

Contents

PREFACE	vii
CHAPTER 1 TRANSITION AND APPLICABLE LAW	1-1
1.1 Transition Rules	1-1
1.1.1 General Rule: New 9 Applies to Pre-and Post-July 1, 2001, Transactions	1-1
1.1.2 Exceptions to the General Rule	1-2
1.2 How to Continue Financing Statements Filed Properly under Old 9, but in the Wrong Place under New 9, after July 1, 2001	1-5
1.3 How to Continue Financing Statements Filed in the Right New 9 State and Filing Office, after July 1, 2001 (<i>i.e.</i> , the Old 9 and New 9 Locations Are the Same)	1-6
1.3.1 How to Continue Financing Statements Filed <i>Both</i> in the Right New 9 State and Filing Office and the Wrong New 9 State and Filing Office	1-6
1.4 Amendments to Financing Statements Filed before July 1, 2001	1-7
1.5 Transition Priorities	1-7
1.6 What Law Governs?	1-8
1.6.1 Governing Law for Perfection and Priority	1-8
1.6.2 Governing Law for Other Issues	1-11
1.6.3 Non-Uniform Effective Date Issues	1-11
CHAPTER 2 OVERVIEW AND DEFINITIONS	2-1
2.1 Security Interest	2-1
2.1.1 Purchase-Money Security Interests	2-1
2.1.2 Agricultural Liens	2-3
2.1.3 Consignments	2-4
2.2 Parties	2-4
2.3 Exclusions from New 9	2-6
2.4 New 9 Collateral Categories	2-7
2.4.1 Intangible and “Semi-Tangible” Property	2-8
2.4.2 Tangible Personal Property — Goods	2-11
2.4.3 Investment Property-Related Definitions	2-13
2.4.4 Supporting Obligation	2-13
2.4.5 Proceeds	2-13
2.5 Medium Neutral Terms	2-14
2.6 Good Faith	2-15
2.7 Special Consumer Rules	2-15

CONTENTS

CHAPTER 3 CREATING A SECURITY INTEREST — ATTACHMENT — MAKING THE SECURED PARTY’S RIGHTS ENFORCEABLE AGAINST THE DEBTOR	3-1
3.1 Elements of Attachment	3-1
3.2 Security Agreement	3-2
3.3 Possession	3-3
3.4 Control	3-4
3.5 Attachment to Proceeds and Supporting Obligations	3-4
3.6 Attachment to Securities and Commodity Accounts	3-4
3.7 After-Acquired Property	3-4
3.8 Future Advances	3-5
3.9 Attachment of Lien Securing Right to Payment	3-5
CHAPTER 4 PERFECTION	4-1
4.1 General Rule: All Security Interests Must Be Perfected by Filing a Financing Statement	4-1
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	4-2
4.4 Exception 3: Automatic Perfection	4-2
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	4-3
4.6 Exception 5: Filing a Financing Statement Is Not Required For Security Interests Perfected by Possession	4-4
4.7 Exception 6: Filing a Financing Statement Is Not Required For Security Interests Perfected by Control	4-5
4.8 Exception 7: Temporary Perfection	4-5
CHAPTER 5 FINANCING STATEMENT MECHANICS	5-1
5.1 What Kinds 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	5-3
5.5 How to Describe Collateral	5-4
5.6 When Filing Office Can Reject Filings	5-5
5.7 Mistakes	5-6
5.8 Who Can File?	5-7
5.8.1 Initial Financing Statements	5-7
5.8.2 Amendments	5-8
5.9 Duration of Financing Statements	5-9
5.10 Continuation Statements	5-9
5.11 Termination Statements	5-10
5.12 The Filing Office	5-10

