2b. INDIVIDUAL'S SURNAME \_\_\_\_\_  
4            "FIRST PERSONAL NAME \_\_\_\_\_  
5            "ADDITIONAL NAME (S) /INITIAL (S) \_\_\_\_\_  
6            "SUFFIX \_\_\_\_\_  
7            "2c. MAILING ADDRESS \_\_\_\_\_  
8            "CITY \_\_\_\_\_  
9            "STATE \_\_\_\_\_  
10           "POSTAL CODE \_\_\_\_\_  
11           "COUNTRY \_\_\_\_\_

12           "3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of  
13 ASSIGNOR SECURED PARTY): Provide only one Secured Party name  
14 (3a or 3b)

15           "3a. ORGANIZATION'S NAME \_\_\_\_\_  
16           "OR  
17           "3b. INDIVIDUAL'S SURNAME \_\_\_\_\_  
18           "FIRST PERSONAL NAME \_\_\_\_\_  
19           "ADDITIONAL NAME (S) /INITIAL (S) \_\_\_\_\_  
20           "SUFFIX \_\_\_\_\_  
21           "3c. MAILING ADDRESS \_\_\_\_\_  
22           "CITY \_\_\_\_\_  
23           "STATE \_\_\_\_\_  
24           "POSTAL CODE \_\_\_\_\_  
25           "COUNTRY \_\_\_\_\_

26           "4. COLLATERAL: This financing statement covers the  
27 following collateral:

1  
2 "5. Check only if applicable and check only one box:  
3 "Collateral is  
4 "[ ] held in a Trust (see UCC1Ad, Item 17 and  
5 Instructions)  
6 "[ ] being administered by a Decedent's Personal  
7 Representative  
8 "6a. Check only if applicable and check only one  
9 box:  
10 "[ ] Public-Finance Transaction  
11 "[ ] Manufactured-Home Transaction  
12 "[ ] A Debtor is a Transmitting Utility  
13 "6b. Check only if applicable and check only one  
14 box:  
15 "[ ] Agricultural Lien  
16 "[ ] Non-UCC Filing  
17 "7. ALTERNATIVE DESIGNATION (if applicable):  
18 "[ ] Lessee/Lessor  
19 "[ ] Consignee/Consignor  
20 "[ ] Seller/Buyer  
21 "[ ] Bailee/Bailor  
22 "[ ] Licensee/Licensor  
23 "8. OPTIONAL FILER REFERENCE DATA:  
24  
25 "[UCC FINANCING STATEMENT (Form UCC1)]  
26 "UCC FINANCING STATEMENT ADDENDUM  
27 "FOLLOW INSTRUCTIONS

1                   "9. NAME OF FIRST DEBTOR: Same as item 1a or 1b on  
2 Financing Statement; if line 1b was left blank because  
3 Individual Debtor name did not fit, check here [ ]  
4                   "9a. ORGANIZATION'S NAME \_\_\_\_\_  
5                   "OR  
6                   "9b. INDIVIDUAL'S SURNAME \_\_\_\_\_  
7                   "FIRST PERSONAL NAME \_\_\_\_\_  
8                   "ADDITIONAL NAME (S) /INITIAL (S) \_\_\_\_\_  
9                   "SUFFIX \_\_\_\_\_  
10                  "THE ABOVE SPACE IS FOR  
11                  "FILING OFFICE USE ONLY  
12                  "10. DEBTOR'S NAME: Provide (10a or 10b) only one  
13 additional Debtor name or Debtor name that did not fit in line  
14 1b or 2b of the Financing Statement (Form UCC1) (use exact,  
15 full name; do not omit, modify, or abbreviate any part of the  
16 Debtor's name) and enter the mailing address in line 10c  
17                  "10a. ORGANIZATION'S NAME \_\_\_\_\_  
18                  "OR  
19                  "10b. INDIVIDUAL'S SURNAME \_\_\_\_\_  
20                  "FIRST PERSONAL NAME \_\_\_\_\_  
21                  "ADDITIONAL NAME (S) /INITIAL (S) \_\_\_\_\_  
22                  "SUFFIX \_\_\_\_\_  
23                  "10c. MAILING ADDRESS \_\_\_\_\_  
24                  "CITY \_\_\_\_\_  
25                  "STATE \_\_\_\_\_  
26                  "POSTAL CODE \_\_\_\_\_  
27                  "COUNTRY \_\_\_\_\_



