

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

1 SB28

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3
4 ENROLLED, An Act,

5 To amend Sections 7-9A-102, 7-9A-105, 7-9A-307,
6 7-9A-311, 7-9A-316, 7-9A-317, 7-9A-326, 7-9A-406, 7-9A-408,
7 7-9A-502, 7-9A-503, 7-9A-507, 7-9A-515, 7-9A-516, 7-9A-518,
8 7-9A-521, and 7-9A-607 of, and to add Part 8, comprised of
9 Sections 7-9A-801, 7-9A-802, 7-9A-803, 7-9A-804, 7-9A-805,
10 7-9A-806, 7-9A-807, 7-9A-808, and 7-9A-809 to Chapter 9A of
11 Title 7, of the Code of Alabama 1975, relating to the Uniform
12 Commercial Code-Secured Transactions, including the
13 effectiveness of a security agreement, and attachment of
14 security interest.

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

16 Section 1. Sections 7-9A-102, 7-9A-105, 7-9A-307,
17 7-9A-311, 7-9A-316, 7-9A-317, 7-9A-326, 7-9A-406, 7-9A-408,
18 7-9A-502, 7-9A-503, 7-9A-507, 7-9A-515, 7-9A-516, 7-9A-518,
19 7-9A-521, and 7-9A-607, Code of Alabama 1975, are amended to
20 read as follows:

21 "§7-9A-102.

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

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

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

23 "(3) "Account debtor" means a person obligated on an
24 account, chattel paper, or general intangible. The term does

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

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

5 "(A) authenticated by a secured party;

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

9 "(C) identifying the components of the obligations
10 in reasonable detail.

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

13 "(A) which secures payment or performance of an
14 obligation for:

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

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

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

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

24 "(ii) leased real property to a debtor in connection
25 with the debtor's farming operation; and

1 "(C) whose effectiveness does not depend on the
2 person's possession of the personal property.

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

4 "(A) oil, gas, or other minerals that are subject to
5 a security interest that:

6 "(i) is created by a debtor having an interest in
7 the minerals before extraction; and

8 "(ii) attaches to the minerals as extracted; or

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

12 "(7) "Authenticate" means:

13 "(A) to sign; or

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

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

1 involving the use or hire of a vessel or (ii) records that
2 evidence a right to payment arising out of the use of a credit
3 or charge card or information contained on or for use with the
4 card. If a transaction is evidenced by records that include an
5 instrument or series of instruments, the group of records
6 taken together constitutes chattel paper.

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

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

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

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

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

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

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

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

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

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

24 "(15) "Commodity contract" means a commodity futures
25 contract, an option on a commodity futures contract, a

1 commodity option, or another contract if the contract or
2 option is:

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

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

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

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

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

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

19 "(18) "Communicate" means:

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

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

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

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

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

6 "(A) the merchant:

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

9 "(ii) is not an auctioneer; and

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

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

14 "(C) the goods are not consumer goods immediately
15 before delivery; and

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

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

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

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

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

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

5 "(B) a security interest in consumer goods secures
6 the obligation.

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

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

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

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

21 "(B) indicates that it is a continuation statement
22 for, or that it is filed to continue the effectiveness of, the
23 identified financing statement.

24 "(28) "Debtor" means:

1 "(A) a person having an interest, other than a
2 security interest or other lien, in the collateral, whether or
3 not the person is an obligor;

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

6 "(C) a consignee.

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

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

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

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

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

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

24 "(A) crops grown, growing, or to be grown,
25 including:

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

2 "(ii) aquatic goods produced in aquacultural
3 operations;

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

6 "(C) supplies used or produced in a farming
7 operation; or

8 "(D) products of crops or livestock in their
9 unmanufactured states.

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

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

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

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

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

22 "(40) "Fixture filing" means the filing of a
23 financing statement covering goods that are or are to become
24 fixtures and satisfying Section 7-9A-502(a) and (b). The term

1 includes the filing of a financing statement covering goods of
2 a transmitting utility which are or are to become fixtures.

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

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

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

15 "(44) "Goods" means all things that are movable when
16 a security interest attaches. The term includes (i) fixtures,
17 (ii) standing timber that is to be cut and removed under a
18 conveyance or contract for sale, to the extent such standing
19 timber and cutting rights with respect thereto are considered
20 as chattels under Section 35-4-363, (iii) the unborn young of
21 animals, (iv) crops grown, growing, or to be grown, even if
22 the crops are produced on trees, vines, or bushes, and (v)
23 manufactured homes. The term also includes a computer program
24 embedded in goods and any supporting information provided in
25 connection with a transaction relating to the program if (i)

1 the program is associated with the goods in such a manner that
2 it customarily is considered part of the goods, or (ii) by
3 becoming the owner of the goods, a person acquires a right to
4 use the program in connection with the goods. The term does
5 not include a computer program embedded in goods that consist
6 solely of the medium in which the program is embedded. The
7 term also does not include accounts, chattel paper, commercial
8 tort claims, deposit accounts, documents, general intangibles,
9 instruments, investment property, letter-of-credit rights,
10 letters of credit, money, or oil, gas, or other minerals
11 before extraction.

12 "(45) "Governmental unit" means a subdivision,
13 agency, department, county, parish, municipality, or other
14 unit of the government of the United States, a state, or a
15 foreign country. The term includes an organization having a
16 separate corporate existence if the organization is eligible
17 to issue debt on which interest is exempt from income taxation
18 under the laws of the United States.

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

23 "(47) "Instrument" means a negotiable instrument or
24 any other writing that evidences a right to the payment of a
25 monetary obligation, is not itself a security agreement or

1 lease, and is of a type that in ordinary course of business is
2 transferred by delivery with any necessary indorsement or
3 assignment. The term does not include (i) investment property,
4 (ii) letters of credit, or (iii) writings that evidence a
5 right to payment arising out of the use of a credit or charge
6 card or information contained on or for use with the card.

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

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

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

12 "(C) are furnished by a person under a contract of
13 service; or

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

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

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

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

1 right of a beneficiary to demand payment or performance under
2 a letter of credit.

3 "(52) "Lien creditor" means:

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

6 "(B) an assignee for benefit of creditors from the
7 time of assignment;

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

10 "(D) a receiver in equity from the time of
11 appointment.

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

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

16 "(A) that creates a purchase-money security interest
17 in a manufactured home, other than a manufactured home held as
18 inventory; or

19 "(B) in which a manufactured home, other than a
20 manufactured home held as inventory, is the primary
21 collateral.

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

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

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

9 "(58) "Noncash proceeds" means proceeds other than
10 cash proceeds.