CONTENTS

5.13	Inaccurate or Wrongfully Filed Records	5-11
5.14	Filing Office Indexing Errors	5-11
5.15	Maintenance and Destruction of Records	5-11
5.16	Information from Filing Office	5-11
5.17	Fees	5-12
5.18	Filing Office Rules	5-12
5.19	Wrongfully Filed Termination Statements	5-12
CHAPTER 6 PREVAILING AGAINST OTHERS		6-1
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 Earlier Security Interests on Chattel Paper and Instruments Perfected by Filing	6-2
6.2.3	The Purchase-Money Security Interest Super-Priority	6-4
6.2.4	The Production-Money Security Interest Super-Priority	6-5
6.2.5	Future Advances	6-5
6.3	Transferees of Collateral	6-6
6.4	Buyers	6-7
6.5	Licenses and Lessees in Ordinary Course of Business	6-7
6.6	Rights under Articles 3, 7 and 8	6-8
6.7	Possessory Statutory Liens	6-8
6.8	Priority of Security Interest in Fixtures and Crops Against Real Estate Claimants	6-9
6.8.1	Exception 1: Purchase-Money Priority	6-9
6.8.2	Exception 2: First to Record	6-9
6.8.3	Exception 3: Removable Goods and Domestic Appliance	6-10
6.8.4	Exception 4: Judicial Liens	6-10
6.8.5	Exception 5: Manufactured Homes	6-10
6.8.6	Subordination of Purchase-Money Security Interest in Fixtures to Construction Mortgage	6-10
6.8.7	Crops	6-11
6.8.8	Priority Based on Consent	6-11
6.9	Accessions	6-11
6.10	Commingled Goods	6-12
6.11	Contractual Subordination	6-12
CHAPTER 7 PARTICULAR TYPES OF COLLATERAL		7-1
7.1	Investment Property	7-1
7.2	Deposit Accounts	7-4

CONTENTS

7.3	Letter-of-Credit Rights	7-7
7.4	Commercial Tort Claims	7-8
7.5	Agricultural Liens	7-9
7.6	Software	7-10
7.7	Motor Vehicles	7-11
7.8	Electronic Chattel Paper	7-13
7.9	Agricultural Collateral	7-14
7.9.1	Types of Agricultural Collateral	7-15
7.9.2	Financing Statement Filing Location	7-16
7.9.3	Priority Issues for Agricultural Collateral	7-16
CHAPTER 8 PROCEEDS		8-1
8.1	General Rule — Continuation of Security Interest in Original Collateral and Proceeds	8-1
8.2	Twenty-Day Automatic Perfection for Proceeds	8-1
8.3	How a Security Interest in Proceeds Remains Perfected for More than 20 Days	8-2
8.4	Priority in Proceeds	8-3
CHAPTER 9 CHANGES AFTER CLOSING		9-1
9.1	Secured Party Changes	9-1
9.2	Debtor's Location Changes	9-1
9.3	Collateral Location Changes	9-3
9.4	Location of Bank, Issuer, Nominated Person, Securities Intermediary or Commodity Intermediary Changes	9-3
9.5	Financing Statements and Changes	9-3
9.5.1	Debtor's Name Changes	9-4
9.5.2	New Debtors	9-4
9.6	"Double Debtors"	9-5
9.7	Goods Covered by Certificates of Title	9-5
CHAPTER 10 THIRD PARTIES — ACCOUNT DEBTORS		10-1
10.1	Account Debtors	10-1
10.2	Terms Restricting Assignment	10-3
10.2.1	Accounts, Chattel Paper and Security Assignments of Payment Intangibles and Promissory Notes	10-3
10.2.2	Health-Care-Insurance Receivables, Certain General Intangibles, Including Contracts, Permits, Licenses and Franchises and Sales of Payment Intangibles and Promissory Notes	10-4
10.2.3	Assignment of Letter-of-Credit Rights	10-5
CHAPTER 11 ENFORCEMENT		11-1
11.1	Options	11-1