1                    "11. [ ] ADDITIONAL SECURED PARTY'S NAME or  
2                    "[ ] ASSIGNOR SECURED PARTY'S NAME: Provide only  
3 one name (11a or 11b)

4                    "11a. ORGANIZATION'S NAME \_\_\_\_\_

5                    "OR

6                    "11b. INDIVIDUAL'S SURNAME \_\_\_\_\_

7                    "FIRST PERSONAL NAME \_\_\_\_\_

8                    "ADDITIONAL NAME(S) /INITIAL(S) \_\_\_\_\_

9                    "SUFFIX \_\_\_\_\_

10                   "11c. MAILING ADDRESS \_\_\_\_\_

11                   "CITY \_\_\_\_\_

12                   "STATE \_\_\_\_\_

13                   "POSTAL CODE \_\_\_\_\_

14                   "COUNTRY \_\_\_\_\_

15                   "12. ADDITIONAL SPACE FOR ITEM 4 (Collateral)

16 \_\_\_\_\_

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

20                   "14. This FINANCING STATEMENT:

21                   "[ ] covers timber to be cut

22                   "[ ] covers as-extracted collateral

23                   "[ ] is filed as a fixture filing

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

27                   "16. Description of real estate: \_\_\_\_\_

1                   "17. MISCELLANEOUS: \_\_\_\_\_

2                   (b) Amendment form. A filing office that accepts  
3 written records may not refuse to accept a written record in  
4 the following form and format except for a reason set forth in  
5 Section 7-9A-516(b):

6                   "UCC FINANCING STATEMENT AMENDMENT

7                   "FOLLOW INSTRUCTIONS

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

9 \_\_\_\_\_

10                   "B. E-MAIL CONTACT AT FILER (optional)

11                   "C. SEND ACKNOWLEDGMENT TO: (Name and Address)

12 \_\_\_\_\_

13                   "THE ABOVE SPACE IS FOR

14                   "FILING OFFICE USE ONLY

15                   "1a. INITIAL FINANCING STATEMENT FILE NUMBER

16 \_\_\_\_\_

17                   "1b. [ ] This FINANCING STATEMENT AMENDMENT is to  
18 be filed [for record] (or recorded) in the REAL ESTATE RECORDS

19                   "Filer: attach Amendment Addendum (Form UCC3Ad) and  
20 provide Debtor's name in item 13.

21                   "2. [ ] TERMINATION: Effectiveness of the Financing  
22 Statement identified above is terminated with respect to the  
23 security interest(s) of Secured Party authorizing this  
24 Termination Statement

25                   "3. [ ] ASSIGNMENT (full or partial): Provide name  
26 of Assignee in item 7a or 7b, and address of Assignee in item  
27 7c and name of Assignor in item 9 For partial assignment,

1 complete items 7 and 9 and also indicate affected collateral  
2 in item 8

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

8 "5. [ ] PARTY INFORMATION CHANGE:

9 "Check one of these two boxes:

10 "This Change affects

11 "[ ] Debtor or

12 "[ ] Secured Party of record.

13 "AND

14 "Check one of these three boxes to:

15 "[ ] CHANGE name and/or address: Complete item 6a  
16 or 6b; and item 7a or 7b and item 7c

17 "[ ] ADD name: Complete item 7a or 7b, and item 7c

18 "[ ] DELETE name: Give record name to be deleted in  
19 item 6a or 6b

20 "6. CURRENT RECORD INFORMATION: Complete for Party  
21 Information Change - provide only one name (6a or 6b)

