

# Contents

About the Authors .....	vii
Preface .....	ix
Forms Disk Instructions .....	xiii
<b>CHAPTER 1 TRANSITION AND APPLICABLE LAW .....</b>	<b>1-1</b>
1.1 Transition Rules .....	1-1
1.1.1 General Rule: New 9 Applies to Pre-and Post-Effective Date Transactions .....	1-2
1.1.2 Exceptions to the General Rule .....	1-3
1.1.2.1 Law Suits .....	1-3
1.1.2.2 Safe Harbors for Financing Statements .....	1-3
1.1.2.3 One Year for Everything Else .....	1-5
1.2 How to Continue Financing Statements Filed Properly under Old 9, but in the Wrong Place under New 9, after the Effective Date .....	1-7
1.3 How to Continue Financing Statements Filed in the Right New 9 State and Filing Office after the Effective Date ( <i>i.e.</i> , the Old 9 and New 9 Locations Are the Same) .....	1-8
1.4 Amendments to Financing Statements Filed before Effective Dates .....	1-9
1.5 Transition Priorities .....	1-10
1.6 What Law Governs? .....	1-10
1.6.1 Governing Law for Perfection and Priority .....	1-10
1.6.2 Governing Law for Other Issues .....	1-14
1.7 Transition and Enforcement .....	1-14
1.8 Conflict of Laws .....	1-14
1.9 Official Comments .....	1-21
<b>CHAPTER 2 OVERVIEW AND DEFINITIONS .....</b>	<b>2-1</b>
2.1 Security Interest .....	2-1
2.1.1 Purchase-Money Security Interests .....	2-1
2.1.1.1 Application of Payments .....	2-2
2.1.2 Agricultural Liens .....	2-3
2.1.3 Consignments .....	2-4
2.2 Parties .....	2-4
2.3 Exclusions from New 9 .....	2-7
2.4 New 9 Collateral Categories .....	2-10
2.4.1 Intangible and Semi-Tangible Property .....	2-10
2.4.2 Tangible Personal Property—Goods .....	2-13

CONTENTS

2.4.3 Investment Property-Related Definitions . . . . . 2-15  
2.4.4 Supporting Obligation . . . . . 2-15  
2.4.5 Proceeds . . . . . 2-16  
2.5 Medium Neutral Terms . . . . . 2-17  
2.6 Good Faith . . . . . 2-17  
2.7 Special Consumer and Connecticut Rules . . . . . 2-18

**CHAPTER 3 CREATING A SECURITY INTEREST — ATTACHMENT — MAKING THE SECURED PARTY’S RIGHTS ENFORCEABLE AGAINST THE DEBTOR . . . . . 3-1**

3.1.1 Elements of Attachment . . . . . 3-1  
3.1.2 Additional Items . . . . . 3-2  
3.2 Security Agreement . . . . . 3-3  
3.3 Possession . . . . . 3-4  
3.4 Control . . . . . 3-5  
3.5 Attachment to Proceeds and Supporting Obligations . . . . . 3-6  
3.6 Attachment to Securities and Commodity Accounts . . . . . 3-6  
3.7 After-Acquired Property . . . . . 3-6  
3.8 Future Advances . . . . . 3-6

**CHAPTER 4 PERFECTION . . . . . 4-1**

4.1 General Rule: All Security Interests Must Be Perfected by Filing a Financing Statement . . . . . 4-2  
4.2 Exception 1: Filing a Financing Statement Doesn’t Work at All . . . . . 4-2  
4.3 Exception 2: Filing a Financing Statement Is an Optional Method of Perfection . . . . . 4-3  
4.4 Exception 3: Automatic Perfection . . . . . 4-3  
4.5 Exception 4: Filing a Financing Statement Is Not Required for Security Interests in Property Subject to a Certificate of Title or Other Statute . . . . . 4-4  
4.6 Exception 5: Filing a Financing Statement Is Not Required for Security Interests Perfected by Possession . . . . . 4-5  
4.7 Exception 6: Filing a Financing Statement Is Not Required for Security Interests Perfected by Control . . . . . 4-6  
4.8 Exception 7: Temporary Perfection . . . . . 4-6

