

Contents

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-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	1-6
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.e., 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	1-11
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
CHAPTER 2	OVERVIEW AND DEFINITIONS	2-1
2.1	Security Interest	2-1
2.1.1	Purchase-Money Security Interests	2-2
2.1.1.1	Application of Payments	2-2
2.1.2	Agricultural Liens	2-4.1
2.1.3	Consignments	2-5
2.2	Parties	2-5
2.3	Exclusions from New 9	2-8
2.4	New 9 Collateral Categories	2-11
2.4.1	Intangible and “Semi-Tangible” Property	2-11
2.4.2	Tangible Personal Property—Goods	2-14.1
2.4.3	Investment Property-Related Definitions	2-16
2.4.4	Supporting Obligation	2-16
2.4.5	Proceeds	2-16.1

CONTENTS

2.5 Medium Neutral Terms 2-16.2
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 3-7

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
5.4.1 Registered Organizations 5-5
5.4.2 Individuals 5-6
5.5 How to Describe Collateral 5-8
5.6 When Filing Office Can Reject Filings 5-8.1

5.7	Financing Statement Mistakes	5-10
5.7.1	Federal Tax Liens and Mistakes in the Debtor's Name; Implications for Searches	5-11
5.8	Who Can File?	5-12.2
5.9	Amendments to Financing Statements	5-13
5.10	Duration of Financing Statements	5-14
5.11	Continuation Statements	5-15
5.11.1	Duty of Attorney Regarding Continuation Statements	5-15
5.12	Termination Statements	5-16
5.13	The Filing Office	5-16
5.14	Inaccurate or Wrongfully Filed Records	5-17
5.15	Filing Office Indexing Errors	5-17
5.16	Maintenance and Destruction of Records	5-18
5.17	Information from Filing Office	5-18
5.18	Fees	5-19
5.19	Filing Office Rules	5-19
 CHAPTER 6 PREVAILING AGAINST OTHERS — PRIORITY 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 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
6.8.2.1	Exception 1: Purchase-Money Priority	6-10.1

CONTENTS

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 on 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 Federal Statutes 6-15
6.14 Other Law 6-16

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 7-12
7.2.5 American Bar Association Deposit
Account Control Agreement Task Force
and Model Forms 7-12.1
7.3 Letter-of-Credit Rights 7-12.2
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 7-20
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
7.10	Government Permits and Licenses—Liquor Licenses	7-28
7.11	Electronic Documents of Title	7-29
7.12	Limited Liability Company Interests	7-30
7.13	Assignment of Mortgage-Secured Promissory Notes	7-33
7.14	Assignments of Lease Payment Streams: Sale or Security Interests in Chattel Paper or in General Intangibles? The <i>Commercial</i> <i>Money Center</i> Case.	7-34
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	8-2
8.3	How a Security Interest in Proceeds Remains Perfected for More than 20 Days.	8-2
8.4	Priority in Proceeds.	8-3
CHAPTER 9 CHANGES AFTER CLOSING.		9-1
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

CHAPTER 10	THIRD PARTIES — ACCOUNT DEBTORS; ANTI-ASSIGNMENT CLAUSES.....	10-1
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
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	11-16.1
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	11-22
11.19	Right of Redemption	11-22
11.20	Electronic Self-Help	11-23
CHAPTER 12	SECURED PARTY’S OBLIGATIONS.....	12-1
12.1	Care of Collateral	12-1

12.2	Release Account Debtor	12-4
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	13-3
	13.2.1 Non-Consumer Transactions	13-3
	13.2.2 Consumer Transactions	13-4
13.3	Insider Dispositions	13-4
 CHAPTER 14 FORMS 14-1		
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 14-7	Debtor's Request Regarding a List of Collateral 9-210(a)(3)	14-8
Form 14-8	Debtor's Request Regarding a Statement of Account 9-210(a)(4)	14-9
Form 14-9	Secured Party's Accounting 9-210(b)(1); 9-102(a)(4)	14-10
Form 14-10	Secured Party's Response to Debtor's Request Regarding a List of Collateral 9-210(b)(2)	14-11
Form 14-11	Secured Party's Response to Debtor's Request Regarding a Statement of Account 9-210(b)(2)	14-12
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(c).	14-13
Form 14-13	Notice of Exclusive Control of Securities Account	14-14

CONTENTS

Form 14-14	[Reserved]	14-15
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	14-19
Form 14-18	Notice of Purchase-Money Security Interest in Inventory 9-324(b)	14-20
Form 14-19	Notice to Bailee in Possession of Goods Who Has Issued a Non-negotiable Document Covering the Goods 9-312(d)	14-21
Form 14-20	Consent of Owner of Real Property to Creation of Security Interest in Fixtures 9-334(f)	14-22
Form 14-21	Notice from Consignor to Secured Party 9-324(b)	14-23
Form 14-22	Waiver of Disposition Notification 9-602(7), 9-611, 9-624(a)	14-24
Form 14-23	Mandatory Disposition of Consumer Goods—Agreement of Debtor and Secondary Obligor to Longer Period of Time 9-620(e) and (f)	14-25
Form 14-24	Description of Commercial Tort Claim for Purposes of Security Agreement and Financing Statement 9-108, 9-504, 9-203(b)(3)(A)	14-27
Form 14-25	[Reserved]	14-28
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
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)	14-54.10
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

CONTENTS

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 14-59C	Intercreditor Agreement — Lengthy and Highly Negotiated	14-226.12
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 Investment Property	14-281
Form 14-64	Pledge and Security Agreement—Pledge of Limited Liability Company Interests	14-282.43
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-40