22 "6a. ORGANIZATION'S NAME \_\_\_\_\_

23 "OR

24 "6b. INDIVIDUAL'S SURNAME \_\_\_\_\_

25 "FIRST PERSONAL NAME \_\_\_\_\_

26 "ADDITIONAL NAME(S) / INITIAL(S) \_\_\_\_\_

27 "SUFFIX \_\_\_\_\_

1                   "7. CHANGED OR ADDED INFORMATION: Complete for  
2 Assignment or Party Information Change - provide only one name  
3 (7a or 7b) (use exact full name; do not omit, modify, or  
4 abbreviate any part of the Debtor's name)

5                   "7a. ORGANIZATION'S NAME \_\_\_\_\_

6                   "OR

7                   "7b. INDIVIDUAL'S SURNAME \_\_\_\_\_

8                   "FIRST PERSONAL NAME \_\_\_\_\_

9                   "ADDITIONAL NAME (S) /INITIAL (S) \_\_\_\_\_

10                  "SUFFIX \_\_\_\_\_

11                  "7c. MAILING ADDRESS \_\_\_\_\_

12                  "CITY \_\_\_\_\_

13                  "STATE \_\_\_\_\_

14                  "POSTAL CODE \_\_\_\_\_

15                  "COUNTRY \_\_\_\_\_

16                  "8. [ ] COLLATERAL CHANGE:

17                  "Also check one of these four boxes:

18                  "[ ] ADD collateral

19                  "[ ] DELETE collateral

20                  "[ ] RESTATE covered collateral

21                  "[ ] ASSIGN collateral

22                  "Indicate collateral:

23                  "9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS  
24 AMENDMENT: Provide only one name (9a or 9b) (name of  
25 Assignor, if this is an Assignment)

26                  "If this is an Amendment authorized by a DEBTOR,  
27 check here [ ] and provide name of authorizing Debtor

1            "9a. ORGANIZATION'S NAME \_\_\_\_\_  
2            "OR  
3            "9b. INDIVIDUAL'S SURNAME \_\_\_\_\_  
4            "FIRST PERSONAL NAME \_\_\_\_\_  
5            "ADDITIONAL NAME (S) /INITIAL (S) \_\_\_\_\_  
6            "SUFFIX \_\_\_\_\_  
7            "10. OPTIONAL FILER REFERENCE DATA: \_\_\_\_\_  
8            "[UCC FINANCING STATEMENT AMENDMENT (Form UCC3)]  
9            "UCC FINANCING STATEMENT AMENDMENT ADDENDUM  
10           "FOLLOW INSTRUCTIONS  
11           "11. INITIAL FINANCING STATEMENT FILE NUMBER: Same  
12 as item 1a on Amendment form \_\_\_\_\_  
13           "12. NAME OF PARTY AUTHORIZING THIS AMENDMENT: Same  
14 as item 9 on Amendment form \_\_\_\_\_  
15           "12a. ORGANIZATION'S NAME \_\_\_\_\_  
16           "OR  
17           "12b. INDIVIDUAL'S SURNAME \_\_\_\_\_  
18           "FIRST PERSONAL NAME \_\_\_\_\_  
19           "ADDITIONAL NAME (S) /INITIAL (S) \_\_\_\_\_  
20           "SUFFIX \_\_\_\_\_  
21           "THE ABOVE SPACE IS FOR  
22           "FILING OFFICE USE ONLY  
23           "13. Name of DEBTOR on related financing statement  
24 (Name of a current Debtor of record required for indexing  
25 purposes only in some filing offices - see Instruction item  
26 13): Provide only one Debtor name (13a or 13b) (use exact,

1 full name; do not omit, modify, or abbreviate any part of the  
2 Debtor's name); see Instructions if name does not fit

3 "13a. ORGANIZATION'S NAME \_\_\_\_\_

4 "OR

5 "13b. INDIVIDUAL'S SURNAME \_\_\_\_\_

6 "FIRST PERSONAL NAME \_\_\_\_\_

7 "ADDITIONAL NAME(S)/INITIAL(S) \_\_\_\_\_

8 "SUFFIX \_\_\_\_\_

9 "14. ADDITIONAL SPACE FOR ITEM 8 (Collateral):

10 \_\_\_\_\_

11 "15. This FINANCING STATEMENT AMENDMENT:

12 "[ ] covers timber to be cut

13 "[ ] covers as-extracted collateral

14 "[ ] is filed as a fixture filing

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

18 "17. Description of real estate: \_\_\_\_\_

19 "18. MISCELLANEOUS: \_\_\_\_\_

20 [UCC FINANCING STATEMENT AMENDMENT ADDENDUM (Form  
21 UCC3Ad)]

22 "§7-9A-607.