CONTENTS

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"	11-3
11.5	Fixtures	11-4
11.6	Collection and Enforcement of Collateral Consisting of Rights to Payment	11-4
11.7	Application of Proceeds of Collection and Enforcement of Collateral Consisting of Rights to Payment	11-5
11.8	Repossession	11-6
11.9	Disposition of Collateral	11-7
11.10	Notices before Disposition	11-8
11.11	Forms of Notice	11-9
	11.11.1 Non-Consumer-Goods Transactions	11-9
	11.11.2 Consumer-Goods Transactions	11-10
11.12	Application of Proceeds	11-11
11.13	Accounting	11-12
11.14	Transferees of Collateral	11-12
11.15	Transfers to Secondary Obligors	11-12
11.16	Transfer Statement	11-13
11.17	Acceptance of Collateral in Full or Partial Satisfaction of Obligation—Strict Foreclosure	11-14
11.18	Mandatory Disposition of Consumer Goods	11-15
11.19	Right of Redemption	11-16
	CHAPTER 12 SECURED PARTY'S OBLIGATIONS	12-1
12.1	Care of Collateral	12-1
12.2	Release Account Debtor	12-1
12.3	Duty to Provide Information	12-2
12.4	Obligation to Terminate	12-3
12.5	Penalties for Failure to Comply with These Obligations	12-4
	CHAPTER 13 REMEDIES	13-1
13.1	Damages	13-1
13.2	Rebuttable Presumption Rule	13-1
13.3	Insider Dispositions	13-2
	CHAPTER 14 FORMS	14-1
FORM 14-1	New 9 Collateral List for Security Agreement — 9-108 (Commercial Credit)	14-1
FORM 14-2	New 9 Collateral List — 9-108 (Consumer Credit)	14-2
FORM 14-3	Secured Party's Release of Control over Deposit Account — 9-208(2)(a)	14-3
FORM 14-4	Secured Party's Release of Securities Intermediary/Commodity Intermediary — 9-208(2)(d)	14-4

CONTENTS

FORM 14-5	Secured Party's Release of Control over Letter-of-Credit Right — 9-208(2)(e)	14-5
FORM 14-6	Debtor's Request for an Accounting — 9-210(1)(b) . . .	14-6
FORM 14-7	Debtor's Request Regarding a List of Collateral — 9-210(1)(c)	14-7
FORM 14-8	Debtor's Request Regarding a Statement of Account — 9-210(1)(d)	14-8
FORM 14-9	Secured Party's Accounting — 9-210(2)(a)	14-9
FORM 14-10	Secured Party's Response to Debtor's Request Regarding a List of Collateral — 9-210(2)(b)	14-10
FORM 14-11	Secured Party's Response to Debtor's Request Regarding a Statement of Account — 9-210(2)(b)	14-11
FORM 14-12	Secured Party's Response to Debtor's Request Regarding a List of Collateral when Secured Party Claims an Interest in All of a Particular Type of Collateral Owned by the Debtor — 9-210(3)	14-12
FORM 14-13	Notice of Exclusive Control of Securities Account	14-13
FORM 14-14	Notice of Disposition of Consumer-Goods — 9-614	14-14
FORM 14-15	Notice of Disposition of Non-Consumer-Goods — 9-613	14-16
FORM 14-16	Secured Party's Request for Consent of Issuer or Nominated Person to Assignment of Letter-of-Credit Proceeds and Issuer or Nominated Person's Consent — 9-107	14-17
FORM 14-17	Exclusion of Warranties by Secured Party Selling Collateral — 9-610	14-18
FORM 14-18	Notice of Purchase-Money Security Interest in Inventory — 9-324(2)	14-18
FORM 14-19	Notice to Bailee in Possession of Goods Who Has Issued a Non-Negotiable Document Covering the Goods — 9-312(4)	14-19
FORM 14-20	Consent of Owner of Real Property to Creation of Security Interest in Fixtures — 9-334(6)	14-20
FORM 14-21	Notice from Consignor to Secured Party — 9-324(2)	14-21
FORM 14-22	Waiver of Disposition Notification — 9-602(7), 9-611, 9-624(1)	14-22
FORM 14-23	Mandatory Disposition of Consumer-Goods — Agreement of Debtor and Secondary Obligor to Longer Period of Time — 9-620(5) and (6)	14-23
FORM 14-24	Description of Commercial Tort Claim for Purposes of Security Agreement and Financing Statement — 9-108, 9-504, 9-203(2)(c)1	14-24
FORM 14-25	Grant of Security Interest in Deposit Account to Depository Bank to Include in Deposit Account Signature Card — 9-203(2)(c)4	14-24

