

**As Passed by the Senate**

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**S. B. No. 208**

**Senators Obhof, Kearney**

**Cosponsors: Senators Bacon, Beagle, Jones, Sawyer, Schiavoni, Wagoner,  
Coley, Daniels, Faber, Hughes, Lehner, Manning, Oelslager, Patton**

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**A B I L L**

To amend sections 1309.102, 1309.105, 1309.307, 1  
1309.311, 1309.316, 1309.317, 1309.326, 1309.406, 2  
1309.408, 1309.502, 1309.503, 1309.507, 1309.515, 3  
1309.516, 1309.518, 1309.521, and 1309.607 of the 4  
Revised Code to make changes to Ohio's Uniform 5  
Commercial Code. 6

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 1309.102, 1309.105, 1309.307, 7  
1309.311, 1309.316, 1309.317, 1309.326, 1309.406, 1309.408, 8  
1309.502, 1309.503, 1309.507, 1309.515, 1309.516, 1309.518, 9  
1309.521, and 1309.607 of the Revised Code be amended to read as 10  
follows: 11

**Sec. 1309.102.** (A) As used in this chapter, unless the 12  
context requires otherwise: 13

(1) "Accession" means goods that are physically united with 14  
other goods in such a manner that the identity of the original 15  
goods is not lost. 16

(2)(a) "Account," except as used in "account for," means a 17  
right to payment of a monetary obligation, whether or not earned 18

by performance, (i) for property that has been or is to be sold, 19  
leased, licensed, assigned, or otherwise disposed of, (ii) for 20  
services rendered or to be rendered, (iii) for a policy of 21  
insurance issued or to be issued, (iv) for a secondary obligation 22  
incurred or to be incurred, (v) for energy provided or to be 23  
provided, (vi) for the use or hire of a vessel under a charter or 24  
other contract, (vii) arising out of the use of a credit or charge 25  
card or information contained on or for use with the card, or 26  
(viii) as winnings in a lottery or other game of chance operated 27  
or sponsored by a state, governmental unit of a state, or person 28  
licensed or authorized to operate the game by a state or 29  
governmental unit of a state. 30

(b) "Account" includes health-care insurance receivables. 31

(c) "Account" does not include (i) rights to payment 32  
evidenced by chattel paper or an instrument, (ii) commercial tort 33  
claims, (iii) deposit accounts, (iv) investment property, (v) 34  
letter-of-credit rights or letters of credit, or (vi) rights to 35  
payment for money or funds advanced or sold, other than rights 36  
arising out of the use of a credit or charge card or information 37  
contained on or for use with the card. 38

(3) "Account debtor" means a person who is obligated on an 39  
account, chattel paper, or general intangible. "Account debtor" 40  
does not include a person who is obligated to pay a negotiable 41  
instrument, even if the instrument constitutes part of chattel 42  
paper. 43

(4) "Accounting," except as used in "accounting for," means a 44  
record: 45

(a) Authenticated by a secured party; 46

(b) Indicating the aggregate unpaid secured obligations as of 47  
a date not more than thirty-five days earlier or thirty-five days 48  
later than the date of the record; and 49

(c) Identifying the components of the obligations in reasonable detail.	50 51
(5) "Agricultural lien" means an interest, other than a security interest, in farm products:	52 53
(a) That secures payment or performance of an obligation for:	54
(i) Goods or services furnished in connection with a debtor's farming operation; or	55 56
(ii) Rent on real property leased by a debtor in connection with its farming operation.	57 58
(b) That is created by statute in favor of a person who:	59
(i) In the ordinary course of business, furnished goods or services to a debtor in connection with the debtor's farming operation; or	60 61 62
(ii) Leased real property to a debtor in connection with the debtor's farming operation; and	63 64
(c) Whose effectiveness does not depend on the person's possession of the personal property.	65 66
(6) "As-extracted collateral" means:	67
(a) Oil, gas, or other minerals that are subject to a security interest that:	68 69
(i) Is created by a debtor having an interest in the minerals before extraction; and	70 71
(ii) Attaches to the minerals as extracted; or	72
(b) Accounts arising out of the sale at the wellhead or minehead of oil, gas, or other minerals in which the debtor had an interest before extraction.	73 74 75
(7) "Authenticate" means:	76
(a) To sign; or	77

(b) ~~To execute or otherwise adopt a symbol, or encrypt or~~ 78  
~~similarly process a record in whole or in part, with the~~ 79  
~~present intent of the authenticating person to identify the person~~ 80  
~~and adopt or accept a record, to attach to or logically associate~~ 81  
~~with the record an electronic sound, symbol, or process.~~ 82

(8) "Bank" means an organization that is engaged in the 83  
business of banking. "Bank" includes savings banks, savings and 84  
loan associations, credit unions, and trust companies. 85

(9) "Cash proceeds" means proceeds that are money, checks, 86  
deposit accounts, or the like. 87

(10) "Certificate of title" means a certificate of title with 88  
respect to which a statute provides for the security interest in 89  
question to be indicated on the certificate as a condition or 90  
result of the security interest's obtaining priority over the 91  
rights of a lien creditor with respect to the collateral. The term 92  
includes another record maintained as an alternative to a 93  
certificate of title by the governmental unit that issues 94  
certificates of title if a statute permits the security interest 95  
in question to be indicated on the record as a condition or result 96  
of the security interest's obtaining priority over the rights of a 97  
lien creditor with respect to the collateral. 98

(11)(a) "Chattel paper" means a record that evidences both a 99  
monetary obligation and a security interest in specific goods, a 100  
security interest in specific goods and software used in the 101  
goods, a security interest in specific goods and license of 102  
software used in the goods, a lease of specific goods, or a lease 103  
of specific goods and license of software used in the goods. 104

As used in division (A)(11)(a) of this section, "monetary 105  
obligation" means a monetary obligation secured by the goods or 106  
owed under a lease of the goods and includes a monetary obligation 107  
with respect to software used in the goods. 108

(b) If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper.

(c) "Chattel paper" does not include (i) charters or other contracts involving the use or hire of a vessel or (ii) records that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

(12) "Collateral" means the property subject to a security interest or agricultural lien, including:

(a) Proceeds to which a security interest attaches;

(b) Accounts, chattel paper, payment intangibles, and promissory notes that have been sold; and

(c) Goods that are the subject of a consignment.

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

(a) The claimant is an organization; or

(b) The claimant is an individual, and the claim:

(i) Arose in the course of the claimant's business or profession; and

(ii) Does not include damages arising out of personal injury to or the death of an individual.

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

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

(a) Traded on or subject to the rules of a board of trade

that has been designated as a contract market for such a contract	138
pursuant to the federal commodities laws; or	139
(b) Traded on a foreign commodity board of trade, exchange,	140
or market and is carried on the books of a commodity intermediary	141
for a commodity customer.	142
(16) "Commodity customer" means a person for whom a commodity	143
intermediary carries a commodity contract on its books.	144
(17) "Commodity intermediary" means a person that:	145
(a) Is registered as a futures commission merchant under the	146
federal commodities laws; or	147
(b) In the ordinary course of its business provides clearance	148
or settlement services for a board of trade that has been	149
designated as a contract market pursuant to the federal	150
commodities laws.	151
(18) "Communicate" means:	152
(a) To send a written or other tangible record;	153
(b) To transmit a record by any means agreed upon by the	154
persons sending and receiving the record; or	155
(c) In the case of transmission of a record to or by a filing	156
office, to transmit a record by any means prescribed by	157
filing-office rule.	158
(19) "Consignee" means a merchant to whom goods are delivered	159
in a consignment.	160
(20) "Consignment" means a transaction, regardless of its	161
form, in which a person delivers goods to a merchant for the	162
purpose of sale and:	163
(a) The merchant:	164
(i) Deals in goods of that kind under a name other than the	165
name of the person making delivery;	166

(ii) Is not an auctioneer; and	167
(iii) Is not generally known by its creditors to be substantially engaged in selling the goods of others;	168 169
(b) With respect to each delivery, the aggregate value of the goods is one thousand dollars or more at the time of delivery.	170 171
(c) The goods are not consumer goods immediately before delivery; and	172 173
(d) The transaction does not create a security interest that secures an obligation.	174 175
(21) "Consignor" means a person that delivers goods to a consignee in a consignment.	176 177
(22) "Consumer debtor" means a debtor in a consumer transaction.	178 179
(23) "Consumer goods" means goods that are used or bought for use primarily for personal, family, or household purposes.	180 181
(24) "Consumer-goods transaction" means a consumer transaction in which:	182 183
(a) An individual incurs an obligation primarily for personal, family, or household purposes; and	184 185
(b) A security interest in consumer goods secures the obligation.	186 187
(25) "Consumer obligor" means an obligor who is an individual and who incurred the obligation as part of a transaction entered into primarily for personal, family, or household purposes.	188 189 190
(26) "Consumer transaction" means a transaction in which: (a) an individual incurs an obligation primarily for personal, family, or household purposes, (b) a security interest secures the obligation, and (c) the collateral is held or acquired primarily for personal, family, or household purposes. "Consumer	191 192 193 194 195

transaction" includes consumer-goods transactions.	196
(27) "Continuation statement" means an amendment of a financing statement that:	197
(a) Identifies, by its file number, the initial financing statement to which it relates; and	198
(b) Indicates that it is a continuation statement for, or that it is filed to continue the effectiveness of, the identified financing statement.	199
(28) "Debtor" means:	200
(a) A person having an interest, other than a security interest or other lien, in the collateral, whether or not the person is an obligor;	201
(b) A seller of accounts, chattel paper, payment intangibles, or promissory notes; or	202
(c) A consignee.	203
(29) "Deposit account" means a demand, time, savings, passbook, or similar account maintained with a bank but does not include investment property or accounts evidenced by an instrument.	204
(30) "Document" means a document of title or a receipt of the type described in division (B) of section 1307.201 of the Revised Code.	205
(31) "Electronic chattel paper" means chattel paper evidenced by a record consisting of information stored in an electronic medium.	206
(32) "Encumbrance" means a right, other than an ownership interest, in real property. "Encumbrance" includes mortgages and other liens on real property.	207
(33) "Equipment" means goods other than inventory, farm	208