11 "(59) "Obligor" means a person that, with respect to
12 an obligation secured by a security interest in or an
13 agricultural lien on the collateral, (i) owes payment or other
14 performance of the obligation, (ii) has provided property
15 other than the collateral to secure payment or other
16 performance of the obligation, or (iii) is otherwise
17 accountable in whole or in part for payment or other
18 performance of the obligation. The term does not include
19 issuers or nominated persons under a letter of credit.

20 "(60) "Original debtor," except as used in Section
21 7-9A-310(c), means a person that, as debtor, entered into a
22 security agreement to which a new debtor has become bound
23 under Section 7-9A-203(d).

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

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

6 "(A) the spouse of the individual;

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

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

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

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

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

18 "(B) an officer or director of, or a person
19 performing similar functions with respect to, the
20 organization;

21 "(C) an officer or director of, or a person
22 performing similar functions with respect to, a person
23 described in subparagraph (A);

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

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

4 "(64) "Proceeds," except as used in Section
5 7-9A-609(b), means the following property:

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

8 "(B) whatever is collected on, or distributed on
9 account of, collateral;

10 "(C) rights arising out of collateral;

11 "(D) to the extent of the value of collateral,
12 claims arising out of the loss, nonconformity, or interference
13 with the use of, defects or infringement of rights in, or
14 damage to, the collateral; or

15 "(E) to the extent of the value of collateral and to
16 the extent payable to the debtor or the secured party,
17 insurance payable by reason of the loss or nonconformity of,
18 defects or infringement of rights in, or damage to, the
19 collateral.

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

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

6 "(67) Omitted.

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

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

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

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

1 state governing business trusts requires that the business
2 trust's organic record be filed with the state.

3 ~~(71)~~(72) "Secondary obligor" means an obligor to
4 the extent that:

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

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

9 ~~(72)~~(73) "Secured party" means:

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

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

14 "(C) a consignor;

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

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

20 "(F) a person that holds a security interest arising
21 under Section 7-2-401, 7-2-505, 7-2-711(3), 7-2A-508(5),
22 7-4-210, or 7-5-118.

23 ~~(73)~~(74) "Security agreement" means an agreement
24 that creates or provides for a security interest.

1 "~~(74)~~(75) "Send," in connection with a record or
2 notification, means:

3 "(A) to deposit in the mail, deliver for
4 transmission, or transmit by any other usual means of
5 communication, with postage or cost of transmission provided
6 for, addressed to any address reasonable under the
7 circumstances; or

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

11 "~~(75)~~(76) "Software" means a computer program and
12 any supporting information provided in connection with a
13 transaction relating to the program. The term does not include
14 a computer program that is included in the definition of
15 goods.

16 "~~(76)~~(77) "State" means a state of the United
17 States, the District of Columbia, Puerto Rico, the United
18 States Virgin Islands, or any territory or insular possession
19 subject to the jurisdiction of the United States.

20 "~~(77)~~(78) "Supporting obligation" means a
21 letter-of-credit right or secondary obligation that supports
22 the payment or performance of an account, chattel paper, a
23 document, a general intangible, an instrument, or investment
24 property.

1 "~~(78)~~(79) "Tangible chattel paper" means chattel
2 paper evidenced by a record or records consisting of
3 information that is inscribed on a tangible medium.

4 "~~(79)~~(80) "Termination statement" means an amendment
5 of a financing statement which:

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

8 "(B) indicates either that it is a termination
9 statement or that the identified financing statement is no
10 longer effective.

11 "~~(80)~~(81) "Transmitting utility" means a person
12 primarily engaged in the business of:

13 "(A) operating a railroad, subway, street railway,
14 or trolley bus;

15 "(B) transmitting communications electrically,
16 electromagnetically, or by light;

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

18 "(D) transmitting or producing or distributing
19 electricity, steam, gas, or water; or

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

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

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

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

1 ""Letter of credit" Section 7-5-102.
2 ""Merchant" Section 7-2-104.
3 ""Negotiable instrument" Section 7-3-104.
4 ""Nominated person" Section 7-5-102.
5 ""Note" Section 7-3-104.
6 ""Proceeds of a letter of credit" Section 7-5-114.
7 ""Prove" Section 7-3-103.
8 ""Sale" Section 7-2-106.
9 ""Securities account" Section 7-8-501.
10 ""Securities intermediary" Section 7-8-102.
11 ""Security" Section 7-8-102.
12 ""Security certificate" Section 7-8-102.
13 ""Security entitlement" Section 7-8-102.
14 ""Uncertificated security" Section 7-8-102.
15 "(c) Article 1 definitions and principles. Article 1
16 contains general definitions and principles of construction
17 and interpretation applicable throughout this article.
18 "§7-9A-105.
19 "(a) General rule: control of electronic chattel
20 paper. A secured party has control of electronic chattel paper
21 if a system employed for evidencing the transfer of interests
22 in the chattel paper reliably establishes the secured party as
23 the person to which the chattel paper was assigned.
24 "(b) Specific facts giving control. A system
25 satisfies subsection (a) and a secured party has control of

1 electronic chattel paper if the record or records comprising
2 the chattel paper are created, stored, and assigned in such a
3 manner that:

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

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

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

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

15 "(5) each copy of the authoritative copy and any
16 copy of a copy is readily identifiable as a copy that is not
17 the authoritative copy; and

18 "(6) any ~~revision~~ amendment of the authoritative
19 copy is readily identifiable as ~~an~~ authorized or unauthorized
20 ~~revision~~.

21 "§7-9A-307.

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

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

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

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

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

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

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

1 "(e) Location of registered organization organized
2 under State law. A registered organization that is organized
3 under the law of a State is located in that State.

4 "(f) Location of registered organization organized
5 under federal law; bank branches and agencies. Except as
6 otherwise provided in subsection (i), a registered
7 organization that is organized under the law of the United
8 States and a branch or agency of a bank that is not organized
9 under the law of the United States or a State are located:

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

12 "(2) in the State that the registered organization,
13 branch, or agency designates, if the law of the United States
14 authorizes the registered organization, branch, or agency to
15 designate its State of location, including by designating its
16 main office, home office, or other comparable office; or

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

19 "(g) Continuation of location: Change in status of
20 registered organization. A registered organization continues
21 to be located in the jurisdiction specified by subsection (e)
22 or (f) notwithstanding:

23 "(1) the suspension, revocation, forfeiture, or
24 lapse of the registered organization's status as such in its
25 jurisdiction of organization; or

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

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

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

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

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

17 "(l) Information as to debtor's location. Within 10
18 days after receipt of the secured party's authenticated
19 request, the debtor shall provide to the secured party the
20 information reasonably necessary to enable the secured party
21 to determine the debtor's location under this section.

22 "§7-9A-311.