**CHAPTER 5 FINANCING STATEMENT MECHANICS . . . . . 5-1**

5.1 What Kind of Records Are Filed? . . . . . 5-1  
5.2 Where to File? . . . . . 5-1  
5.3 Contents of a Sufficient Financing Statement . . . . . 5-2  
5.4 Debtor’s Name Rules . . . . . 5-4  
5.5 How to Describe Collateral . . . . . 5-5

5.6	When Filing Office Can Reject Filings . . . . .	5-6
5.7	Financing Statement Mistakes . . . . .	5-8
5.7.1	Federal Tax Liens and Mistakes In the Debtor’s Name; Implications for Searches . . . . .	5-9
5.8	Who Can File? . . . . .	5-9.3
5.9	Amendments to Financing Statements . . . . .	5-10
5.10	Duration of Financing Statements . . . . .	5-11
5.11	Continuation Statements . . . . .	5-12
5.11.1	Duty of Attorney Regarding Continuation Statements . . . . .	5-13
5.12	Termination Statements . . . . .	5-13
5.13	The Filing Office . . . . .	5-13
5.14	Inaccurate or Wrongfully Filed Records . . . . .	5-14
5.15	Filing Office Indexing Errors . . . . .	5-14
5.16	Maintenance and Destruction of Records . . . . .	5-15
5.17	Information from Filing Office . . . . .	5-15
5.18	Fees . . . . .	5-16
5.19	Filing Office Rules . . . . .	5-16

**CHAPTER 6 PREVAILING AGAINST**

	<b>OTHERS — PRIORITY . . . . .</b>	<b>6-1</b>
6.1	General Rules of Priority among Creditors . . . . .	6-1
6.2	Exceptions to the “First-to-File-or-Perfect” Rule . . . . .	6-2
6.2.1	Control Prevails over Filing . . . . .	6-2
6.2.2	Some Security Interests Perfected by Possession or Control Prevail over Security Interests in Chattel Paper and Instruments Perfected Earlier by Filing . . . . .	6-2
6.2.3	The Purchase-Money Security Interest Super-priority . . . . .	6-4
6.2.3.1	PMSI in Goods . . . . .	6-4
6.2.3.2	PMSI in Inventory . . . . .	6-4
6.2.3.3	Other PMSI Priority Rules . . . . .	6-5
6.2.4	Future Advances . . . . .	6-6
6.2.5	Equitable Subrogation . . . . .	6-6.1
6.3	Transferees of Collateral . . . . .	6-7
6.4	Buyers . . . . .	6-7
6.5	Licenses and Lessees in the Ordinary Course of Business . . . . .	6-8
6.6	Rights under Articles 3, 7 and 8 . . . . .	6-9
6.7	Possessory Statutory and Common Law Liens . . . . .	6-9
6.8	Priority of Security Interest in Fixtures . . . . .	6-10
6.8.1	Secured Party versus Secured party . . . . .	6-10
6.8.2	Secured Party versus Other Real Estate Claimants . . . . .	6-10

CONTENTS

- 6.8.2.1 Exception 1: Purchase-Money Priority . . . . . 6-10
- 6.8.2.2 Exception 2: First to Record . . . . . 6-11
- 6.8.2.3 Exception 3: Removable Goods and Domestic Appliances . . . . . 6-11
- 6.8.2.4 Exception 4: Judicial Liens . . . . . 6-11
- 6.8.2.5 Exception 5: Manufactured Homes . . . . . 6-12
- 6.8.2.6 Subordination of Purchase-Money Security Interest in Fixtures to Construction Mortgage . . . . . 6-12
- 6.8.2.7 Priority Based Consent . . . . . 6-13
- 6.8.2.8 Crops . . . . . 6-13
- 6.9 Accessions . . . . . 6-13
- 6.10 Commingled Goods . . . . . 6-14
- 6.11 Contractual Subordination . . . . . 6-14
- 6.12 Reliance Parties and New 9 Subordination . . . . . 6-15
- 6.13 Other Law . . . . . 6-15