products, or consumer goods.	225
(34) "Farm products" means goods, other than standing timber,	226
with respect to which the debtor is engaged in a farming operation	227
and that are:	228
(a) Crops grown, growing, or to be grown, including:	229
(i) Crops produced on trees, vines, and bushes; and	230
(ii) Aquatic goods produced in aquacultural operations;	231
(b) Livestock, born or unborn, including aquatic goods	232
produced in aquacultural operations;	233
(c) Supplies used or produced in a farming operation; or	234
(d) Products of crops or livestock in their unmanufactured	235
states.	236
(35) "Farming operation" means raising, cultivating,	237
propagating, fattening, grazing, or any other farming, livestock,	238
or aquacultural operation.	239
(36) "File number" means the number assigned to an initial	240
financing statement under division (A) of section 1309.519 of the	241
Revised Code.	242
(37) "Filing office" means an office designated in section	243
1309.501 of the Revised Code as the place to file a financing	244
statement.	245
(38) "Filing-office rule" means a rule adopted under section	246
1309.526 of the Revised Code.	247
(39) "Financing statement" means a record composed of an	248
initial financing statement and any filed record or records	249
relating to the initial financing statement. For the purposes of	250
this chapter, financing statements filed for recording with the	251
secretary of state shall not be required to include social	252
security or employer identification numbers.	253

(40) "Fixture filing" means the filing of a financing statement covering goods that are or are to become fixtures and satisfying divisions (A) and (B) of section 1309.502 of the Revised Code. "Fixture filing" includes the filing of a financing statement covering goods of a transmitting utility that are or are to become fixtures.

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

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

(43) "Good faith" has the same meaning as in section 1301.201 of the Revised Code.

(44)(a) "Goods" means all things that are movable when a security interest attaches. "Goods" includes (i) fixtures, (ii) standing timber that is to be cut and removed under a conveyance or contract for sale, (iii) the unborn young of animals, (iv) crops grown, growing, or to be grown, even if the crops are produced on trees, vines, or bushes, and (v) manufactured homes.

(b) "Goods" also includes a computer program embedded in goods and any supporting information provided in connection with a transaction relating to the program if (i) the program is associated with the goods in such a manner that it customarily is considered part of the goods, or (ii) by becoming the owner of the goods, a person acquires a right to use the program in connection with the goods.

(c) "Goods" does not include a computer program embedded in goods that consist solely of the medium in which the program is embedded. "Goods" does not include accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, instruments, investment property, letter-of-credit rights, letters of credit, money, or oil, gas, or other minerals before extraction.

(45) "Governmental unit" means a subdivision, agency, department, county, parish, municipal corporation, or other unit of the government of the United States, a state, or a foreign country. "Governmental unit" includes an organization having a separate corporate existence if the organization is eligible to issue debt on which interest is exempt from income taxation under the laws of the United States.

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

(47)(a) "Instrument" means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in ordinary course of business is transferred by delivery with any necessary indorsement or assignment.

(b) "Instrument" does not include (i) investment property, (ii) letters of credit, or (iii) writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

(48) "Inventory" means goods, other than farm products, that:

(a) Are leased by a person as lessor;

(b) Are held by a person for sale or lease or to be furnished under a contract of service;

(c) Are furnished by a person under a contract of service; or	315
(d) Consist of raw materials, work in process, or materials used or consumed in a business.	316 317
(49) "Investment property" means a security, whether certificated or uncertificated, a security entitlement, a securities account, a commodity contract, or a commodity account.	318 319 320
(50) "Jurisdiction of organization," with respect to a registered organization, means the jurisdiction under whose law the organization is <u>formed or</u> organized.	321 322 323
(51) "Letter-of-credit right" means a right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance. "Letter-of-credit right" does not include the right of a beneficiary to demand payment or performance under a letter of credit.	324 325 326 327 328 329
(52) "Lien creditor" means:	330
(a) A creditor who has acquired a lien on the property involved by attachment, levy or the like;	331 332
(b) An assignee for benefit of creditors from the time of assignment;	333 334
(c) A trustee in bankruptcy from the date of the filing of the petition; or	335 336
(d) A receiver in equity from the time of appointment.	337
(53) "Manufactured home" means a structure, transportable in one or more sections, that, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and that is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing,	338 339 340 341 342 343 344

heating, air conditioning, and electrical systems contained in the 345  
structure. "Manufactured home" includes any structure that meets 346  
all of the requirements of this paragraph except the size 347  
requirements and with respect to which the manufacturer 348  
voluntarily files a certification required by the United States 349  
secretary of housing and urban development and complies with the 350  
standards established under Title 42 of the United States Code. 351

(54) "Manufactured-home transaction" means a secured 352  
transaction: 353

(a) That creates a purchase-money security interest in a 354  
manufactured home, other than a manufactured home held as 355  
inventory; or 356

(b) In which a manufactured home, other than a manufactured 357  
home held as inventory, is the primary collateral. 358

(55) "Mortgage" means a consensual interest in real property, 359  
including fixtures, that secures payment or performance of an 360  
obligation. 361

(56) "New debtor" means a person that becomes bound as debtor 362  
under division (D) of section 1309.203 of the Revised Code by a 363  
security agreement previously entered into by another person. 364

(57)(a) "New value" means (i) money, (ii) money's worth in 365  
property, services, or new credit, or (iii) release by a 366  
transferee of an interest in property previously transferred to 367  
the transferee. 368

(b) "New value" does not include an obligation substituted 369  
for another obligation. 370

(58) "Noncash proceeds" means proceeds other than cash 371  
proceeds. 372

(59)(a) "Obligor" means a person who, with respect to an 373  
obligation secured by a security interest in or an agricultural 374

lien on the collateral, (i) owes payment or other performance of 375  
the obligation, (ii) has provided property other than the 376  
collateral to secure payment or other performance of the 377  
obligation, or (iii) is otherwise accountable in whole or in part 378  
for payment or other performance of the obligation. 379

(b) "Obligor" does not include issuers or nominated persons 380  
under a letter of credit. 381

(60) "Original debtor," except as used in division (C) of 382  
section 1309.310 of the Revised Code, means a person who, as 383  
debtor, entered into a security agreement to which a new debtor 384  
has become bound under division (D) of section 1309.203 of the 385  
Revised Code. 386

(61) "Payment intangible" means a general intangible under 387  
which the account debtor's principal obligation is a monetary 388  
obligation. 389

(62) "Person related to," with respect to an individual, 390  
means: 391

(a) The spouse of the individual; 392

(b) A brother, brother-in-law, sister, or sister-in-law of 393  
the individual; 394

(c) An ancestor or lineal descendant of the individual or the 395  
individual's spouse; or 396

(d) Any other relative, by blood or marriage, of the 397  
individual or the individual's spouse who shares the same home 398  
with the individual. 399

(63) "Person related to," with respect to an organization, 400  
means: 401

(a) A person directly or indirectly controlling, controlled 402  
by, or under common control with the organization; 403

(b) An officer or director of, or a person performing similar 404

functions with respect to, the organization;	405
(c) An officer or director of, or a person performing similar functions with respect to, a person described in division (A)(63)(a) of this section;	406 407 408
(d) The spouse of an individual described in division (A)(63)(a), (b), or (c) of this section; or	409 410
(e) An individual who is related by blood or marriage to an individual described in division (A)(63)(a), (b), (c), or (d) of this section and shares the same home with the individual.	411 412 413
(64) "Proceeds," except as used in division (B) of section 1309.609 of the Revised Code, means the following property:	414 415
(a) Whatever is acquired upon the sale, lease, license, exchange, or other disposition of collateral;	416 417
(b) Whatever is collected on, or distributed on account of, collateral;	418 419
(c) Rights arising out of collateral;	420
(d) To the extent of the value of collateral, claims arising out of the loss, nonconformity, or interference with the use of, defects or infringement of rights in, or damage to the collateral; or	421 422 423 424
(e) To the extent of the value of collateral and to the extent payable to the debtor or the secured party, insurance payable by reason of the loss or nonconformity of, defects or infringement of rights in, or damage to the collateral.	425 426 427 428
(65) "Promissory note" means an instrument that evidences a promise to pay a monetary obligation, does not evidence an order to pay, and does not contain an acknowledgment by a bank that the bank has received for deposit a sum of money or funds.	429 430 431 432
(66) "Proposal" means a record authenticated by a secured party that includes the terms on which the secured party is	433 434

willing to accept collateral in full or partial satisfaction of 435  
the obligation it secures pursuant to sections 1309.620, 1309.621, 436  
and 1309.622 of the Revised Code. 437

(67) "Public-finance transaction" means a secured transaction 438  
in connection with which: 439

(a) Debt securities are issued; 440

(b) All or a portion of the securities issued have an initial 441  
stated maturity of at least twenty years; and 442

(c) The debtor, obligor, secured party, account debtor or 443  
other person obligated on collateral, assignor or assignee of a 444  
secured obligation, or assignor or assignee of a security interest 445  
is a state or a governmental unit of a state. 446

(68) "Public organic record" means a record that is available 447  
to the public for inspection and is: 448

(a) A record consisting of the record initially filed with or 449  
issued by a state or the United States to form or organize an 450  
organization and any record filed with or issued by the state or 451  
the United States that amends or restates the initial record; 452

(b) An organic record of a business trust consisting of the 453  
record initially filed with a state and any record filed with the 454  
state that amends or restates the initial record, if a statute of 455  
the state governing business trusts requires that the record be 456  
filed with the state; or 457

(c) A record consisting of legislation enacted by the 458  
legislature of a state or the congress of the United States that 459  
forms or organizes an organization, any record amending the 460  
legislation, and any record filed with or issued by the state or 461  
the United States that amends or restates the name of the 462  
organization. 463