23 "(a) Security interest subject to other law. Except
24 as otherwise provided in subsection (d), the filing of a

1 financing statement is not necessary or effective to perfect a
2 security interest in property subject to:

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

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

20 "(3) a ~~certificate of title~~ statute of another
21 jurisdiction which provides for a security interest to be
22 indicated on ~~the~~ a certificate of title as a condition or
23 result of the security interest's obtaining priority over the
24 rights of a lien creditor with respect to the property.

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

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

21 "(d) Inapplicability to certain inventory. During
22 any period in which collateral subject to a statute specified
23 in subsection (a) (2) is inventory held for sale or lease by a
24 person or leased by that person as lessor and that person is
25 in the business of selling goods of that kind, this section

1 does not apply to a security interest in that collateral
2 created by that person.

3 "§7-9A-316.

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

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

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

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

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

24 "(c) Possessory security interest in collateral
25 moved to new jurisdiction. A possessory security interest in

1 collateral, other than goods covered by a certificate of title
2 and as-extracted collateral consisting of goods, remains
3 continuously perfected if:

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

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

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

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

20 "(e) When subsection (d) security interest becomes
21 unperfected against purchasers. A security interest described
22 in subsection (d) becomes unperfected as against a purchaser
23 of the goods for value and is deemed never to have been
24 perfected as against a purchaser of the goods for value if the
25 applicable requirements for perfection under Section

1 7-9A-311(b) or 7-9A-313 are not satisfied before the earlier
2 of:

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

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

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

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

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

22 "(g) Subsection (f) security interest perfected or
23 unperfected under law of new jurisdiction. If a security
24 interest described in subsection (f) becomes perfected under
25 the law of the other jurisdiction before the earlier of the

1 time or the end of the period described in that subsection, it
2 remains perfected thereafter. If the security interest does
3 not become perfected under the law of the other jurisdiction
4 before the earlier of that time or the end of that period, it
5 becomes unperfected and is deemed never to have been perfected
6 as against a purchaser of the collateral for value.

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

11 "(1) A financing statement filed before the change
12 pursuant to the law of the jurisdiction designated in Section
13 7-9A-301(1) or 7-9A-305(c) is effective to perfect a security
14 interest in the collateral if the financing statement would
15 have been effective to perfect a security interest in the
16 collateral if the debtor had not changed its location.

17 "(2) If a security interest that is perfected by a
18 financing statement that is effective under paragraph (1)
19 becomes perfected under the law of the other jurisdiction
20 before the earlier of the time the financing statement would
21 have become ineffective under the law of the jurisdiction
22 designated in Section 7-9A-301(1) or 7-9A-305(c) or the
23 expiration of the four-month period, it remains perfected
24 thereafter. If the security interest does not become perfected
25 under the law of the other jurisdiction before the earlier

1 time or event, it becomes unperfected and is deemed never to
2 have been perfected as against a purchaser of the collateral
3 for value.

4 "(i) Effect of change in governing law on financing
5 statement filed against original debtor. If a financing
6 statement naming an original debtor is filed pursuant to the
7 law of the jurisdiction designated in Section 7-9A-301(1) or
8 7-9A-305(c) and the new debtor is located in another
9 jurisdiction, the following rules apply:

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

17 "(2) A security interest that is perfected by the
18 financing statement and which becomes perfected under the law
19 of the other jurisdiction before the earlier of the expiration
20 of the four-month period or the time the financing statement
21 would have become ineffective under the law of the
22 jurisdiction designated in Section 7-9A-301(1) or 7-9A-305(c)
23 remains perfected thereafter. A security interest that is
24 perfected by the financing statement but which does not become
25 perfected under the law of the other jurisdiction before the

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

4 "§7-9A-317.

5 "(a) Conflicting security interests and rights of
6 lien creditors. A security interest or agricultural lien is
7 subordinate to the rights of:

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

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

13 "(A) the security interest or agricultural lien is
14 perfected; or

15 "(B) one of the conditions specified in Section
16 7-9A-203(b) (3) is met and a financing statement covering the
17 collateral is filed.

18 "(b) Buyers that receive delivery. Except as
19 otherwise provided in subsection (e), a buyer, other than a
20 secured party, of tangible chattel paper, tangible documents,
21 goods, instruments, or a certificated security ~~certificate~~
22 takes free of a security interest or agricultural lien if the
23 buyer gives value and receives delivery of the collateral
24 without knowledge of the security interest or agricultural
25 lien and before it is perfected.

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

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

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

23 "§7-9A-326.

24 "(a) Subordination of security interest created by
25 new debtor. Subject to subsection (b), a security interest

1 that is created by a new debtor ~~which is~~ in collateral in
2 which the new debtor has or acquires rights and is perfected
3 solely by a filed financing statement that ~~is effective solely~~
4 ~~under Section 7-9A-508 in collateral in which a new debtor has~~
5 ~~or acquires rights~~ would be ineffective to perfect the
6 security interest but for the application of Section
7 7-9A-316(i)(1) or 7-9A-508 is subordinate to a security
8 interest in the same collateral which is perfected other than
9 by such a filed financing statement ~~that is effective solely~~
10 ~~under Section 7-9A-508.~~

11 "(b) Priority under other provisions; multiple
12 original debtors. The other provisions of this part determine
13 the priority among conflicting security interests in the same
14 collateral perfected by filed financing statements ~~that are~~
15 ~~effective solely under Section 7-9A-508~~ described in
16 subsection (a). However, if the security agreements to which a
17 new debtor became bound as debtor were not entered into by the
18 same original debtor, the conflicting security interests rank
19 according to priority in time of the new debtor's having
20 become bound.

21 "§7-9A-406.

22 "(a) Discharge of account debtor; effect of
23 notification. Subject to subsections (b) through (i), an
24 account debtor on an account, chattel paper, or a payment
25 intangible may discharge its obligation by paying the assignor

1 until, but not after, the account debtor receives a
2 notification, authenticated by the assignor or the assignee,
3 that the amount due or to become due has been assigned and
4 that payment is to be made to the assignee. After receipt of
5 the notification, the account debtor may discharge its
6 obligation by paying the assignee and may not discharge the
7 obligation by paying the assignor.

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

11 "(1) if it does not reasonably identify the rights
12 assigned;

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

18 "(3) at the option of an account debtor, if the
19 notification notifies the account debtor to make less than the
20 full amount of any installment or other periodic payment to
21 the assignee, even if:

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

24 "(B) a portion has been assigned to another
25 assignee; or

1 "(C) the account debtor knows that the assignment to
2 that assignee is limited.

3 "(c) Proof of assignment. Subject to subsection (h),
4 if requested by the account debtor, an assignee shall
5 seasonably furnish reasonable proof that the assignment has
6 been made. Unless the assignee complies, the account debtor
7 may discharge its obligation by paying the assignor, even if
8 the account debtor has received a notification under
9 subsection (a).