23 "(a) Collection and enforcement generally. If so  
24 agreed, and in any event after default, a secured party:

25 "(1) may notify an account debtor or other person  
26 obligated on collateral to make payment or otherwise render  
27 performance to or for the benefit of the secured party;

1           "(2) may take any proceeds to which the secured  
2 party is entitled under Section 7-9A-315;

3           "(3) may enforce the obligations of an account  
4 debtor or other person obligated on collateral and exercise  
5 the rights of the debtor with respect to the obligation of the  
6 account debtor or other person obligated on collateral to make  
7 payment or otherwise render performance to the debtor, and  
8 with respect to any property that secures the obligations of  
9 the account debtor or other person obligated on the  
10 collateral;

11           "(4) if it holds a security interest in a deposit  
12 account perfected by control under Section 7-9A-104(a) (1), may  
13 apply the balance of the deposit account to the obligation  
14 secured by the deposit account; and

15           "(5) if it holds a security interest in a deposit  
16 account perfected by control under Section 7-9A-104(a) (2) or  
17 (3), may instruct the bank to pay the balance of the deposit  
18 account to or for the benefit of the secured party.

19           "(b) Nonjudicial enforcement of mortgage. If  
20 necessary to enable a secured party to exercise under  
21 subsection (a) (3) the right of a debtor to enforce a mortgage  
22 nonjudicially, the secured party may record in the office in  
23 which a record of the mortgage is recorded:

24           "(1) a copy of the security agreement that creates  
25 or provides for a security interest in the obligation secured  
26 by the mortgage; and

1           "(2) the secured party's sworn affidavit in  
2 recordable form stating that:

3           "(A) a default has occurred with respect to the  
4 obligation secured by the mortgage; and

5           "(B) the secured party is entitled to enforce the  
6 mortgage nonjudicially.

7           "(c) Commercially reasonable collection and  
8 enforcement. A secured party shall proceed in a commercially  
9 reasonable manner if the secured party:

10           "(1) undertakes to collect from or enforce an  
11 obligation of an account debtor or other person obligated on  
12 collateral; and

13           "(2) is entitled to charge back uncollected  
14 collateral or otherwise to full or limited recourse against  
15 the debtor or a secondary obligor.

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

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

25           Section 2. Sections 7-9A-801, 7-9A-802, 7-9A-803,  
26 7-9A-804, 7-9A-805, 7-9A-806, 7-9A-807, 7-9A-808, and



1 7-9A-809, are added to the Code of Alabama 1975, to read as  
2 follows:

3 §7-9A-801. Effective date.

4 This act takes effect on July 1, 2014.

5 §7-9A-802. Savings clause.

6 (a) Pre-effective date transactions or liens. Except  
7 as otherwise provided in this part, this act applies to a  
8 transaction or lien within its scope, even if the transaction  
9 or lien was entered into or created before July 1, 2014.

10 (b) Pre-effective date proceedings. This act does  
11 not affect an action, case, or proceeding commenced before  
12 this act takes effect.

13 §7-9A-803. Security interest perfected before July  
14 1, 2014.

15 (a) Continuing perfection: perfection requirements  
16 satisfied. A security interest that is a perfected security  
17 interest immediately before July 1, 2014, is a perfected  
18 security interest under Article 9A as amended by this act if,  
19 when this act takes effect, the applicable requirements for  
20 attachment and perfection under Article 9A as amended by this  
21 act are satisfied without further action.