(69) "Pursuant to commitment," with respect to an advance 464

made or other value given by a secured party, means pursuant to 465  
the secured party's obligation, whether or not a subsequent event 466  
of default or other event not within the secured party's control 467  
has relieved or may relieve the secured party from its obligation. 468

~~(69)~~(70) "Record," except as used in "for record," "of 469  
record," "record or legal title," and "record owner," means 470  
information that is inscribed on a tangible medium or that is 471  
stored in an electronic or other medium and is retrievable in 472  
perceivable form. 473

~~(70)~~(71) "Registered organization" means an organization 474  
formed or organized solely under the law of a single state or the 475  
United States and as to which the state or the United States must 476  
maintain a public record showing the organization to have been 477  
organized by the filing of a public organic record with, the 478  
issuance of a public organic record by, or the enactment of 479  
legislation by the state or the United States. The term includes a 480  
business trust that is formed or organized under the law of a 481  
single state if a statute of the state governing business trusts 482  
requires that the business trust's organic record be filed with 483  
the state. 484

~~(71)~~(72) "Secondary obligor" means an obligor to the extent 485  
that: 486

(a) The obligor's obligation is secondary; or 487

(b) The obligor has a right of recourse with respect to an 488  
obligation secured by collateral against the debtor, another 489  
obligor, or property of either. 490

~~(72)~~(73) "Secured party" means: 491

(a) A person in whose favor a security interest is created or 492  
provided for under a security agreement, whether or not any 493  
obligation to be secured is outstanding; 494

(b) A person that holds an agricultural lien;	495
(c) A consignor;	496
(d) A person to whom accounts, chattel paper, payment intangibles, or promissory notes have been sold;	497 498
(e) A trustee, indenture trustee, agent, collateral agent, or other representative in whose favor a security interest or agricultural lien is created or provided for; or	499 500 501
(f) A person who holds a security interest arising under section 1302.42, 1302.49, 1302.85, 1304.20, 1305.18, or 1310.54 of the Revised Code.	502 503 504
<del>(73)</del> <u>(74)</u> "Security agreement" means an agreement that creates or provides for a security interest.	505 506
<del>(74)</del> <u>(75)</u> "Send," in connection with a record or notification, means:	507 508
(a) To deposit in the mail, deliver for transmission, or transmit by any other usual means of communication, with postage or cost of transmission provided for, addressed to any address reasonable under the circumstances; or	509 510 511 512
(b) To cause the record or notification to be received within the time that it would have been received if properly sent under division (A)(74)(a) of this section.	513 514 515
<del>(75)</del> <u>(76)</u> "Software" means a computer program and any supporting information provided in connection with a transaction relating to the program. "Software" does not include a computer program that is included in the definition of goods.	516 517 518 519
<del>(76)</del> <u>(77)</u> "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.	520 521 522 523
<del>(77)</del> <u>(78)</u> "Supporting obligation" means a letter-of-credit	524

right or secondary obligation that supports the payment or 525  
performance of an account, chattel paper, a document, a general 526  
intangible, an instrument, or investment property. 527

~~(78)~~(79) "Tangible chattel paper" means chattel paper 528  
evidenced by a record consisting of information that is inscribed 529  
on a tangible medium. 530

~~(79)~~(80) "Termination statement" means an amendment of a 531  
financing statement that: 532

(a) Identifies, by its file number, the initial financing 533  
statement to which it relates; and 534

(b) Indicates either that it is a termination statement or 535  
that the identified financing statement is no longer effective. 536

~~(80)~~(81) "Transmitting utility" means a person primarily 537  
engaged in the business of: 538

(a) Operating a railroad, subway, street railway, or trolley 539  
bus; 540

(b) Transmitting communications electrically, 541  
electromagnetically, or by light; 542

(c) Transmitting goods by pipeline or sewer; or 543

(d) Transmitting or producing and transmitting electricity, 544  
steam, gas, or water. 545

(B) Other definitions applying to this chapter are: 546

(1) "Applicant" has the same meaning as in section 1305.01 of 547  
the Revised Code. 548

(2) "Beneficiary" has the same meaning as in section 1305.01 549  
of the Revised Code. 550

(3) "Broker" has the same meaning as in section 1308.01 of 551  
the Revised Code. 552

(4) "Certificated security" has the same meaning as in 553

section 1308.01 of the Revised Code.	554
(5) "Check" has the same meaning as in section 1303.03 of the Revised Code.	555 556
(6) "Clearing corporation" has the same meaning as in section 1308.01 of the Revised Code.	557 558
(7) "Contract for sale" has the same meaning as in section 1302.01 of the Revised Code.	559 560
(8) "Control" with respect to a document of title, has the same meaning as in section 1307.106 of the Revised Code.	561 562
(9) "Customer" has the same meaning as in section 1304.01 of the Revised Code.	563 564
(10) "Entitlement holder" has the same meaning as in section 1308.01 of the Revised Code.	565 566
(11) "Financial asset" has the same meaning as in section 1308.01 of the Revised Code.	567 568
(12) "Holder in due course" has the same meaning as in section 1303.32 of the Revised Code.	569 570
(13) "Issuer," with respect to a letter of credit or letter-of-credit right, has the same meaning as in section 1305.01 of the Revised Code.	571 572 573
(14) "Issuer," with respect to a security, has the same meaning as in section 1308.08 of the Revised Code.	574 575
(15) "Issuer," with respect to a document of title, has the same meaning as in section 1307.102 of the Revised Code.	576 577
(16) "Lease," "lease agreement," "lease contract," "leasehold interest," "lessee," "lessee in ordinary course of business," "lessor," and "lessor's residual interest" have the same meanings as in section 1310.01 of the Revised Code.	578 579 580 581
(17) "Letter of credit" has the same meaning as in section	582

1305.01 of the Revised Code.	583
(18) "Merchant" has the same meaning as in section 1302.01 of the Revised Code.	584 585
(19) "Negotiable instrument" has the same meaning as in section 1303.03 of the Revised Code.	586 587
(20) "Nominated person" has the same meaning as in section 1305.01 of the Revised Code.	588 589
(21) "Note" has the same meaning as in section 1303.03 of the Revised Code.	590 591
(22) "Proceeds of a letter of credit" has the same meaning as in section 1305.13 of the Revised Code.	592 593
(23) "Prove" has the same meaning as in section 1303.01 of the Revised Code.	594 595
(24) "Sale" has the same meaning as in division (A)(11) of section 1302.01 of the Revised Code.	596 597
(25) "Securities account" has the same meaning as in section 1308.51 of the Revised Code.	598 599
(26) "Securities intermediary," "security," "security certificate," "security entitlement," and "uncertificated security" have the same meanings as in section 1308.01 of the Revised Code.	600 601 602 603
(C) In addition, Chapter 1301. of the Revised Code contains general definitions and principles of construction and interpretations applicable throughout this chapter.	604 605 606
<b>Sec. 1309.105.</b> <u>(A) A secured party has control of electronic chattel paper if a system employed for evidencing the transfer of interests in the chattel paper reliably establishes the secured party as the person to which the chattel paper was assigned.</u>	607 608 609 610
<u>(B) A system satisfies division (A) of this section if the</u>	611

record or records comprising the chattel paper are created, 612  
stored, and assigned in such a manner that: 613

~~(A)~~(1) A single authoritative copy of the record or records 614  
exists that is unique, identifiable, and, except as otherwise 615  
provided in divisions ~~(D)~~(B)(4), ~~(E)~~(5), and ~~(F)~~(6) of this 616  
section, unalterable; 617

~~(B)~~(2) The authoritative copy identifies the secured party as 618  
the assignee of the record or records; 619

~~(C)~~(3) The authoritative copy is communicated to and 620  
maintained by the secured party or its designated custodian; 621

~~(D)~~(4) Copies or ~~revisions~~ amendments that add or change an 622  
identified assignee of the authoritative copy may be made only 623  
with the ~~participation~~ consent of the secured party; 624

~~(E)~~(5) Each copy of the authoritative copy and any copy of a 625  
copy is readily identifiable as a copy that is not the 626  
authoritative copy; and 627

~~(F)~~(6) Any ~~revision~~ amendment of the authoritative copy is 628  
readily identifiable as ~~an~~ authorized or unauthorized ~~revision~~. 629

**Sec. 1309.307.** (A) As used in this section, "place of 630  
business" means a place where a debtor conducts the debtor's 631  
affairs. 632

(B) Except as otherwise provided in this section, the 633  
following rules determine a debtor's location: 634

(1) A debtor who is an individual is located at the 635  
individual's principal residence. 636

(2) A debtor that is an organization and has only one place 637  
of business is located at its place of business. 638

(3) A debtor that is an organization and has more than one 639  
place of business is located at its chief executive office. 640

(C) Division (B) of this section applies only if a debtor's residence, place of business, or chief executive office, as applicable, is located in a jurisdiction whose law generally requires information concerning the existence of a nonpossessory security interest to be made generally available in a filing, recording, or registration system as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral. If division (B) of this section does not apply, the debtor is located in the District of Columbia.

(D) A person that ceases to exist, have a residence, or have a place of business continues to be located in the jurisdiction specified by divisions (B) and (C) of this section.

(E) A registered organization that is organized under the law of a state is located in that state.

(F) Except as otherwise provided in division (I) of this section, a registered organization that is organized under the law of the United States and a branch or agency of a bank that is not organized under the law of the United States or a state are located:

(1) In the state that the law of the United States designates, if the law designates a state of location;

(2) In the state that the registered organization, branch, or agency designates, if the law of the United States authorizes the registered organization, branch, or agency to designate its state of location, including by designating its main office, home office, or other comparable office; or

(3) In the District of Columbia, if neither division (F)(1) nor (2) of this section applies.