10 "(d) Term restricting assignment generally
11 ineffective. Except as otherwise provided in subsection (e)
12 and Sections 7-2A-303 and 7-9A-407, and subject to subsection
13 (h), a term in an agreement between an account debtor and an
14 assignor or in a promissory note is ineffective to the extent
15 that it:

16 "(1) prohibits, restricts, or requires the consent
17 of the account debtor or person obligated on the promissory
18 note to the assignment or transfer of, or the creation,
19 attachment, perfection, or enforcement of a security interest
20 in, the account, chattel paper, payment intangible, or
21 promissory note; or

22 "(2) provides that the assignment or transfer or the
23 creation, attachment, perfection, or enforcement of the
24 security interest may give rise to a default, breach, right of
25 recoupment, claim, defense, termination, right of termination,

1 or remedy under the account, chattel paper, payment
2 intangible, or promissory note.

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

8 "(f) Legal restrictions on assignment generally
9 ineffective. Except as otherwise provided in Sections 7-2A-303
10 and 7-9A-407 and subject to subsections (h) and (i), a rule of
11 law, statute, or regulation that prohibits, restricts, or
12 requires the consent of a government, governmental body or
13 official, or account debtor to the assignment or transfer of,
14 or creation of a security interest in, an account or chattel
15 paper is ineffective to the extent that the rule of law,
16 statute, or regulation:

17 "(1) prohibits, restricts, or requires the consent
18 of the government, governmental body or official, or account
19 debtor to the assignment or transfer of, or the creation,
20 attachment, perfection, or enforcement of a security interest
21 in the account or chattel paper; or

22 "(2) provides that the assignment or transfer or the
23 creation, attachment, perfection, or enforcement of the
24 security interest may give rise to a default, breach, right of

1 recoupment, claim, defense, termination, right of termination,
2 or remedy under the account or chattel paper.

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

6 "(h) Rule for individual under other law. This
7 section is subject to law other than this article which
8 establishes a different rule for an account debtor who is an
9 individual and who incurred the obligation primarily for
10 personal, family, or household purposes.

11 "(i) Inapplicability to health-care-insurance
12 receivable. This section does not apply to an assignment of a
13 health-care-insurance receivable.

14 "(j) Section prevails over inconsistent law. This
15 section prevails over any inconsistent provision of an
16 existing or future statute, rule, or regulation of this State
17 unless the provision is contained in a statute of this State,
18 refers expressly to this section, and states that the
19 provision prevails over this section.

20 "§7-9A-408.

21 "(a) Term restricting assignment generally
22 ineffective. Except as otherwise provided in subsection (b), a
23 term in a promissory note or in an agreement between an
24 account debtor and a debtor which relates to a
25 health-care-insurance receivable or a general intangible,

1 including a contract, permit, license, or franchise, and which
2 term prohibits, restricts, or requires the consent of the
3 person obligated on the promissory note or the account debtor
4 to, the assignment or transfer of, or creation, attachment, or
5 perfection of a security interest in, the promissory note,
6 health-care-insurance receivable, or general intangible, is
7 ineffective to the extent that the term:

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

10 "(2) provides that the assignment or transfer or the
11 creation, attachment, or perfection of the security interest
12 may give rise to a default, breach, right of recoupment,
13 claim, defense, termination, right of termination, or remedy
14 under the promissory note, health-care-insurance receivable,
15 or general intangible.

16 "(b) Applicability of subsection (a) to sales of
17 certain rights to payment. Subsection (a) applies to a
18 security interest in a payment intangible or promissory note
19 only if the security interest arises out of a sale of the
20 payment intangible or promissory note, other than a sale
21 pursuant to a disposition under Section 7-9A-610 or an
22 acceptance of collateral under Section 7-9A-620.

23 "(c) Legal restrictions on assignment generally
24 ineffective. A rule of law, statute, or regulation that
25 prohibits, restricts, or requires the consent of a government,

1 governmental body or official, person obligated on a
2 promissory note, or account debtor to the assignment or
3 transfer of, or creation of a security interest in, a
4 promissory note, health-care-insurance receivable, or general
5 intangible, including a contract, permit, license, or
6 franchise between an account debtor and a debtor, is
7 ineffective to the extent that the rule of law, statute, or
8 regulation:

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

11 "(2) provides that the assignment or transfer or the
12 creation, attachment, or perfection of the security interest
13 may give rise to a default, breach, right of recoupment,
14 claim, defense, termination, right of termination, or remedy
15 under the promissory note, health-care-insurance receivable,
16 or general intangible.

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

1 the promissory note, health-care-insurance receivable, or
2 general intangible:

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

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

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

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

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

22 "(6) does not entitle the secured party to enforce
23 the security interest in the promissory note,
24 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;

1 "(3) provide a description of the real property to
2 which the collateral is related sufficient to give
3 constructive notice of a mortgage under the law of this State
4 if the description were contained in a record of the mortgage
5 of the real property; and

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

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

14 "(1) the record indicates the goods or accounts that
15 it covers;

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

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

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

1 "(B) the record sufficiently provides the name of a
2 debtor who is an individual if it provides the individual name
3 of the debtor or the surname and first personal name of the
4 debtor, even if the debtor is an individual to whom Section
5 7-9A-503(a) (4) applies; and

6 "(4) the record is recorded.

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

10 "§7-9A-503.

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

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

23 "(2) subject to subsection (f), if the debtor is a
24 decendent's estate collateral is being administered by the
25 personal representative of a decedent, only if the financing

1 statement provides, as the name of the debtor, the name of the
2 decedent and, in a separate part of the financing statement,
3 indicates that the ~~debtor is an estate~~ collateral is being
4 administered by a personal representative;

5 "(3) if the ~~debtor is a trust or a trustee acting~~
6 ~~with respect to property held in trust,~~ only if the financing
7 statement collateral is held in a trust that is not a
8 registered organization, only if the financing statement:

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

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

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

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

20 "(ii) if the organic record of the trust does not
21 specify a name for the trust, the name of the settlor or
22 testator; and

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

1 "(i) if the name is provided in accordance with
2 subparagraph (A) (i), indicates that the collateral is held in
3 a trust; or

4 "(ii) if the name is provided in accordance with
5 subparagraph (A) (ii), provides additional information
6 sufficient to distinguish the trust from other trusts having
7 one or more of the same settlors or the same testator and
8 indicates that the collateral is held in a trust, unless the
9 additional information so indicates;

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

15 "(5) if the debtor is an individual to whom
16 paragraph (4) does not apply, only if it provides the
17 individual name of the debtor or the surname and first
18 personal name of the debtor; and

19 "(4)(6) in other cases:

20 "(A) if the debtor has a name, only if ~~it~~ the
21 financing statement provides the ~~individual or~~ organizational
22 name of the debtor; and

23 "(B) if the debtor does not have a name, only if it
24 provides the names of the partners, members, associates, or
25 other persons comprising the debtor, in a manner that each

1 name provided would be sufficient if the person named were the
2 debtor.