**CHAPTER 7 PARTICULAR TYPES OF COLLATERAL . . . . . 7-1**

- 7.1 Investment Property . . . . . 7-1
  - 7.1.1 Attachment . . . . . 7-1
  - 7.1.2 Perfection . . . . . 7-2
  - 7.1.3 Priority Issues . . . . . 7-5
  - 7.1.4 Adverse Claims and Priority . . . . . 7-6
- 7.2 Deposit Accounts . . . . . 7-6.1
  - 7.2.1 Scope . . . . . 7-6.1
  - 7.2.2 Attachment and Perfection . . . . . 7-7
  - 7.2.3 Priority Issues . . . . . 7-8
  - 7.2.4 Conn. Gen. Stat. §36a-291 . . . . . 7-11.4
- 7.3 Letter-of-Credit Rights . . . . . 7-12
  - 7.3.1 Attachment and Perfection . . . . . 7-13
  - 7.3.2 Priority Issues . . . . . 7-14
  - 7.3.3 Governing Law . . . . . 7-14
- 7.4 Commercial Tort Claims . . . . . 7-15
- 7.5 Agricultural Liens . . . . . 7-16
- 7.6 Software . . . . . 7-17
- 7.7 Motor Vehicles . . . . . 7-19
  - 7.7.1 Perfection . . . . . 7-19
  - 7.7.2 Relocation of the Motor Vehicle to Another Jurisdiction . . . . . 7-21
  - 7.7.3 Motor Vehicles as Inventory . . . . . 7-21
  - 7.7.4 Priority Issues . . . . . 7-22
- 7.8 Electronic Chattel Paper . . . . . 7-23

7.9	Intellectual Property .....	7-24
7.9.1	Trade Secrets .....	7-24
7.9.2	Trademarks .....	7-24
7.9.2.1	Common Law Trademarks; State Registered Trademarks .....	7-24
7.9.2.2	Federally Registered Trademarks ...	7-25
7.9.3	Patents .....	7-26
7.9.4	Copyrights .....	7-27
7.9.4.1	Registered Copyrights .....	7-27
7.9.4.2	Unregistered Copyrights .....	7-27
<b>CHAPTER 8 PROCEEDS .....</b>		<b>8-1</b>
8.1	General Rule — Continuation of Security Interest in Original Collateral and Proceeds .....	8-1
8.2	Twenty-Day Automatic Perfection for Proceeds .....	8-2
8.3	How a Security Interest in Proceeds Remains Perfected for More than 20 Days .....	8-2
8.4	Priority in Proceeds .....	8-3
<b>CHAPTER 9 CHANGES AFTER CLOSING .....</b>		<b>9-1</b>
9.1	Secured Party Changes .....	9-1
9.2	Debtor's Location Changes .....	9-2
9.3	Collateral Location Changes .....	9-3
9.4	Location Changes of Bank, Issuer, Nominated Person, Securities Intermediary or Commodity Intermediary .....	9-3
9.5	Financing Statements and Changes .....	9-4
9.5.1	Debtor's Name Changes .....	9-4
9.5.2	New Debtors .....	9-4
9.6	"Double Debtors" .....	9-7
9.7	Goods Covered by Certificates of Title .....	9-7
<b>CHAPTER 10 THIRD PARTIES — ACCOUNT DEBTORS; ANTI-ASSIGNMENT CLAUSES .....</b>		<b>10-1</b>
10.1	Anti-Assignment Clauses .....	10-1
10.2	Account Debtors .....	10-2
10.3	Terms Restricting Assignment .....	10-5
10.3.1	Accounts, Chattel Paper and Security Assignments of Payment Intangibles and Promissory Notes ...	10-5
10.3.2	Health-Care-Insurance Receivables, Certain General Intangibles, Including Contracts, Permits, Licenses and Franchises, and Sale of Payment Intangibles and Promissory Notes .....	10-6
10.3.2.1	Payment Intangibles and Promissory Notes .....	10-7
10.3.3	Assignment of Letter-of-Credit Rights .....	10-7

CONTENTS

**CHAPTER 11 ENFORCEMENT . . . . . 11-1**

11.1 Options . . . . . 11-1

11.2 Waiver and Variance of Debtor’s and Obligor’s Rights  
and Secured Party’s Duties . . . . . 11-2

11.3 Unknown Debtor or Secondary Obligor . . . . . 11-3

11.4 Commercially Reasonable . . . . . 11-4

11.5 Fixtures . . . . . 11-5

11.6 Collection and Enforcement of Collateral Consisting  
of Rights to Payment . . . . . 11-6

11.7 Application of Proceeds of Collection and Enforcement  
of Collateral Consisting of Rights to Payment . . . . . 11-7