(G) A registered organization continues to be located in the jurisdiction specified by division (E) or (F) of this section

notwithstanding:	672
(1) The suspension, revocation, forfeiture, or lapse of the registered organization's status in its jurisdiction of organization; or	673 674 675
(2) The dissolution, winding up, or cancellation of the existence of the registered organization.	676 677
(H) The United States is located in the District of Columbia.	678
(I) A branch or agency of a bank that is not organized under the law of the United States or a state is located in the state in which the branch or agency is licensed, if all branches and agencies of the bank are licensed in only one state.	679 680 681 682
(J) A foreign air carrier under the "Federal Aviation Act of 1958," 49 U.S.C. 40102, as amended, is located at the designated office of the agent upon which service of process may be made on behalf of the carrier.	683 684 685 686
(K) This section applies only for the purposes of sections 1309.301 to 1309.342 of the Revised Code.	687 688
<b>Sec. 1309.311.</b> (A) Except as otherwise provided in division (D) of this section, the filing of a financing statement is not necessary or effective to perfect a security interest in property subject to:	689 690 691 692
(1) A statute, regulation, or treaty of the United States whose requirements for a security interest's obtaining priority over the rights of a lien creditor with respect to the property preempt division (A) of section 1309.310 of the Revised Code;	693 694 695 696
(2) Chapters 1547., 1548., 4505., 4519., and 5309. of the Revised Code;	697 698
(3) A <del>certificate of title</del> statute of another jurisdiction that provides for a security interest to be indicated on <del>the a</del>	699 700

certificate of title as a condition or result of the security 701  
interest's obtaining priority over the rights of a lien creditor 702  
with respect to the property. 703

(B) Compliance with the requirements of a statute, 704  
regulation, or treaty described in division (A) of this section 705  
for obtaining priority over the rights of a lien creditor is 706  
equivalent to the filing of a financing statement under this 707  
chapter. Except as otherwise provided in division (D) of this 708  
section, section 1309.313, and divisions (D) and (E) of section 709  
1309.316 of the Revised Code for goods covered by a certificate of 710  
title, a security interest in property subject to a statute, 711  
regulation, or treaty described in division (A) of this section 712  
may be perfected only by compliance with those requirements, and a 713  
security interest so perfected remains perfected notwithstanding a 714  
change in the use or transfer of possession of the collateral. 715

(C) Except as otherwise provided in division (D) of this 716  
section and divisions (D) and (E) of section 1309.316 of the 717  
Revised Code, duration and renewal of perfection of a security 718  
interest perfected by compliance with the requirements prescribed 719  
by a statute, regulation, or treaty described in division (A) of 720  
this section are governed by the statute, regulation, or treaty. 721  
In other respects, the security interest is subject to this 722  
chapter. 723

(D) During any period in which collateral subject to a 724  
statute specified in division (A)(2) of this section is inventory 725  
held for sale or lease by a person or leased by that person as 726  
lessor and that person is in the business of selling goods of that 727  
kind, this section does not apply to a security interest in that 728  
collateral created by that person. 729

**Sec. 1309.316.** (A) A security interest perfected pursuant to 730  
the law of the jurisdiction designated in division (A) of section 731

1309.301 or division (C) of section 1309.305 of the Revised Code 732  
remains perfected until the earliest of: 733

(1) The time perfection would have ceased under the law of 734  
that jurisdiction; 735

(2) The expiration of four months after a change of the 736  
debtor's location to another jurisdiction; or 737

(3) The expiration of one year after a transfer of collateral 738  
to a person that thereby becomes a debtor and is located in 739  
another jurisdiction. 740

(B) If a security interest described in division (A) of this 741  
section becomes perfected under the law of the other jurisdiction 742  
before the earliest time or event described in that division, it 743  
remains perfected thereafter. If the security interest does not 744  
become perfected under the law of the other jurisdiction before 745  
that earliest time or event, it becomes unperfected and is deemed 746  
never to have been perfected as against a purchaser of the 747  
collateral for value. 748

(C) A possessory security interest in collateral, other than 749  
goods covered by a certificate of title and as-extracted 750  
collateral consisting of goods, remains continuously perfected if: 751

(1) The collateral is located in one jurisdiction and subject 752  
to a security interest perfected under the law of that 753  
jurisdiction; 754

(2) Thereafter, the collateral is brought into another 755  
jurisdiction; and 756

(3) Upon entry into the other jurisdiction, the security 757  
interest is perfected under the law of the other jurisdiction. 758

(D) Except as otherwise provided in division (E) of this 759  
section, a security interest in goods covered by a certificate of 760  
title that is perfected by any method under the law of another 761

jurisdiction when the goods become covered by a certificate of 762  
title from this state remains perfected until the security 763  
interest would have become unperfected under the law of the other 764  
jurisdiction had the goods not become so covered. 765

(E) A security interest described in division (D) of this 766  
section becomes unperfected as against a purchaser of the goods 767  
for value and is deemed never to have been perfected as against a 768  
purchaser of the goods for value if the applicable requirements 769  
for perfection under division (B) of section 1309.311 or section 770  
1309.313 of the Revised Code are not satisfied before the earlier 771  
of: 772

(1) The time the security interest would have become 773  
unperfected under the law of the other jurisdiction had the goods 774  
not become covered by a certificate of title from this state; or 775

(2) The expiration of four months after the goods had become 776  
so covered. 777

(F) A security interest in deposit accounts, letter-of-credit 778  
rights, or investment property that is perfected under the law of 779  
the bank's jurisdiction, the issuer's jurisdiction, a nominated 780  
person's jurisdiction, the securities intermediary's jurisdiction, 781  
or the commodity intermediary's jurisdiction, as applicable, 782  
remains perfected until the earlier of: 783

(1) The time the security interest would have become 784  
unperfected under the law of that jurisdiction; or 785

(2) The expiration of four months after a change of the 786  
applicable jurisdiction to another jurisdiction. 787

(G) If a security interest described in division (F) of this 788  
section becomes perfected under the law of the other jurisdiction 789  
before the earlier of the time or the end of the period described 790  
in that division, it remains perfected thereafter. If the security 791  
interest does not become perfected under the law of the other 792

jurisdiction before the earlier of that time or the end of that 793  
period, it becomes unperfected and is deemed never to have been 794  
perfected as against a purchaser of the collateral for value. 795

(H) The following rules apply to collateral to which a 796  
security interest attaches within four months after the debtor 797  
changes its location to another jurisdiction: 798

(1) A financing statement filed before the change pursuant to 799  
the law of the jurisdiction designated in division (A) of section 800  
1309.301 or division (C) of section 1309.305 of the Revised Code 801  
is effective to perfect a security interest in the collateral if 802  
the financing statement would have been effective to perfect a 803  
security interest in the collateral had the debtor not changed its 804  
location. 805

(2) If a security interest perfected by a financing statement 806  
that is effective under division (H)(1) of this section becomes 807  
perfected under the law of the other jurisdiction before the 808  
earlier of the time the financing statement would have become 809  
ineffective under the law of the jurisdiction designated in 810  
division (A) of section 1309.301 or division (C) of section 811  
1309.305 of the Revised Code or the expiration of the four-month 812  
period, it remains perfected thereafter. If the security interest 813  
does not become perfected under the law of the other jurisdiction 814  
before the earlier time or event, it becomes unperfected and is 815  
deemed never to have been perfected as against a purchaser of the 816  
collateral for value. 817

(I) If a financing statement naming an original debtor is 818  
filed pursuant to the law of the jurisdiction designated in 819  
division (A) of section 1309.301 or division (C) of section 820  
1309.305 of the Revised Code and the new debtor is located in 821  
another jurisdiction, the following rules apply: 822

(1) The financing statement is effective to perfect a 823

security interest in collateral acquired by the new debtor before, 824  
and within four months after, the new debtor becomes bound under 825  
division (D) of section 1309.203 of the Revised Code, if the 826  
financing statement would have been effective to perfect a 827  
security interest in the collateral had the collateral been 828  
acquired by the original debtor. 829

(2) A security interest perfected by the financing statement 830  
and that becomes perfected under the law of the other jurisdiction 831  
before the earlier of the time the financing statement would have 832  
become ineffective under the law of the jurisdiction designated in 833  
division (A) of section 1309.301 or division (C) of section 834  
1309.305 of the Revised Code or the expiration of the four-month 835  
period remains perfected thereafter. A security interest that is 836  
perfected by the financing statement but that does not become 837  
perfected under the law of the other jurisdiction before the 838  
earlier time or event becomes unperfected and is deemed never to 839  
have been perfected as against a purchaser of the collateral for 840  
value. 841

**Sec. 1309.317.** (A) A security interest or agricultural lien 842  
is subordinate to the rights of: 843

(1) A person entitled to priority under section 1309.322 of 844  
the Revised Code; and 845

(2) Except as otherwise provided in division (E) of this 846  
section, a person who becomes a lien creditor before the earlier 847  
of the time: 848

(a) The security interest or agricultural lien is perfected; 849  
or 850

(b) One of the conditions specified in division (B)(3) of 851  
section 1309.203 of the Revised Code is met and a financing 852  
statement covering the collateral is filed. 853

(B) Except as otherwise provided in division (E) of this 854  
section, a buyer, other than a secured party, of tangible chattel 855  
paper, tangible documents, goods, instruments, or a certificated 856  
security ~~certificate~~ takes free of a security interest or 857  
agricultural lien if the buyer gives value and receives delivery 858  
of the collateral without knowledge of the security interest or 859  
agricultural lien and before it is perfected. 860

(C) Except as otherwise provided in division (E) of this 861  
section, a lessee of goods takes free of a security interest or 862  
agricultural lien if the lessee gives value and receives delivery 863  
of the collateral without knowledge of the security interest or 864  
agricultural lien and before it is perfected. 865

(D) A licensee of a general intangible or a buyer, other than 866  
a secured party, of ~~accounts, electronic chattel paper, electronic~~ 867  
~~documents, general intangibles, or investment property~~ collateral 868  
other than tangible chattel paper, tangible documents, goods, 869  
instruments, or a certificated security takes free of a security 870  
interest if the licensee or buyer gives value without knowledge of 871  
the security interest and before it is perfected. 872

(E) Except as otherwise provided in sections 1309.320 and 873  
1309.321 of the Revised Code, if a person files a financing 874  
statement with respect to a purchase money security interest 875  
before or within twenty days after the debtor receives delivery of 876  
the collateral, the security interest takes priority over the 877  
rights of a buyer, lessee, or lien creditor that arise between the 878  
time the security interest attaches and the time of filing. 879

**Sec. 1309.326.** (A) Subject to division (B) of this section, a 880  
security interest that is created by a new debtor ~~that in~~ 881  
collateral in which the new debtor has or acquires rights and is 882  
perfected solely by a filed financing statement that ~~is effective~~ 883  
~~solely under~~ would be ineffective to perfect the security interest 884

~~but for the application of division (I)(1) of section 1309.316 of  
the Revised Code or section 1309.508 of the Revised Code in  
collateral in which a new debtor has or acquires rights is  
subordinate to a security interest in the same collateral that is  
perfected other than by such a filed financing statement ~~that is~~  
effective solely under section 1309.508 of the Revised Code.~~

(B) Sections 1309.301 to 1309.342 of the Revised Code  
determine the priority among conflicting security interests in the  
same collateral perfected by filed financing statements ~~that are~~  
~~effective solely under section 1309.508~~ described in division (A)  
~~of the Revised Code~~ this section. However, if the security  
agreements to which a new debtor became bound as debtor were not  
entered into by the same original debtor, the conflicting security  
interests rank according to priority in time of the new debtor's  
having become bound.