3 "(b) Additional debtor-related information. A
4 financing statement that provides the name of the debtor in
5 accordance with subsection (a) is not rendered ineffective by
6 the absence of:

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

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

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

14 "(d) Representative capacity. Failure to indicate
15 the representative capacity of a secured party or
16 representative of a secured party does not affect the
17 sufficiency of a financing statement.

18 "(e) Multiple debtors and secured parties. A
19 financing statement may provide the name of more than one
20 debtor and the name of more than one secured party.

21 "(f) Name of decedent. The name of the decedent
22 indicated on the order appointing the personal representative
23 of the decedent issued by the court having jurisdiction over
24 the collateral is sufficient as the name of the decedent under
25 subsection (a) (2).

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

7 "(h) Definition. The name of the settlor or testator
8 means:

9 "(1) if the settlor is a registered organization,
10 the name that is stated to be the settlor's name on the public
11 organic record most recently filed with or issued or enacted
12 by the settlor's jurisdiction of organization which purports
13 to state, amend, or restate the settlor's name; or

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

16 "§7-9A-507.

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

22 "(b) Information becoming seriously misleading.
23 Except as otherwise provided in subsection (c) and Section
24 7-9A-508, a financing statement is not rendered ineffective
25 if, after the financing statement is filed, the information

1 provided in the financing statement becomes seriously
2 misleading under Section 7-9A-506.

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

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

12 "(2) the financing statement is not effective to
13 perfect a security interest in collateral acquired by the
14 debtor more than four months after the ~~change~~ filed financing
15 statement becomes seriously misleading, unless an amendment to
16 the financing statement which renders the financing statement
17 not seriously misleading is filed within four months after ~~the~~
18 ~~change~~ that event.

19 "§7-9A-515.

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

24 "(b) Manufactured-home transaction. Except as
25 otherwise provided in subsections (e), (f), and (g), an

1 initial financing statement filed in connection with a
2 manufactured-home transaction is effective for a period of 30
3 years after the date of filing if it indicates that it is
4 filed in connection with a manufactured-home transaction.

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

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

21 "(e) Effect of filing continuation statement. Except
22 as otherwise provided in Section 7-9A-510, upon timely filing
23 of a continuation statement, the effectiveness of the initial
24 financing statement continues for a period of five years
25 commencing on the day on which the financing statement would

1 have become ineffective in the absence of the filing. Upon the
2 expiration of the five-year period, the financing statement
3 lapses in the same manner as provided in subsection (c),
4 unless, before the lapse, another continuation statement is
5 filed pursuant to subsection (d). Succeeding continuation
6 statements may be filed in the same manner to continue the
7 effectiveness of the initial financing statement.

8 "(f) Transmitting utility financing statement. If a
9 debtor is a transmitting utility and a filed initial financing
10 statement so indicates, the financing statement is effective
11 until a termination statement is filed.

12 "(g) Record of mortgage as financing statement. A
13 record of a mortgage that is effective as a financing
14 statement filed as a fixture filing under Section 7-9A-502(c)
15 remains effective as a financing statement filed as a fixture
16 filing until the mortgage is released or satisfied of record
17 or its effectiveness otherwise terminates as to the real
18 property.

19 "(h) Obligations made pursuant to the provisions of
20 the Alabama Small Loan Act. If the secured obligation is made
21 pursuant to the provisions of the Alabama Small Loan Act, the
22 effectiveness of a filed financing statement lapses upon the
23 earlier of repayment of the loan in full or the expiration of
24 five years after the date of filing.

25 "§7-9A-516.

1 "(a) What constitutes filing. Except as otherwise
2 provided in subsection (b), communication of a record to a
3 filing office and tender of the filing fee or acceptance of
4 the record by the filing office constitutes filing.

5 "(b) Refusal to accept record; filing does not
6 occur. Filing does not occur with respect to a record that a
7 filing office refuses to accept because:

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

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

12 "(3) the filing office is unable to index the record
13 because:

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

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

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

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

23 "(C) in the case of an initial financing statement
24 that provides the name of a debtor identified as an individual
25 or an amendment that provides a name of a debtor identified as

1 an individual which was not previously provided in the
2 financing statement to which the record relates, the record
3 does not identify the debtor's ~~last name~~ surname; or

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

8 "(4) in the case of an initial financing statement
9 or an amendment that adds a secured party of record, the
10 record does not provide a name and mailing address for the
11 secured party of record;

12 "(5) in the case of an initial financing statement
13 or an amendment that provides a name of a debtor which was not
14 previously provided in the financing statement to which the
15 amendment relates, the record does not:

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

17 "(B) indicate whether the name provided as the name
18 of the debtor is the name of an individual or an organization;
19 or

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

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

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

24 "(6) in the case of an assignment reflected in an
25 initial financing statement under Section 7-9A-514(a) or an

1 amendment filed under Section 7-9A-514(b), the record does not
2 provide a name and mailing address for the assignee; or

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

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

8 "(1) a record does not provide information if the
9 filing office is unable to read or decipher the information;
10 and

11 "(2) a record that does not indicate that it is an
12 amendment or identify an initial financing statement to which
13 it relates, as required by Section 7-9A-512, 7-9A-514, or
14 7-9A-518, is an initial financing statement.

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

23 "§7-9A-518.

24 "(a) ~~Correction statement~~ Statement with respect to
25 record indexed under person's name. A person may file in the

1 filing office ~~a correction~~ an information statement with
2 respect to a record indexed there under the person's name if
3 the person believes that the record is inaccurate or was
4 wrongfully filed.

5 "(b) ~~Sufficiency~~ Contents of ~~correction~~ statement
6 under subsection (a). ~~A correction~~ An information statement
7 under subsection (a) must:

8 "(1) identify the record to which it relates by the
9 file number assigned to the initial financing statement to
10 which the record relates;

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

13 "(3) provide the basis for the person's belief that
14 the record is inaccurate and indicate the manner in which the
15 person believes the record should be amended to cure any
16 inaccuracy or provide the basis for the person's belief that
17 the record was wrongfully filed.

18 "(c) Statement by secured party of record. A person
19 may file in the filing office an information statement with
20 respect to a record filed there if the person is a secured
21 party of record with respect to the financing statement to
22 which the record relates and believes that the person that
23 filed the record was not entitled to do so under Section
24 7-9A-509(d) .

1 "(d) Contents of statement under subsection (c). An
2 information statement under subsection (c) must:

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

6 "(2) indicate that it is an information statement;
7 and

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

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

15 "§7-9A-521.