22 (b) Continuing perfection: perfection requirements  
23 not satisfied. Except as otherwise provided in Section  
24 7-9A-805, if, immediately before July 1, 2014, a security  
25 interest is a perfected security interest, but the applicable  
26 requirements for perfection under Article 9A as amended by  
27 this act are not satisfied before July 1, 2014, the security

1 interest remains perfected thereafter only if the applicable  
2 requirements for perfection under Article 9A as amended by  
3 this act are satisfied before July 1, 2014.

4 §7-9A-804. Security interest unperfected before  
5 effective date.

6 A security interest that is an unperfected security  
7 interest immediately before July 1, 2014, becomes a perfected  
8 security interest:

9 (1) without further action, on July 1, 2014, if the  
10 applicable requirements for perfection under Article 9A as  
11 amended by this act are satisfied before or at that time; or

12 (2) when the applicable requirements for perfection  
13 are satisfied if the requirements are satisfied after that  
14 time.

15 §7-9A-805. Effectiveness of action taken before  
16 effective date.

17 (a) Pre-effective date filing effective. The filing  
18 of a financing statement before July 1, 2014, is effective to  
19 perfect a security interest to the extent the filing would  
20 satisfy the applicable requirements for perfection under  
21 Article 9A as amended by this act.

22 (b) When pre-effective date filing becomes  
23 ineffective. This act does not render ineffective a financing  
24 statement that, before July 1, 2014, is filed and satisfies  
25 the applicable requirements for perfection under the law of  
26 the jurisdiction governing perfection as provided in Article  
27 9A as it existed before amendment. However, except as

1 otherwise provided in subsections (c) and (d) and Section  
2 7-9A-806, the financing statement ceases to be effective:

3 (1) if the financing statement is filed in this  
4 state, at the time the financing statement would have ceased  
5 to be effective had this act not taken effect; or

6 (2) if the financing statement is filed in another  
7 jurisdiction, at the earlier of:

8 (A) the time the financing statement would have  
9 ceased to be effective under the law of that jurisdiction; or

10 (B) June 30, 2019.

11 (c) Continuation statement. The filing of a  
12 continuation statement on or after July 1, 2014, does not  
13 continue the effectiveness of the financing statement filed  
14 before July 1, 2014. However, upon the timely filing of a  
15 continuation statement on or after July 1, 2014, and in  
16 accordance with the law of the jurisdiction governing  
17 perfection as provided in Article 9A as amended by this act,  
18 the effectiveness of a financing statement filed in the same  
19 office in that jurisdiction before July 1, 2014, continues for  
20 the period provided by the law of that jurisdiction.

21 (d) Application of subsection (b) (2) (B) to  
22 transmitting utility financing statement. Subsection (b) (2) (B)  
23 applies to a financing statement that, before July 1, 2014, is  
24 filed against a transmitting utility and satisfies the  
25 applicable requirements for perfection under the law of the  
26 jurisdiction governing perfection as provided in Article 9A as  
27 it existed before the amendment by the act adding this part,

1 only to the extent that Article 9A as amended by the act  
2 adding this part provides that the law of a jurisdiction other  
3 than the jurisdiction in which the financing statement is  
4 filed governs perfection of a security interest in collateral  
5 covered by the financing statement.

6 (e) Application of Part 5. A financing statement  
7 that includes a financing statement filed before July 1, 2014,  
8 and a continuation statement filed on or after July 1, 2014,  
9 is effective only to the extent that it satisfies the  
10 requirements of Part 5 as amended by this act for an initial  
11 financing statement. A financing statement that indicates that  
12 the debtor is a decedent's estate indicates that the  
13 collateral is being administered by a personal representative  
14 within the meaning of Section 7-9A-503(a) (2) as amended by  
15 this act. A financing statement that indicates that the debtor  
16 is a trust or is a trustee acting with respect to property  
17 held in trust indicates that the collateral is held in a trust  
18 within the meaning of Section 7-9A-503(a) (3) as amended by  
19 this act.

20 §7-9A-806. When initial financing statement suffices  
21 to continue effectiveness of financing statement.