**Sec. 1309.406.** (A) Subject to divisions (B) to (I) of this  
section, an account debtor on an account, chattel paper, or  
payment intangible may discharge its obligation by paying the  
assignor until, but not after, the account debtor receives a  
notification, authenticated by the assignor or the assignee, that  
the amount due or to become due has been assigned and that payment  
is to be made to the assignee. After receipt of the notification,  
the account debtor may discharge its obligation by paying the  
assignee and may not discharge the obligation by paying the  
assignor.

(B) Subject to division (H) of this section, notification  
under division (A) of this section is not effective:

(1) If the notification does not reasonably identify the  
rights assigned;

(2) To the extent that an agreement between an account debtor

and a seller of a payment intangible limits the account debtor's 915  
duty to pay a person other than the seller and the limitation is 916  
effective under law other than this chapter; or 917

(3) At the option of an account debtor, if the notification 918  
notifies the account debtor to make less than the full amount of 919  
any installment or other periodic payment to the assignee, even 920  
if: 921

(a) Only a portion of the account, chattel paper, or payment 922  
intangible has been assigned to that assignee; 923

(b) A portion has been assigned to another assignee; or 924

(c) The account debtor knows that the assignment to that 925  
assignee is limited. 926

(C) Subject to division (H) of this section, if requested by 927  
the account debtor, an assignee shall seasonably furnish 928  
reasonable proof that the assignment has been made. Unless the 929  
assignee complies, the account debtor may discharge its obligation 930  
by paying the assignor, even if the account debtor has received a 931  
notification under division (A) of this section. 932

(D) Except as otherwise provided in division (E) of this 933  
section and sections 1309.407 and 1310.31 of the Revised Code, and 934  
subject to division (H) of this section, a term in an agreement 935  
between an account debtor and an assignor or in a promissory note 936  
is ineffective to the extent that it: 937

(1) Prohibits, restricts, or requires the consent of the 938  
account debtor or person obligated on the promissory note to the 939  
assignment or transfer of, or the creation, attachment, 940  
perfection, or enforcement of a security interest in, the account, 941  
chattel paper, payment intangible, or promissory note; or 942

(2) Provides that the assignment or transfer or the creation, 943  
attachment, perfection, or enforcement of the security interest 944

may give rise to a default, breach, right of recoupment, claim, 945  
defense, termination, right of termination, or remedy under the 946  
account, chattel paper, payment intangible, or promissory note. 947

(E) Division (D) of this section does not apply to the sale 948  
of a payment intangible or promissory note, other than a sale 949  
pursuant to a disposition under section 1309.610 of the Revised 950  
Code or an acceptance of collateral under section 1309.620 of the 951  
Revised Code. 952

(F) Except as provided in sections 1309.407 and 1310.31 of 953  
the Revised Code and subject to divisions (H) and (I) of this 954  
section, a rule of law, statute, or regulation that prohibits, 955  
restricts, or requires the consent of a government, governmental 956  
body or official, or account debtor to the assignment or transfer 957  
of, or creation of a security interest in, an account or chattel 958  
paper is not effective to the extent that the rule of law, 959  
statute, or regulation: 960

(1) Prohibits, restricts, or requires the consent of the 961  
government, governmental body or official, or account debtor to 962  
the assignment or transfer of, or the creation, attachment, 963  
perfection, or enforcement of a security interest in the account 964  
or chattel paper; or 965

(2) Provides that the assignment or transfer or the creation, 966  
attachment, perfection, or enforcement of the security interest 967  
may give rise to a default, breach, right of recoupment, claim, 968  
defense, termination, right of termination, or remedy under the 969  
account or chattel paper. 970

(G) Subject to division (H) of this section, an account 971  
debtor may not waive or vary its option under division (B)(3) of 972  
this section. 973

(H) This section is subject to law other than this chapter 974  
that establishes a different rule for an account debtor who is an 975

individual and who incurred the obligation primarily for personal, 976  
family, or household purposes. 977

(I) This section does not apply to an assignment of a 978  
health-care-insurance receivable. 979

(J) Divisions (D) and (F) of this section do not apply to: 980

(1) A claim or right to receive compensation for injuries or 981  
sickness as described in section 104(a)(1) or (2) of the Internal 982  
Revenue Code, as amended; or 983

(2) A claim or right to receive benefits under a special 984  
needs trust as described in the "Omnibus Budget Reconciliation Act 985  
of 1993," 107 Stat. 312, 42 U.S.C. 1396p(d)(4), as amended. 986

(K) Divisions (D), (F), and (J) of this section apply only to 987  
a security interest created on or after July 1, 2001. Nothing in 988  
this section shall supersede the provisions of sections 2323.58 to 989  
2323.587 of the Revised Code. This section shall be interpreted 990  
consistently with sections 2323.58 to 2323.587 of the Revised 991  
Code. 992

**Sec. 1309.408.** (A) Except as otherwise provided in division 993  
(B) of this section, a term in a promissory note or in an 994  
agreement between an account debtor and a debtor that relates to a 995  
health-care-insurance receivable or a general intangible, 996  
including a contract, permit, license, or franchise, and which 997  
term prohibits, restricts, or requires the consent of the person 998  
obligated on the promissory note or the account debtor to, the 999  
assignment or transfer of, or creation, attachment, or perfection 1000  
of a security interest in, the promissory note, 1001  
health-care-insurance receivable, or general intangible, is not 1002  
effective to the extent that the term: 1003

(1) Would impair the creation, attachment, or perfection of a 1004  
security interest; or 1005

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

(B) Division (A) applies to a security interest in a payment intangible or promissory note only if the security interest arises out of a sale of the payment intangible or promissory note, other than a sale pursuant to a disposition under section 1309.610 of the Revised Code or an acceptance of collateral under section 1309.620 of the Revised Code.

(C) A rule of law, statute, or regulation that prohibits, restricts, or requires the consent of a government, governmental body or official, person obligated on a promissory note, or account debtor to the assignment or transfer of, or creation of a security interest in, a promissory note, health-care-insurance receivable, or general intangible, including a contract, permit, license, or franchise between an account debtor and a debtor, is not effective to the extent that the rule of law, statute, or regulation:

(1) Would impair the creation, attachment, or perfection of a security interest; or

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

(D) To the extent that a term in a promissory note or in an agreement between an account debtor and a debtor that relates to a health-care-insurance receivable or general intangible or a rule of law, statute, or regulation described in division (C) of this

section would be effective under law other than this chapter but 1037  
is ineffective under division (A) or (C) of this section, the 1038  
creation, attachment, or perfection of a security interest in the 1039  
promissory note, health-care-insurance receivable, or general 1040  
intangible: 1041

(1) Is not enforceable against the person obligated on the 1042  
promissory note or the account debtor; 1043

(2) Does not impose a duty or obligation on the person 1044  
obligated on the promissory note or the account debtor; 1045

(3) Does not require the person obligated on the promissory 1046  
note or the account debtor to recognize the security interest, pay 1047  
or render performance to the secured party, or accept payment or 1048  
performance from the secured party; 1049

(4) Does not entitle the secured party to use or assign the 1050  
debtor's rights under the promissory note, health-care-insurance 1051  
receivable, or general intangible, including any related 1052  
information or materials furnished to the debtor in the 1053  
transaction giving rise to the promissory note, 1054  
health-care-insurance receivable, or general intangible; 1055

(5) Does not entitle the secured party to use, assign, 1056  
possess, or have access to any trade secrets or confidential 1057  
information of the person obligated on the promissory note or the 1058  
account debtor; and 1059

(6) Does not entitle the secured party to enforce the 1060  
security interest in the promissory note, health-care-insurance 1061  
receivable, or general intangible. 1062

(E) Divisions (A) and (C) of this section do not apply to: 1063

(1) A claim or right to receive compensation for injuries or 1064  
sickness as described in section 104(a)(1) or (2) of the Internal 1065  
Revenue Code as amended; or 1066

(2) A claim or right to receive benefits under a special needs trust as described in the "Omnibus Budget Reconciliation Act of 1993," 107 Stat. 312, 42 U.S.C. 1396p(d)(4), as amended.

(F) Divisions (A), (C), and (E) of this section apply only to a security interest created on or after July 1, 2001. Nothing in this section shall supersede the provisions of sections 2323.58 to 2323.587 of the Revised Code. This section shall be interpreted consistently with sections 2323.58 to 2323.587 of the Revised Code.

**Sec. 1309.502.** (A) Subject to division (B) of this section, a financing statement is sufficient only if it:

(1) Provides the name of the debtor;

(2) Provides the name of the secured party or a representative of the secured party; and

(3) Indicates the collateral covered by the financing statement.