16 "(a) Initial financing statement form. A filing
17 office that accepts written records may not refuse to accept a
18 written initial financing statement in the following form and
19 format except for a reason set forth in Section 7-9A-516(b):

20 "~~UCC FINANCING STATEMENT~~

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

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

23 _____

24 "~~B. SEND ACKNOWLEDGMENT TO: _____ (Name and~~
25 ~~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 _____~~

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

1 "POSTAL CODE _____

2 "COUNTRY _____

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

5 _____

6 ~~"5. ALTERNATIVE DESIGNATION (If applicable)~~

7 _____

8 "LESSEE/LESSOR _____

9 "CONSIGNEE/CONSIGNOR _____

10 "BAILEE/BAILOR _____

11 "SELLER/BUYER _____

12 "AG. LIEN _____

13 "NON-UCC FILING _____

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

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

19 ~~"_____ All Debtors~~

20 ~~"_____ Debtor 1~~

21 ~~"_____ Debtor 2~~

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

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

25 "9a. ORGANIZATION'S NAME _____

1 or
2 "9b. INDIVIDUAL'S LAST NAME _____
3 "FIRST NAME _____
4 "MIDDLE NAME, SUFFIX _____
5 "10. MISCELLANEOUS:
6 _____
7 "11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME _____
8 ~~Insert only one name (11a or 11b) - do not abbreviate or~~
9 ~~combine names~~
10 "11a. ORGANIZATION'S NAME _____
11 or
12 "11b. INDIVIDUAL'S LAST NAME _____
13 "FIRST NAME _____
14 "MIDDLE NAME _____
15 "SUFFIX _____
16 "11c. MAILING ADDRESS _____
17 "CITY _____
18 "STATE _____
19 "POSTAL CODE _____
20 "COUNTRY _____
21 "11d. TAX ID # SSN OR EIN _____
22 "ADD'L INFO RE ORGANIZATION DEBTOR _____
23 "11e. TYPE OF ORGANIZATION _____
24 "11f. JURISDICTION OF ORGANIZATION _____
25 "11g. ORGANIZATIONAL ID #, if any _____ NONE _____

1 ~~"12. ADDITIONAL SECURED PARTY'S~~
2 ~~or~~
3 ~~"ASSIGNOR S/P'S NAME -- Insert only one name (12a or~~
4 ~~12b)~~

5 ~~"12a. ORGANIZATION'S NAME _____~~

6 ~~or~~

7 ~~"12b. INDIVIDUAL'S LAST NAME _____~~

8 ~~"FIRST NAME _____~~

9 ~~"MIDDLE NAME _____~~

10 ~~"SUFFIX _____~~

11 ~~"12c. MAILING ADDRESS _____~~

12 ~~"CITY _____~~

13 ~~"STATE _____~~

14 ~~"POSTAL CODE _____~~

15 ~~"COUNTRY _____~~

16 ~~"13. This FINANCING STATEMENT covers _____ timber to~~
17 ~~be cut or _____ as extracted collateral, or be filed as a _____~~
18 ~~future filing.~~

19 ~~"14. Description of real estate~~

20 ~~_____~~

21 ~~_____~~

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

25 ~~_____~~

1 ~~"16. Additional collateral description:~~

2 ~~_____~~

3 ~~"17. Check only if applicable and check only one~~
4 ~~box.~~

5 ~~Debtor is a _____ Trust or _____ Trustee acting with~~
6 ~~respect to property held in trust or _____ Decedent's Estate~~

7 ~~"18. Check only if applicable and check only one~~
8 ~~box.~~

9 ~~"_____ Debtor is a TRANSMITTING UTILITY~~

10 ~~"_____ Filed in connection with a Manufactured Home~~
11 ~~Transaction-effective 30 years~~

12 ~~"_____ Filed in connection with a Public Finance~~
13 ~~Transaction-effective 30 years~~

14 ~~"(b) Amendment form. A filing office that accepts~~
15 ~~written records may not refuse to accept a written record in~~
16 ~~the following form and format except for a reason set forth in~~
17 ~~Section 7-9A-516(b):~~

18 ~~"UCC FINANCING STATEMENT AMENDMENT~~

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

20 ~~"A. NAME & PHONE OF CONTACT AT FILER _____~~

21 ~~(optional)~~

22 ~~"B. SEND ACKNOWLEDGMENT TO: _____ (Name and~~
23 ~~Address)~~

24 ~~"1a. INITIAL FINANCING STATEMENT FILE #~~

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

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

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

12 ~~"4. _____ ASSIGNMENT (full or partial): Give name of~~
13 ~~consignee in box 7a or 7b and address of consignee in item 7c,~~
14 ~~and also give name of assignor in Item 9.~~

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

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

20 ~~"_____ CHANGE name and/or address: Give current~~
21 ~~record name in Item 6a or 6b; also give new name (if name~~
22 ~~change) in Items 7a or 7b and/or new address (if address~~
23 ~~change) in Item 7c.~~

24 ~~"_____ DELETE name. Give record name to be deleted~~
25 ~~in Item 6a or 6b.~~

1 ~~"7g. ORGANIZATIONAL ID #, if any _____ NONE _____~~

2 ~~"8. AMENDMENT (COLLATERAL CHANGE): Check only one~~
3 ~~box.~~

4 ~~"Describe collateral _____ deleted or _____ added,~~
5 ~~or give entire _____ restated collateral description, or~~
6 ~~describe collateral _____ assigned.~~

7 ~~_____~~
8 ~~_____~~

9 ~~"9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS~~
10 ~~AMENDMENT (name of assignor, if this is an Assignment). If~~
11 ~~this is an Amendment authorized by a Debtor which adds~~
12 ~~collateral or adds the authorizing Debtor, or if this is a~~
13 ~~Termination authorized by a Debtor, check here _____ and enter~~
14 ~~name of DEBTOR authorizing this Amendment.~~

15 ~~"9a. ORGANIZATION'S NAME _____~~

16 ~~or~~

17 ~~"9b. INDIVIDUAL'S LAST NAME _____~~

18 ~~"FIRST NAME _____~~

19 ~~"MIDDLE NAME _____~~

20 ~~"SUFFIX _____~~

21 ~~"10. OPTIONAL FILER REFERENCE DATA~~

22 ~~_____~~

23 ~~"11. INITIAL FINANCING STATEMENT FILE # (same as~~
24 ~~Item 1a on Amendment form) _____~~

1 ~~"12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same~~
2 ~~as Item 8 on Amendment form)~~