22 (a) Initial financing statement in lieu of  
23 continuation statement. The filing of an initial financing  
24 statement in the office specified in Section 7-9A-501  
25 continues the effectiveness of a financing statement filed  
26 before July 1, 2014, if:

1 (1) the filing of an initial financing statement in  
2 that office would be effective to perfect a security interest  
3 under Article 9A as amended by this act;

4 (2) the pre-effective date financing statement was  
5 filed in an office in another state; and

6 (3) the initial financing statement satisfies  
7 subsection (c).

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

12 (1) if the initial financing statement is filed  
13 before July 1, 2014, for the period provided in unamended  
14 Section 7-9A-515 with respect to an initial financing  
15 statement; and

16 (2) if the initial financing statement is filed  
17 after July 1, 2014, for the period provided in Section  
18 7-9A-515, as amended by this act, with respect to an initial  
19 financing statement.

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

23 (1) satisfy the requirements of Part 5 as amended by  
24 this act for an initial financing statement;

25 (2) identify the pre-effective date financing  
26 statement by indicating the office in which the financing  
27 statement was filed and providing the dates of filing and file

1 numbers, if any, of the financing statement and of the most  
2 recent continuation statement filed with respect to the  
3 financing statement; and

4 (3) indicate that the pre-effective date financing  
5 statement remains effective.

6 §7-9A-807. Amendment of pre-effective date financing  
7 statement.

8 (a) Pre-effective date financing statement. In this  
9 section, pre-effective date financing statement means a  
10 financing statement filed before July 1, 2014.

11 (b) Applicable law. After July 1, 2014, a person may  
12 add or delete collateral covered by, continue or terminate the  
13 effectiveness of, or otherwise amend the information provided  
14 in, a pre-effective date financing statement only in  
15 accordance with the law of the jurisdiction governing  
16 perfection as provided in Article 9A as amended by this act.  
17 However, the effectiveness of a pre-effective date financing  
18 statement also may be terminated in accordance with the law of  
19 the jurisdiction in which the financing statement is filed.

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

25 (1) the pre-effective date financing statement and  
26 an amendment are filed in the office specified in Section  
27 7-9A-501;

1           (2) an amendment is filed in the office specified in  
2 Section 7-9A-501 concurrently with, or after the filing in  
3 that office of, an initial financing statement that satisfies  
4 Section 7-9A-806(c); or

5           (3) an initial financing statement that provides the  
6 information as amended and satisfies Section 7-9A-806(c) is  
7 filed in the office specified in Section 7-9A-501.

8           (d) Method of amending: continuation. If the law of  
9 this state governs perfection of a security interest, the  
10 effectiveness of a pre-effective date financing statement may  
11 be continued only under Section 7-9A-805(c) and (e) or Section  
12 7-9A-806.

13           (e) Method of amending: additional termination rule.  
14 Whether or not the law of this state governs perfection of a  
15 security interest, the effectiveness of a pre-effective date  
16 financing statement filed in this state may be terminated  
17 after this act takes effect by filing a termination statement  
18 in the office in which the pre-effective date financing  
19 statement is filed, unless an initial financing statement that  
20 satisfies Section 7-9A-806(c) has been filed in the office  
21 specified by the law of the jurisdiction governing perfection  
22 as provided in Article 9A as amended by this act as the office  
23 in which to file a financing statement.

24           §7-9A-808. Person entitled to file initial financing  
25 statement or continuation statement.

26           A person may file an initial financing statement or  
27 a continuation statement under this part if:

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

3                   (2) the filing is necessary under this part:

4                   (A) to continue the effectiveness of a financing  
5 statement filed before this act takes effect; or

6                   (B) to perfect or continue the perfection of a  
7 security interest.

8                   §7-9A-809. Priority.

9                   This act determines the priority of conflicting  
10 claims to collateral. However, if the relative priorities of  
11 the claims were established before July 1, 2014, Article 9A as  
12 it existed before amendment determines priority.

13                   Section 3. This act shall become effective on July  
14 1, 2014.