(B) Except as otherwise provided in division (B) of section 1309.501 of the Revised Code, to be sufficient, a financing statement that covers as-extracted collateral or timber to be cut, or that is filed as a fixture filing and covers goods that are or are to become fixtures, shall satisfy division (A) of this section and also:

(1) Indicate that it covers this type of collateral;

(2) Indicate that it is to be filed in the real property records;

(3) Provide a description of the real property to which the collateral is related sufficient to give constructive notice of a mortgage under the laws of this state if the description were contained in a record of the mortgage of the real property; and

(4) If the debtor does not have an interest of record in the real property, provide the name of a record owner. 1096  
1097

(C) A record of a mortgage is effective, from the date of recording, as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut only if: 1098  
1099  
1100  
1101

(1) The record indicates the goods or accounts that it covers; 1102  
1103

(2) The goods are or are to become fixtures related to the real property described in the record, or the collateral is related to the real property described in the record and is as-extracted collateral or timber to be cut; 1104  
1105  
1106  
1107

(3) The record satisfies the requirements for a financing statement contained in this section ~~other than an indication, but:~~ 1108  
1109

(a) The record need not indicate that it is to be filed in the real property records; and 1110  
1111

(b) The record sufficiently provides the name of a debtor who is an individual if it provides the individual name of the debtor or the surname and first personal name of the debtor, even if the debtor is an individual to whom division (A)(4) of section 1309.503 of the Revised Code applies; and 1112  
1113  
1114  
1115  
1116

(4) The record is duly recorded. 1117

(D) A financing statement may be filed before a security agreement is made or a security interest otherwise attaches. 1118  
1119

**Sec. 1309.503.** (A) A financing statement sufficiently provides the name of the debtor: 1120  
1121

(1) ~~If~~ Except as otherwise provided in division (A)(3) of this section, if the debtor is a registered organization or the collateral is held in a trust that is a registered organization, 1122  
1123  
1124

only if the financing statement provides the name ~~of the debtor~~ 1125  
indicated that is stated to be the registered organization's name 1126  
on the public organic record of most recently filed with or issued 1127  
or enacted by the debtor's registered organization's jurisdiction 1128  
of organization ~~that shows the debtor to have been organized which~~ 1129  
purports to state, amend, or restate the registered organization's 1130  
name; 1131

(2) ~~If~~ Subject to division (F) of this section, if the debtor 1132  
~~is a decedent's estate collateral is being administered by the~~ 1133  
personal representative of a decedent, only if the financing 1134  
statement provides, as the name of the debtor, the name of the 1135  
decedent and, in a separate part of the financing statement, 1136  
indicates that the ~~debtor~~ collateral is an ~~estate~~ being 1137  
administered by a personal representative; 1138

(3) If the ~~debtor~~ collateral is ~~a trust or a trustee acting~~ 1139  
~~with respect to property held in a trust that is not a registered~~ 1140  
organization, only if the financing statement: 1141

(a) Provides, as the name specified of the debtor: 1142

(i) If the organic record of the trust specifies a name for 1143  
the trust ~~in its organic documents or, if no, the name is~~ 1144  
~~specified, provides; or~~ 1145

(ii) If the organic record of the trust does not specify a 1146  
name for the trust, the name of the settlor ~~and additional~~ 1147  
~~information sufficient to distinguish the debtor from other trusts~~ 1148  
~~having one or more of the same settlors or testator; and~~ 1149

(b) ~~Indicates, in the debtor's name or otherwise, that the~~ 1150  
~~debtor is a trust or is a trustee acting with respect to property~~ 1151  
In a separate part of the financing statement: 1152

(i) If the name is provided in accordance with division 1153  
(A)(3)(a)(i) of this section, indicates that the collateral is 1154  
held in a trust; or 1155

(ii) If the name is provided in accordance with division (A)(3)(a)(ii) of this section, provides additional information sufficient to distinguish the trust from other trusts having one or more of the same settlors or the same testator and indicates that the collateral is held in a trust, unless the additional information so indicates. 1156  
1157  
1158  
1159  
1160  
1161

(4) Subject to division (G) of this section, if the debtor is an individual to whom this state has issued a driver's license or identification card that has not expired, only if the financing statement provides the name of the individual that is indicated on the driver's license or identification card; 1162  
1163  
1164  
1165  
1166

(5) If the debtor is an individual to whom division (A)(4) of this section does not apply, only if the financing statement provides the individual name of the debtor or the surname and first personal name of the debtor; and 1167  
1168  
1169  
1170

(6) In other cases: 1171

(a) If the debtor has a name, only if ~~it~~ the financing statement provides the individual or organizational name of the debtor; and 1172  
1173  
1174

(b) If the debtor does not have a name, only if it provides the names of the partners, members, associates, or other persons comprising the debtor, in a manner that each name provided would be sufficient if the person named were the debtor. 1175  
1176  
1177  
1178

(B) A financing statement that provides the name of the debtor in accordance with division (A) of this section is not rendered ineffective by the absence of: 1179  
1180  
1181

(1) A trade name or other name of the debtor; or 1182

(2) Unless required under division (A)(4)(6)(b) of this section, names of partners, members, associates, or other persons comprising the debtor. 1183  
1184  
1185

(C) A financing statement that provides only the debtor's trade name does not sufficiently provide the name of the debtor.

(D) Failure to indicate the representative capacity of a secured party or representative of a secured party does not affect the sufficiency of a financing statement.

(E) A financing statement may provide the name of more than one debtor and the name of more than one secured party.

(F) The name of the decedent indicated on the order appointing the personal representative of the decedent issued by the court having jurisdiction over the collateral is sufficient as the "name of the decedent" under division (A)(2) of this section.

(G) If this state has issued to an individual more than one driver's license or identification card of a kind described in division (A)(4) of this section, the one that was issued most recently is the one to which division (A)(4) of this section refers.

(H) As used in this section, "name of the settlor or testator" means:

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

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

**Sec. 1309.507.** (A) A filed financing statement remains effective with respect to collateral that is sold, exchanged, leased, licensed, or otherwise disposed of and in which a security interest or agricultural lien continues, even if the secured party knows of or consents to the disposition.

(B) Except as otherwise provided in division (C) of this section and section 1309.508 of the Revised Code, a financing statement is not rendered ineffective if, after the financing statement is filed, the information provided in the financing statement becomes seriously misleading under section 1309.506 of the Revised Code.

(C) If ~~a debtor so changes its~~ the name that a filed financing statement provides for a debtor becomes insufficient as the name of the debtor under division (A) of section 1309.503 of the Revised Code so that the financing statement becomes seriously misleading under section 1309.506 of the Revised Code:

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

(2) The financing statement is not effective to perfect a security interest in collateral acquired by the debtor more than four months after the ~~change~~ filed financing statement becomes seriously misleading, unless an amendment to the financing statement that renders the financing statement not seriously misleading is filed within four months after the ~~change~~ financing statement became seriously misleading.

**Sec. 1309.515.** (A) Except as otherwise provided in divisions (B), (E), (F), and (G) of this section, a filed financing statement is effective for a period of five years after the date of filing.

(B) Except as otherwise provided in divisions (E), (F), and (G) of this section, an initial financing statement filed in connection with a public-finance transaction or manufactured-home transaction is effective for a period of thirty years after the date of filing if it indicates that it is filed in connection with

a public-finance transaction or manufactured-home transaction. 1247

(C) The effectiveness of a filed financing statement lapses 1248  
on the expiration of the period of its effectiveness unless, 1249  
before the lapse, a continuation statement is filed pursuant to 1250  
division (D) of this section. Upon lapse, a financing statement 1251  
ceases to be effective, and any security interest or agricultural 1252  
lien that was perfected by the financing statement becomes 1253  
unperfected, unless the security interest is perfected otherwise. 1254  
If the security interest or agricultural lien becomes unperfected 1255  
upon lapse, it is deemed never to have been perfected as against a 1256  
purchaser of the collateral for value. 1257

(D) A continuation statement may be filed only within six 1258  
months before the expiration of the five-year period specified in 1259  
division (A) or the thirty-year period specified in division (B) 1260  
of this section, whichever is applicable. 1261

(E) Except as provided in section 1309.510 of the Revised 1262  
Code, upon timely filing of a continuation statement, the 1263  
effectiveness of the initial financing statement continues for a 1264  
period of five years commencing on the day on which the financing 1265  
statement would have become ineffective in the absence of the 1266  
filing. Upon the expiration of the five-year period, the financing 1267  
statement lapses in the same manner as provided in division (C) of 1268  
this section, unless, before the lapse, another continuation 1269  
statement is filed pursuant to division (D) of this section. 1270  
Succeeding continuation statements may be filed in the same manner 1271  
to continue the effectiveness of the initial financing statement. 1272

(F) If a debtor is a transmitting utility and a filed initial 1273  
financing statement so indicates, the financing statement is 1274  
effective until a termination statement is filed. 1275

(G) A record of a mortgage that is effective as a financing 1276  
statement filed as a fixture filing under division (C) of section 1277

1309.502 of the Revised Code remains effective as a financing 1278  
statement filed as a fixture filing until the mortgage is released 1279  
or satisfied of record or its effectiveness otherwise terminates 1280  
as to the real property. 1281

**Sec. 1309.516.** (A) Except as provided in division (B) of this 1282  
section, communication of a record to a filing office and tender 1283  
of the filing fee or acceptance of the record by the filing office 1284  
constitutes filing. 1285

(B) Filing does not occur with respect to a record that a 1286  
filing office refuses to accept because: 1287

(1) The record is not communicated by a method or medium of 1288  
communication authorized by the filing office; 1289

(2) An amount equal to or greater than the applicable filing 1290  
fee is not tendered; 1291

(3) The filing office is unable to index the record because: 1292

(a) In the case of an initial financing statement, the record 1293  
does not provide a name for the debtor; 1294

(b) In the case of an amendment or ~~correction~~ information 1295  
statement, the record: 1296