3 ~~"12a. ORGANIZATION'S NAME~~

4 ~~or~~

5 ~~"12b. INDIVIDUAL'S LAST NAME _____~~

6 ~~"FIRST NAME _____~~

7 ~~"MIDDLE NAME, SUFFIX _____~~

8 ~~"13. Use this space for additional information~~

9 ~~_____~~

10 ~~_____~~

11 ~~"UCC FINANCING STATEMENT~~

12 ~~"FOLLOW INSTRUCTIONS~~

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

14 ~~_____~~

15 ~~"B. E-MAIL CONTACT AT FILER (optional) _____~~

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

17 ~~_____~~

18 ~~"THE ABOVE SPACE IS FOR~~

19 ~~"FILING OFFICE USE ONLY~~

20 ~~"1. DEBTOR'S NAME: Provide only one Debtor name (1a~~
21 ~~or 1b) (use exact, full name; do not omit, modify, or~~
22 ~~abbreviate any part of the Debtor's name); if any part of the~~
23 ~~Individual Debtors name will not fit in line 1b, leave all of~~
24 ~~item 1 blank, check here [] and provide the Individual Debtor~~

1 information in item 10 of the Financing Statement Addendum
2 (Form UCC1Ad)

3 "1a. ORGANIZATION'S NAME
4 _____

5 "OR

6 "1b. INDIVIDUAL'S SURNAME _____

7 "FIRST PERSONAL NAME _____

8 "ADDITIONAL NAME (S) / INITIAL (S) _____

9 "SUFFIX _____

10 "1c. MAILING ADDRESS _____

11 "CITY _____

12 "STATE _____

13 "POSTAL CODE _____

14 "COUNTRY _____

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

22 "2a. ORGANIZATION'S NAME _____

23 "OR

24 "2b. INDIVIDUAL'S SURNAME _____

25 "FIRST PERSONAL NAME _____

1 "ADDITIONAL NAME (S) / INITIAL (S) _____

2 "SUFFIX _____

3 "2c. MAILING ADDRESS _____

4 "CITY _____

5 "STATE _____

6 "POSTAL CODE _____

7 "COUNTRY _____

8 "3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of
9 ASSIGNOR SECURED PARTY): Provide only one Secured Party name
10 (3a or 3b)

11 "3a. ORGANIZATION'S NAME _____

12 "OR

13 "3b. INDIVIDUAL'S SURNAME _____

14 "FIRST PERSONAL NAME _____

15 "ADDITIONAL NAME (S) / INITIAL (S) _____

16 "SUFFIX _____

17 "3c. MAILING ADDRESS _____

18 "CITY _____

19 "STATE _____

20 "POSTAL CODE _____

21 "COUNTRY _____

22 "4. COLLATERAL: This financing statement covers the
23 following collateral:

24 _____

25 "5. Check only if applicable and check only one box:

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

1 "POSTAL CODE _____
2 "COUNTRY _____
3 "11. [] ADDITIONAL SECURED PARTY'S NAME or
4 "[] ASSIGNOR SECURED PARTY'S NAME: Provide only
5 one name (11a or 11b)
6 "11a. ORGANIZATION'S NAME _____
7 "OR
8 "11b. INDIVIDUAL'S SURNAME _____
9 "FIRST PERSONAL NAME _____
10 "ADDITIONAL NAME (S) /INITIAL (S) _____
11 "SUFFIX _____
12 "11c. MAILING ADDRESS _____
13 "CITY _____
14 "STATE _____
15 "POSTAL CODE _____
16 "COUNTRY _____
17 "12. ADDITIONAL SPACE FOR ITEM 4 (Collateral)

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

22 "14. This FINANCING STATEMENT:
23 "[] covers timber to be cut
24 "[] covers as-extracted collateral
25 "[] is filed as a fixture filing

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

4 "16. Description of real estate: _____

5 "17. MISCELLANEOUS: _____

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

10 "UCC FINANCING STATEMENT AMENDMENT

11 "FOLLOW INSTRUCTIONS

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

13 _____

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

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

16 _____

17 "THE ABOVE SPACE IS FOR

18 "FILING OFFICE USE ONLY

19 "1a. INITIAL FINANCING STATEMENT FILE NUMBER

20 _____

21 "1b. [] This FINANCING STATEMENT AMENDMENT is to
22 be filed [for record] (or recorded) in the REAL ESTATE RECORDS

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

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

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

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

15 "5. [] PARTY INFORMATION CHANGE:

16 "Check one of these two boxes:

17 "This Change affects

18 "[] Debtor or

19 "[] Secured Party of record.

20 "AND

21 "Check one of these three boxes to:

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

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

1 "] DELETE name: Give record name to be deleted in
2 item 6a or 6b

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

5 "6a. ORGANIZATION'S NAME _____

6 "OR

7 "6b. INDIVIDUAL'S SURNAME _____

8 "FIRST PERSONAL NAME _____

9 "ADDITIONAL NAME (S) /INITIAL (S) _____

10 "SUFFIX _____

11 "7. CHANGED OR ADDED INFORMATION: Complete for
12 Assignment or Party Information Change - provide only one name
13 (7a or 7b) (use exact full name; do not omit, modify, or
14 abbreviate any part of the Debtor's name)

15 "7a. ORGANIZATION'S NAME _____

16 "OR

17 "7b. INDIVIDUAL'S SURNAME _____

18 "FIRST PERSONAL NAME _____

19 "ADDITIONAL NAME (S) /INITIAL (S) _____

20 "SUFFIX _____

21 "7c. MAILING ADDRESS _____

22 "CITY _____

23 "STATE _____

24 "POSTAL CODE _____

25 "COUNTRY _____

1 "8. [] COLLATERAL CHANGE:
2 "Also check one of these four boxes:
3 "[] ADD collateral
4 "[] DELETE collateral
5 "[] RESTATE covered collateral
6 "[] ASSIGN collateral
7 "Indicate collateral:
8 "9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS
9 AMENDMENT: Provide only one name (9a or 9b) (name of
10 Assignor, if this is an Assignment)
11 "If this is an Amendment authorized by a DEBTOR,
12 check here [] and provide name of authorizing Debtor
13 "9a. ORGANIZATION'S NAME _____
14 "OR
15 "9b. INDIVIDUAL'S SURNAME _____
16 "FIRST PERSONAL NAME _____
17 "ADDITIONAL NAME(S)/INITIAL(S) _____
18 "SUFFIX _____
19 "10. OPTIONAL FILER REFERENCE DATA: _____
20 "[UCC FINANCING STATEMENT AMENDMENT (Form UCC3)]
21 "UCC FINANCING STATEMENT AMENDMENT ADDENDUM
22 "FOLLOW INSTRUCTIONS
23 "11. INITIAL FINANCING STATEMENT FILE NUMBER: Same
24 as item 1a on Amendment form _____

1 "12. NAME OF PARTY AUTHORIZING THIS AMENDMENT: Same
2 as item 9 on Amendment form _____