CONTENTS

FORM 14-26	Secured Party's Proposal to Accept Collateral in Full Satisfaction of Debt — 9-620	14-24
FORM 14-27	Secured Party's Proposal to Accept Collateral in Partial Satisfaction of Debt — 9-620	14-26
FORM 14-28	Secured Party's Notice That Strict Foreclosure Has Occurred	14-27
FORM 14-29	Secured Party's Notice That Partial Strict Foreclosure Has Occurred	14-28
FORM 14-30	Governing Law Choices	14-28
FORM 14-31	Application of Payments.	14-29
FORM 14-32	Bailee Acknowledgment That It Holds Possession of Collateral for Secured Party's Benefit — 9-313(3)	14-29
FORM 14-33	Notice of Assignment to Include on Chattel Paper or an Instrument — 9-330(1)(b).	14-30
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(2) . . .	14-30
FORM 14-35	Notice to Account Debtor of Assignment of Account — 9-406	14-31
FORM 14-36	Agreement of Account Debtor Not to Assert Claims and Defenses Against Assignee of Account — 9-403(2) . . .	14-31
FORM 14-37	Secured Party's Release of Account Debtor — 9-209(2).	14-32
FORM 14-38	Proof Offered by Assignee That Account Has Been Assigned — 9-406(3)	14-32
FORM 14-39	Secured Party Affidavit in Recordable Form Regarding Default — 9-607(2).	14-33
FORM 14-40	Instruction by Secured Party to Bank to Pay out Deposit Account Collateral after Default — 9-607(1)(e)	14-35
FORM 14-41	Transfer Statement — 9-619.	14-35
FORM 14-42	Notice to Secured Party of a Claim or Interest in the Collateral — 9-611(3)(c)	14-36
FORM 14-43	Demand by Subordinate Secured Party for Proceeds — 9-608(1)(a)3, 9-615(1)(c)1.	14-37
FORM 14-44	Demand by Secured Party of Proof of Subordinate Interest — 9-608(1)(b), 9-615(2)	14-38
FORM 14-45	Federal Trade Commission Holder-in-Due-Course Notice	14-38
FORM 14-46	Deficiency/Surplus Explanation — 9-616	14-39
FORM 14-47	Security Agreement (Consumer)	14-40
FORM 14-48	Security Agreement (Corporate Debtor).	14-50
FORM 14-49	Pledge Agreement (Certificated Security)	14-80
FORM 14-50	Guaranty Security Agreement (Corporate Guarantor) . .	14-88
FORM 14-51	Investment Property Control Agreement (Joint Control, no withdrawals or distributions of dividends)	14-118

CONTENTS

FORM 14-52	Investment Property Control Agreement (Exclusive Creditor Control)	14-122
FORM 14-53	Investment Property Security Agreement (Joint Control)	14-125
FORM 14-54	Investment Property Security Agreement (Exclusive Creditor Control)	14-133
FORM 14-55	Deposit Account Control Agreement (Joint Control) . .	14-140
FORM 14-56	Deposit Account Control Agreement (Exclusive Creditor Control)	14-144
FORM 14-57	Guaranty Agreement (Corporate Guarantor)	14-147
FORM 14-58	Promissory Note (Commercial)	14-163
FORM 14-59	Subordination Agreement	14-173
FORM 14-60	Deposit Account Security Agreement and Control Agreement (Short Form, no waiver of by Depository)	14-182
FORM 14-61	Loan and Security Agreement (Commercial Loan) . . .	14-185
FORM 14-62	Pledge Agreement (Certificates of Deposit that “Instruments”)	14-221
FORM 14-63	UCC Financing Statement	14-226
FORM 14-64	UCC Financing Statement Addendum	14-227
FORM 14-65	UCC Financing Statement Amendment	14-228
FORM 14-66	UCC Financing Statement Amendment Addendum . . .	14-229
FORM 14-67	Continuation Financing Statement Legend — 9-706(3)	14-230
FORM 14-68	Financing Statement Legend — Disclosing Debtor Agreement Not to Grant Junior Security Interests in Collateral — 9-331	14-230
FORM 14-69	Waiver of Right to Redeem — 9-624(3)	14-230
FORM 14-70	Secured Party’s Disclaimer of an Interest in Collateral or Obligations — 9-210(4) and (5)	14-231
FORM 14-71	New 9 Collateral List for Financing Statement (Commercial Credit) — 9-504	14-232
FORM 14-72	Debtor’s Correction Statement — 9-518(2)	14-233
	<i>Table of Wisconsin Laws</i>	INDEX-1
	<i>Subject Index</i>	INDEX-17
	<i>Forms Index</i>	INDEX-28