(i) Does not identify the initial financing statement as 1297  
required by section 1309.512 or 1309.518 of the Revised Code, as 1298  
applicable; or 1299

(ii) Identifies an initial financing statement whose 1300  
effectiveness has lapsed under section 1309.515 of the Revised 1301  
Code. 1302

(c) In the case of an initial financing statement that 1303  
provides the name of a debtor identified as an individual or an 1304  
amendment that provides a name of a debtor identified as an 1305  
individual that was not provided previously in the financing 1306

statement to which the record relates, the record does not 1307  
identify the debtor's ~~last name~~ surname; or 1308

(d) In the case of a record filed in the filing office 1309  
described in division (A)(1) of section 1309.501 of the Revised 1310  
Code, the record does not provide a sufficient description of the 1311  
real property to which it relates. 1312

(4) In the case of an initial financing statement or an 1313  
amendment that adds a secured party of record, the record does not 1314  
provide a name and mailing address for the secured party of 1315  
record; 1316

(5) In the case of an initial financing statement or an 1317  
amendment that provides a name of a debtor that was not provided 1318  
previously in the financing statement to which the amendment 1319  
relates, the record does not: 1320

(a) Provide a mailing address for the debtor; or 1321

(b) Indicate whether the name provided as the name of the 1322  
debtor is the name of an individual or an organization; ~~or~~ 1323

~~(c) If the financing statement indicates that the debtor is~~ 1324  
~~an organization, provide:~~ 1325

~~(i) A type of organization for the debtor; or~~ 1326

~~(ii) A jurisdiction of organization for the debtor.~~ 1327

(6) In the case of an assignment reflected in an initial 1328  
financing statement under division (A) of section 1309.514 of the 1329  
Revised Code or an amendment filed under division (B) of section 1330  
1309.514 of the Revised Code, the record does not provide a name 1331  
and mailing address for the assignee. 1332

(7) In the case of a continuation statement, the record is 1333  
not filed within the six-month period prescribed by division (D) 1334  
of section 1309.515 of the Revised Code; i or 1335

(8) The secretary of state refuses to accept the record for 1336

filing or recording in compliance with division (A) of section 1337  
111.24 of the Revised Code. 1338

(C) For purposes of division (B) of this section: 1339

(1) A record does not provide information if the filing 1340  
office is unable to read or decipher the information; and 1341

(2) A record that does not indicate that it is an amendment 1342  
or identify an initial financing statement to which it relates, as 1343  
required by section 1309.512, 1309.514, or 1309.518 of the Revised 1344  
Code, is an initial financing statement. 1345

(D) A record that is communicated to the filing office with 1346  
tender of the filing fee, but that the filing office refuses to 1347  
accept for a reason other than one specified in division (B) of 1348  
this section, is effective as a filed record except as against a 1349  
purchaser of the collateral that gives value in reasonable 1350  
reliance upon the absence of the record from the files. 1351

**Sec. 1309.518.** (A) A person may file in the filing office a 1352  
~~correction~~ an information statement with respect to a record 1353  
indexed there under the person's name if the person believes that 1354  
the record is inaccurate or was wrongfully filed. 1355

(B) ~~A correction~~ An information statement under division (A) 1356  
of this section must: 1357

(1) Identify the record to which it relates by: 1358

(a) The file number assigned to the initial financing 1359  
statement to which the record relates; and 1360

(b) If the ~~correction~~ information statement relates to a 1361  
record filed in a filing office described in division (A)(1) of 1362  
section 1309.501 of the Revised Code, the date and time that the 1363  
initial financing statement was filed and the information 1364  
specified in division (B) of section 1309.502 of the Revised Code; 1365

(2) Indicate that it is a ~~correction~~ an information statement; and

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

(C) A person may file in the filing office an information statement with respect to a record filed there if the person is a secured party of record with respect to the financing statement to which the record relates and believes that the person that filed the record was not entitled to do so under division (D) of section 1309.509 of the Revised Code.

(D) An information statement under division (C) of this section must:

(1) Identify the record to which it relates by:

(a) The file number assigned to the initial financing statement to which the record relates; and

(b) If the information statement relates to a record filed in a filing office described in division (A)(1) of section 1309.501 of the Revised Code, the date and time that the initial financing statement was filed and the information specified in division (B) of section 1309.502 of the Revised Code;

(2) Indicate that it is an information statement; and

(3) Provide the basis for the person's belief that the person that filed the record was not entitled to do so under division (D) of section 1309.509 of the Revised Code.

(E) The filing of a ~~correction~~ an information statement does not affect the effectiveness of an initial financing statement or other filed record.

Sec. 1309.521. (A) A filing office that accepts written records may not refuse to accept a written initial financing statement in the following form and format except for a reason prescribed in division (B) of section 1309.516 of the Revised Code:

UCC FINANCING STATEMENT

Follow instructions (front and back) carefully.

- A. Name and phone of contact at filer (optional)
- .....
- B. Send acknowledgment to: (name and address)
- .....
- .....
- .....

The above space is for filing office use only.

1. DEBTOR'S EXACT FULL LEGAL NAME  
(Insert only one debtor name [1a or 1b]. Do not abbreviate or combine names. If completing 1b, insert the debtor's name exactly as it appears on the debtor's current driver's license or identification card issued by this state, if one exists.)

- 1a. Organization's name
- or
- 1b. Individual's last name First name Middle name Suffix
- 1c. Mailing address City State Postal code Country

Additional information regarding organization debtor

- 1d. Type of organization
- 1e. Jurisdiction of organization

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME  
(Insert only one debtor name [2a or 2b]. Do not abbreviate or combine names. If completing 2b, insert the debtor's name exactly as it appears on the debtor's current driver's license or

identification card issued by this state, if one exists.)

2a. Organization's name .....	1425
or .....	1426
2b. Individual's last name ..... First name .....	1427
Middle name ..... Suffix .....	1428
2c. Mailing address .....	1429
City ..... State ..... Postal code ..... Country .....	1430
	1431
Additional information regarding organization debtor .....	1432
2d. Type of organization .....	1433
2e. Jurisdiction of organization .....	1434
3. SECURED PARTY'S NAME (or name of total assignee of assignor S/P). Insert only one secured party name (3a or 3b).	1435
3a. Organization's name .....	1436
or .....	1437
3b. Individual's last name ..... First name .....	1438
Middle name ..... Suffix .....	1439
3c. Mailing address .....	1440
City ..... State ..... Postal code ..... Country .....	1441
4. This FINANCING STATEMENT covers the following collateral:	1442
.....	1443
.....	1444
.....	1445
.....	1446
.....	1447
5. ALTERNATIVE DESIGNATION (if applicable):	1448
[ ] Lessee/lessor [ ] Consignee/consignor [ ] Bailee/bailor	1449
[ ] Seller/buyer [ ] Ag. lien [ ] Non-UCC filing	1450
6. [ ] This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach addendum .....	1451
[if applicable].	1452
7. Check to REQUEST SEARCH REPORT(S) on debtor(s)	1453
[ADDITIONAL FEE] ..... [optional]	1454
[ ] All debtors [ ] Debtor 1 [ ] Debtor 2	1455



12b. Individual's last name .....	First name .....	1488		
Middle name .....	Suffix .....	1489		
12c. Mailing address .....		1490		
City .....	State .....	Postal code .....	Country .....	1491
13. This FINANCING STATEMENT covers [ ] timber to be cut or		1492		
[ ] as-extracted collateral, or is filed as a [ ] fixture filing.		1493		
14. DESCRIPTION OF REAL ESTATE:		1494		
.....		1495		
.....		1496		
.....		1497		
.....		1498		
15. Name and address of a RECORD OWNER of above-described real		1499		
estate (if debtor does not have a record interest):		1500		
.....		1501		
.....		1502		
.....		1503		
16. Additional collateral description:		1504		
.....		1505		
.....		1506		
.....		1507		
.....		1508		
17. Check only if applicable and check only one box.		1509		
Debtor is a [ ] Trust or [ ] Trustee acting with respect to		1510		
property held in trust or [ ] Decedent's estate		1511		
18. Check only if applicable and check only one box.		1512		
[ ] Debtor is a transmitting utility		1513		
[ ] Filed in connection with a manufactured-home transaction -		1514		
effective 30 years		1515		
[ ] Filed in connection with a public-finance transaction -		1516		
effective 30 years		1517		
(B) A filing office that accepts written records may not		1518		
refuse to accept a written record in the following form and format		1519		
except for a reason prescribed in division (B) of section 1309.516		1520		

of the Revised Code:	1521
UCC FINANCING STATEMENT AMENDMENT	1522
Follow instructions (front and back) carefully.	1523
A. Name and phone of contact at filer (optional)	1524
.....	1525
B. Send acknowledgment to: (name and address)	1526
.....	1527
.....	1528
..... The above space is for filing office use only. ....	1529
1a. INITIAL FINANCING STATEMENT FILE NUMBER .....	1530
1b. [ ] This financing statement amendment is to be filed [for	1531
record] (or recorded) in the real estate records.	1532
2. [ ] TERMINATION: Effectiveness of the financing statement	1533
identified above is terminated with respect to security	
interest(s) of the secured party authorizing this termination	
statement.	
3. [ ] CONTINUATION: Effectiveness of the financing statement	1534
identified above with respect to security interest(s) of the	
secured party authorizing this continuation statement is continued	
for the additional period provided by applicable law.	
4. [ ] ASSIGNMENT (full or partial): Give name of assignee in item	1535
7a or 7b and address of assignee in item 7c; and also give name of	
assignor in item 9.	
5. AMENDMENT (PARTY INFORMATION): This amendment affects [ ]	1536
Debtor	
or [ ] Secured Party of record. Check only one of these two boxes.	1537
Also check one of the following three boxes and provide	
appropriate information in items 6 and/or 7.	
[ ] CHANGE name and/or address. Give current record name in item	
6a or 6b; also give new name (if name change) in item 7a or 7b	
and/or new address (if address change) in item 7c.	
[ ] DELETE name. Give record name to be deleted in item 6a or 6b.	
[ ] ADD name. Complete item 7a or 7b, and also item 7c; also	

complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION: 1542

6a. Organization's name ..... 1543

or 1544

6b. Individual's last name ..... First name ..... 1545

Middle name ..... Suffix ..... 1546

7. CHANGED (NEW) OR ADDED INFORMATION: 1547

(If completing 7b and the amendment affects a debtor, insert the debtor's name exactly as it appears on the debtor's current driver's license or identification card issued by this state, if one exists.) 1548