3 "12a. ORGANIZATION'S NAME _____

4 "OR

5 "12b. INDIVIDUAL'S SURNAME _____

6 "FIRST PERSONAL NAME _____

7 "ADDITIONAL NAME(S)/INITIAL(S) _____

8 "SUFFIX _____

9 "THE ABOVE SPACE IS FOR

10 "FILING OFFICE USE ONLY

11 "13. Name of DEBTOR on related financing statement
12 (Name of a current Debtor of record required for indexing
13 purposes only in some filing offices - see Instruction item
14 13): Provide only one Debtor name (13a or 13b) (use exact,
15 full name; do not omit, modify, or abbreviate any part of the
16 Debtor's name); see Instructions if name does not fit

17 "13a. ORGANIZATION'S NAME _____

18 "OR

19 "13b. INDIVIDUAL'S SURNAME _____

20 "FIRST PERSONAL NAME _____

21 "ADDITIONAL NAME(S)/INITIAL(S) _____

22 "SUFFIX _____

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

24 _____

25 "15. This FINANCING STATEMENT AMENDMENT:

1 " covers timber to be cut

2 " covers as-extracted collateral

3 " is filed as a fixture filing

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

7 "17. Description of real estate: _____

8 "18. MISCELLANEOUS: _____

9 [UCC FINANCING STATEMENT AMENDMENT ADDENDUM (Form
10 UCC3Ad)]

11 "§7-9A-607.

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

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

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

19 "(3) may enforce the obligations of an account
20 debtor or other person obligated on collateral and exercise
21 the rights of the debtor with respect to the obligation of the
22 account debtor or other person obligated on collateral to make
23 payment or otherwise render performance to the debtor, and
24 with respect to any property that secures the obligations of

1 the account debtor or other person obligated on the
2 collateral;

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

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

11 "(b) Nonjudicial enforcement of mortgage. If
12 necessary to enable a secured party to exercise under
13 subsection (a) (3) the right of a debtor to enforce a mortgage
14 nonjudicially, the secured party may record in the office in
15 which a record of the mortgage is recorded:

16 "(1) a copy of the security agreement that creates
17 or provides for a security interest in the obligation secured
18 by the mortgage; and

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

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

23 "(B) the secured party is entitled to enforce the
24 mortgage nonjudicially.

1 "(c) Commercially reasonable collection and
2 enforcement. A secured party shall proceed in a commercially
3 reasonable manner if the secured party:

4 "(1) undertakes to collect from or enforce an
5 obligation of an account debtor or other person obligated on
6 collateral; and

7 "(2) is entitled to charge back uncollected
8 collateral or otherwise to full or limited recourse against
9 the debtor or a secondary obligor.

10 "(d) Expenses of collection and enforcement. A
11 secured party may deduct from the collections made pursuant to
12 subsection (c) reasonable expenses of collection and
13 enforcement, including reasonable attorney's fees and legal
14 expenses incurred by the secured party.

15 "(e) Duties to secured party not affected. This
16 section does not determine whether an account debtor, bank, or
17 other person obligated on collateral owes a duty to a secured
18 party."

19 Section 2. Sections 7-9A-801, 7-9A-802, 7-9A-803,
20 7-9A-804, 7-9A-805, 7-9A-806, 7-9A-807, 7-9A-808, and
21 7-9A-809, are added to the Code of Alabama 1975, to read as
22 follows:

23 §7-9A-801. Effective date.

24 This act takes effect on July 1, 2014.

25 §7-9A-802. Savings clause.

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

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

8 §7-9A-803. Security interest perfected before July
9 1, 2014.

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

17 (b) Continuing perfection: perfection requirements
18 not satisfied. Except as otherwise provided in Section
19 7-9A-805, if, immediately before July 1, 2014, a security
20 interest is a perfected security interest, but the applicable
21 requirements for perfection under Article 9A as amended by
22 this act are not satisfied before July 1, 2014, the security
23 interest remains perfected thereafter only if the applicable
24 requirements for perfection under Article 9A as amended by
25 this act are satisfied before July 1, 2014.

1 §7-9A-804. Security interest unperfected before
2 effective date.

3 A security interest that is an unperfected security
4 interest immediately before July 1, 2014, becomes a perfected
5 security interest:

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

9 (2) when the applicable requirements for perfection
10 are satisfied if the requirements are satisfied after that
11 time.

12 §7-9A-805. Effectiveness of action taken before
13 effective date.

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

19 (b) When pre-effective date filing becomes
20 ineffective. This act does not render ineffective a financing
21 statement that, before July 1, 2014, is filed and satisfies
22 the applicable requirements for perfection under the law of
23 the jurisdiction governing perfection as provided in Article
24 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

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

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

22 §7-9A-806. When initial financing statement suffices
23 to continue effectiveness of financing statement.

24 (a) Initial financing statement in lieu of
25 continuation statement. The filing of an initial financing

1 statement in the office specified in Section 7-9A-501
2 continues the effectiveness of a financing statement filed
3 before July 1, 2014, if:

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

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

9 (3) the initial financing statement satisfies
10 subsection (c).

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

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

19 (2) if the initial financing statement is filed
20 after July 1, 2014, for the period provided in Section
21 7-9A-515, as amended by this act, with respect to an initial
22 financing statement.

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

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

3 (2) identify the pre-effective date financing
4 statement by indicating the office in which the financing
5 statement was filed and providing the dates of filing and file
6 numbers, if any, of the financing statement and of the most
7 recent continuation statement filed with respect to the
8 financing statement; and

9 (3) indicate that the pre-effective date financing
10 statement remains effective.

11 §7-9A-807. Amendment of pre-effective date financing
12 statement.

13 (a) Pre-effective date financing statement. In this
14 section, pre-effective date financing statement means a
15 financing statement filed before July 1, 2014.

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

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

6 (1) the pre-effective date financing statement and
7 an amendment are filed in the office specified in Section
8 7-9A-501;

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

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

16 (d) Method of amending: continuation. If the law of
17 this state governs perfection of a security interest, the
18 effectiveness of a pre-effective date financing statement may
19 be continued only under Section 7-9A-805(c) and (e) or Section
20 7-9A-806.

21 (e) Method of amending: additional termination rule.
22 Whether or not the law of this state governs perfection of a
23 security interest, the effectiveness of a pre-effective date
24 financing statement filed in this state may be terminated
25 after this act takes effect by filing a termination statement

1 in the office in which the pre-effective date financing
2 statement is filed, unless an initial financing statement that
3 satisfies Section 7-9A-806(c) has been filed in the office
4 specified by the law of the jurisdiction governing perfection
5 as provided in Article 9A as amended by this act as the office
6 in which to file a financing statement.

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

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

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

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

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

16 (B) to perfect or continue the perfection of a
17 security interest.

18 §7-9A-809. Priority.

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

23 Section 3. This act shall become effective on July
24 1, 2014.

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB28
Senate 23-JAN-14
I hereby certify that the within Act originated in and passed
the Senate.

Patrick Harris
Secretary

House of Representatives
Passed: 01-APR-14

By: Senator Ward