11.8 Repossession . . . . . 11-8

11.9 Disposition of Collateral . . . . . 11-9

11.10 Notices before Disposition . . . . . 11-10

11.11 Forms of Notice . . . . . 11-11

    11.11.1 Non-Consumer Goods Transactions . . . . . 11-11

    11.11.2 Consumer-Goods Transactions . . . . . 11-12

11.12 Application of Proceeds . . . . . 11-15

11.13 Accounting . . . . . 11-16

11.14 Transferees of Collateral . . . . . 11-17

11.15 Transfers to Secondary Obligors . . . . . 11-17

11.16 Transfer Statement . . . . . 11-18

11.17 Acceptance of Collateral in Full or Partial Satisfaction  
of Obligation — Strict Foreclosure . . . . . 11-19

11.18 Mandatory Disposition of Consumer Goods . . . . . 11-21.1

11.19 Right of Redemption . . . . . 11-22

11.20 Electronic Self-Help . . . . . 11-22

**CHAPTER 12 SECURED PARTY’S OBLIGATIONS . . . . . 12-1**

12.1 Care of Collateral . . . . . 12-1

12.2 Release Account Debtor . . . . . 12-3.1

12.3 Pre-enforcement Duty to Provide Information . . . . . 12-4

12.4 Obligation to Terminate . . . . . 12-5

12.5 Penalties for Failure to Comply with These  
Obligations . . . . . 12-7

12.6 Other Obligations of Secured Party . . . . . 12-7

**CHAPTER 13 PENALTIES AGAINST SECURED  
PARTIES . . . . . 13-1**

13.1 Damages . . . . . 13-1

13.2 Rebuttable Presumption Rule . . . . . 13-2

    13.2.1 Non-Consumer Transactions . . . . . 13-2

    13.2.2 Consumer Transactions . . . . . 13-3

13.3 Insider Dispositions . . . . . 13-3

<b>CHAPTER 14 FORMS</b> .....	<b>14-1</b>
Form 14-1 New 9 Collateral List for Security Agreement (Commercial Credit) — 9-108 .....	14-1
Form 14-2 Reserved .....	14-3
Form 14-3 Secured Party’s Release of Control over Deposit Account — 9-208(b)(1) .....	14-4
Form 14-4 Secured Party’s Release of Securities Intermediary/Commodity Intermediary — 9-208(b)(4) .....	14-5
Form 14-5 Secured Party’s Release of Control over Letter-of-Credit Right — 9-208(b)(5) .....	14-6
Form 14-6 Debtor’s Request for an Accounting — 9-210(a)(2) .....	14-7
Form 14-26 Secured Party’s Proposal to Accept Repossessed Collateral in Full Satisfaction of Debt — 9-620 .....	14-29
Form 14-27 Secured Party’s Proposal to Accept Repossessed Collateral in Partial Satisfaction of Debt — 9-620 .....	14-30
Form 14-28 Secured Party’s Notice That Strict Foreclosure Has Occurred .....	14-32
Form 14-29 Secured Party’s Notice That Partial Strict Foreclosure Has Occurred .....	14-33
Form 14-30 Governing Law Choices .....	14-34
Form 14-31 Application of Payments .....	14-35
Form 14-32 Bailee Acknowledgment That It Holds Possession of Collateral for Secured Party’s Benefit — 9-313(c) .....	14-36
Form 14-33 Notice of Assignment to Include on Chattel Paper or an Instrument — 9-330(a)(2) .....	14-38
Form 14-34 Notice to Include on Chattel Paper Financing Statement That Purchase of Chattel Paper from Debtor Would Violate the Rights of the Secured Party — 9-330(b) .....	14-39
Form 14-35 Notice to Account Debtor of Assignment of Account — 9-406 .....	14-40
Form 14-36 Agreement of Account Debtor Not to Assert Claims and Defenses Against Assignee of Account — 9-403(b) .....	14-41
Form 14-37 Secured Party’s Release of Account Debtor — 9-209(b) .....	14-42
Form 14-38 Proof Offered by Assignee That Account Has Been Assigned — 9-406(c) .....	14-43
Form 14-39 Reserved .....	14-44
Form 14-40 Instruction by Secured Party to Bank to Pay Out Deposit Account Collateral after Default — 9-607(a)(5) .....	14-45

CONTENTS

Form 14-41 Transfer Statement — 9-619 . . . . . 14-46

Form 14-42 Notice to Secured Party of a Claim or Interest  
in the Collateral — 9-611(c)(3)(A) . . . . . 14-48

Form 14-43 Demand by Subordinate Secured Party  
for Proceeds — 9-608(a)(1)(C),  
9-615(a)(3)(A) . . . . . 14-49

Form 14-44 Demand by Secured Party of Proof of Subordinate  
Interest — 9-608(a)(2), 9-615(b) . . . . . 14-50

Form 14-45 Reserved . . . . . 14-51

Form 14-46 Reserved . . . . . 14-52

Form 14-47 Information Certificate to Solicit Information  
from Debtor Regarding Collateral and other  
Important Information Necessary for Perfection . . . . . 14-53

Form 14-48 Security Agreement (Corporate Debtor) . . . . . 14-54

Form 14-49 Pledge Agreement (Certificated Security) . . . . . 14-92

Form 14-50 Guaranty Security Agreement  
(Corporate Guarantor) . . . . . 14-100

Form 14-51 Investment Property Control Agreement  
(Joint Control, no withdrawals or distributions  
of dividends) . . . . . 14-138

Form 14-52 Investment Property Control Agreement  
(Exclusive Creditor Control) . . . . . 14-144

Form 14-53 Investment Property Security Agreement  
(Joint Control) . . . . . 14-150

Form 14-54 Investment Property Security Agreement  
(Exclusive Creditor Control) . . . . . 14-158

Form 14-55 Deposit Account Control Agreement  
(Joint Control) . . . . . 14-166

Form 14-56 Deposit Account Control Agreement  
(Exclusive Creditor Control) . . . . . 14-172

Form 14-57 Guaranty Agreement  
(Corporate Guarantor) . . . . . 14-177

Form 14-58 Promissory Note (Commercial) . . . . . 14-196

Form 14-59 Intercreditor Agreement — Non-Negotiated . . . . . 14-208

Form 14-59A Intercreditor Agreement — Negotiated . . . . . 14-217

Form 14-59B Intercreditor Agreement  
(Segregation of Collateral) . . . . . 14-226.1

Form 14-60 Deposit Account Security Agreement  
and Control Agreement (Short Form, optional  
waiver of setoff by Depository) . . . . . 14-227

Form 14-61 Loan and Security Agreement  
(Commercial Loan) . . . . . 14-230

Form 14-62 Pledge Agreement (Certificates of Deposit  
that are “instruments”) . . . . . 14-275

Form 14-63	Pledge Agreement-for Pledge of Securities, Promissory Notes, Limited Liability Company Interests, Partnership Interests, Financial Assets, Security Entitlements and other Investments Property . . . . .	14-281
Form 14-64	Reserved . . . . .	14-282
Form 14-65	Reserved . . . . .	14-283
Form 14-66	Reserved . . . . .	14-284
Form 14-67	Reserved . . . . .	14-285
Form 14-68	Reserved . . . . .	14-286
Form 14-69	Reserved . . . . .	14-287
Form 14-70	Landlord’s Agreement . . . . .	14-288
Form 14-71	Continuation Financing Statement Legend — 9-706(c) . . . . .	14-292
Form 14-72	Mortgage Securing Commercial Term Loan . . . . .	14-293
Form 14-73	Financing Statement Legend — Disclosing Debtor Agreement Not to Grant Junior Security Interests in Collateral — 9-331 . . . . .	14-315
Form 14-74	Waiver of Right to Redeem . . . . .	14-316
Form 14-75	Secured Party’s Disclaimer of an Interest in Collateral or Obligations — 9-210(d) and (e) . . . . .	14-317
Form 14-76	New 9 Collateral List for Financing Statement — 9-504 (Commercial Credit) . . . . .	14-318
Form 14-77	Debtor’s Correction Statement — 9-518(b) . . . . .	14-320
Form 14-78	Connecticut Changes from Uniform Text of Uniform Commercial Code Revised Article 9 . . . . .	14-321

**INDICES**

<i>Table of Connecticut Laws</i> . . . . .	INDEX-1
<i>Subject Index</i> . . . . .	INDEX-20
<i>Forms Index</i> . . . . .	INDEX-37