7a. Organization's name ..... 1549

or 1550

7b. Individual's last name ..... First name ..... 1551

Middle name ..... Suffix ..... 1552

7c. Mailing address ..... 1553

City ..... State ..... Postal code ..... Country ..... 1554

1555

Additional information regarding organization debtor 1556

7d. Type of organization ..... 1557

7e. Jurisdiction of organization ..... 1558

8. AMENDMENT (COLLATERAL CHANGE). Check only one box. 1559

Describe collateral [ ] deleted or [ ] added, or give entire 1560

[ ] restated collateral description, or describe collateral 1561

[ ] assigned. 1562

..... 1563

..... 1564

..... 1565

..... 1566

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT 1567

(name of assignor, if this is an assignment). If this is an 1568

amendment authorized by a debtor that adds collateral or adds 1569

the authorizing debtor, or if this is a termination authorized 1570

by a debtor, check here [ ] and enter name of debtor	1571
authorizing this amendment.	1572
9a. Organization's name .....	1573
or	1574
9b. Individual's last name ..... First name .....	1575
Middle name ..... Suffix .....	1576
10. OPTIONAL FILER REFERENCE DATA	1577
.....	1578
UCC FINANCING STATEMENT AMENDMENT ADDENDUM	1579
Follow instructions (front and back) carefully.	1580
11. INITIAL FINANCING STATEMENT FILE NUMBER (same as item 1a	1581
on amendment form) .....	1582
12. NAME OF PARTY AUTHORIZING	1583
THIS AMENDMENT (same as item 9	1584
on amendment form)	1585
12a. Organization's name	1586
.....	1587
or	1588
12b. Individual's last name	1589
.....	1590
First name .....	1591
Middle name ..... Suffix ...	1592
	<small>The above space is for filing office use only.</small>
13. Use this space for additional information.	1593
.....	1594
.....	1595
.....	1596
.....	1597
<b>Sec. 1309.607.</b> (A) If so agreed, and in any event after	1598
default, a secured party:	1599
(1) May notify an account debtor or other person obligated on	1600
collateral to make payment or otherwise render performance to or	1601
for the benefit of the secured party;	1602

(2) May take any proceeds to which the secured party is 1603  
entitled under section 1309.315 of the Revised Code; 1604

(3) May enforce the obligations of an account debtor or other 1605  
person obligated on collateral and exercise the rights of the 1606  
debtor with respect to the obligation of the account debtor or 1607  
other person obligated on collateral to make payment or otherwise 1608  
render performance to the debtor, and with respect to any property 1609  
that secures the obligations of the account debtor or other person 1610  
obligated on the collateral; 1611

(4) If it holds a security interest in a deposit account 1612  
perfected by control under division (A)(1) of section 1309.104 of 1613  
the Revised Code, may apply the balance of the deposit account to 1614  
the obligation secured by the deposit account; and 1615

(5) If it holds a security interest in a deposit account 1616  
perfected by control under division (A)(2) or (3) of section 1617  
1309.104 of the Revised Code, may instruct the bank to pay the 1618  
balance of the deposit account to or for the benefit of the 1619  
secured party. 1620

(B) If necessary to enable a secured party to exercise the 1621  
right of a debtor to enforce a mortgage nonjudicially under 1622  
division (A)(3) of this section, the secured party may record in 1623  
the office in which a record of the mortgage is recorded: 1624

(1) A copy of the security agreement that creates or provides 1625  
for a security interest in the obligation secured by the mortgage; 1626  
and 1627

(2) The secured party's sworn affidavit in recordable form 1628  
stating that: 1629

(a) A default has occurred with respect to the obligation 1630  
secured by the mortgage; and 1631

(b) The secured party is entitled to enforce the mortgage 1632

nonjudicially. 1633

(C) A secured party shall proceed in a commercially 1634  
reasonable manner if the secured party: 1635

(1) Undertakes to collect from or enforce an obligation of an 1636  
account debtor or other person obligated on collateral; and 1637

(2) Is entitled to charge back uncollected collateral or 1638  
otherwise to full or limited recourse against the debtor or a 1639  
secondary obligor. 1640

(D) A secured party may deduct from the collections made 1641  
pursuant to division (C) of this section reasonable expenses of 1642  
collection and enforcement, including reasonable attorney's fees 1643  
and legal expenses incurred by the secured party. 1644

(E) This section does not determine whether an account 1645  
debtor, bank, or other person obligated on collateral owes a duty 1646  
to a secured party. 1647

**Section 2.** That existing sections 1309.102, 1309.105, 1648  
1309.307, 1309.311, 1309.316, 1309.317, 1309.326, 1309.406, 1649  
1309.408, 1309.502, 1309.503, 1309.507, 1309.515, 1309.516, 1650  
1309.518, 1309.521, and 1309.607 of the Revised Code are hereby 1651  
repealed. 1652

**Section 3.** (A) Except as otherwise provided in Sections 3 1653  
through 8 of this act, this act applies to a transaction or lien 1654  
within its scope, even if the transaction or lien was entered into 1655  
or created before Sections 1 through 8 of this act take effect. 1656

(B) This act does not affect an action, case, or proceeding 1657  
commenced before Sections 1 through 8 of this act take effect. 1658

**Section 4.** (A) A security interest that is a perfected 1659  
security interest immediately before Sections 1 through 8 of this 1660

act take effect is a perfected security interest under Chapter 1661  
1309. of the Revised Code as amended by this act if, when Sections 1662  
1 through 8 of this act take effect, the applicable requirements 1663  
for attachment and perfection under Chapter 1309. of the Revised 1664  
Code as amended by this act are satisfied without further action. 1665

(B) Except as otherwise provided in Section 5 of this act, 1666  
if, immediately before Sections 1 through 8 of this act take 1667  
effect, a security interest is a perfected security interest, but 1668  
the applicable requirements for perfection under Chapter 1309. of 1669  
the Revised Code as amended by this act are not satisfied when 1670  
Sections 1 through 8 of this act take effect, the security 1671  
interest remains perfected thereafter only if the applicable 1672  
requirements for perfection under Chapter 1309. of the Revised 1673  
Code as amended by this act are satisfied within one year after 1674  
Sections 1 through 8 of this act take effect. 1675

A security interest that is an unperfected security interest 1676  
immediately before Sections 1 through 8 of this act take effect 1677  
becomes a perfected security interest: 1678

(1) Without further action, when Sections 1 through 8 of this 1679  
act take effect if the applicable requirements for perfection 1680  
under Chapter 1309. of the Revised Code as amended by this act are 1681  
satisfied before or at that time; or 1682

(2) When the applicable requirements for perfection are 1683  
satisfied if the requirements are satisfied after that time. 1684

**Section 5.** (A) The filing of a financing statement before 1685  
Sections 1 through 8 of this act take effect is effective to 1686  
perfect a security interest to the extent the filing would satisfy 1687  
the applicable requirements for perfection under Chapter 1309. of 1688  
the Revised Code as amended by this act. 1689

(B) This act does not render ineffective an effective 1690

financing statement that, before Sections 1 through 8 of this act 1691  
take effect, is filed and satisfies the applicable requirements 1692  
for perfection under the law of the jurisdiction governing 1693  
perfection as provided in Chapter 1309. of the Revised Code as it 1694  
existed before amendment. However, except as otherwise provided in 1695  
Section 6 of this act and divisions (C) and (D) of this section, 1696  
the financing statement ceases to be effective: 1697

(1) If the financing statement is filed in this state, at the 1698  
time the financing statement would have ceased to be effective had 1699  
Sections 1 through 8 of this act not taken effect; or 1700

(2) If the financing statement is filed in another 1701  
jurisdiction, at the earlier of: 1702

(a) The time the financing statement would have ceased to be 1703  
effective under the law of that jurisdiction; or 1704

(b) June 30, 2018. 1705

(C) The filing of a continuation statement after Sections 1 1706  
through 8 of this act take effect does not continue the 1707  
effectiveness of a financing statement filed before those sections 1708  
take effect. However, upon the timely filing of a continuation 1709  
statement after those sections take effect and in accordance with 1710  
the law of the jurisdiction governing perfection as provided in 1711  
Chapter 1309. of the Revised Code as amended by this act, the 1712  
effectiveness of a financing statement filed in the same office in 1713  
that jurisdiction before those sections take effect continues for 1714  
the period provided by the law of that jurisdiction. 1715

(D) Division (B)(2)(b) of this section applies to a financing 1716  
statement that, before Sections 1 through 8 of this act take 1717  
effect, is filed against a transmitting utility and satisfies the 1718  
applicable requirements for perfection under the law of the 1719  
jurisdiction governing perfection as provided in Chapter 1309. of 1720  
the Revised Code as it existed before amendment, only to the 1721

extent that Chapter 1309. of the Revised Code as amended by this 1722  
act provides that the law of a jurisdiction other than the 1723  
jurisdiction in which the financing statement is filed governs 1724  
perfection of a security interest in collateral covered by the 1725  
financing statement. 1726

(E) A financing statement that includes a financing statement 1727  
filed before Sections 1 through 8 of this act take effect and a 1728  
continuation statement filed after those sections take effect is 1729  
effective only to the extent that it satisfies the requirements of 1730  
sections 1309.501 to 1309.529 of the Revised Code as amended by 1731  
this act for an initial financing statement. A financing statement 1732  
that indicates that the debtor is a decedent's estate indicates 1733  
that the collateral is being administered by a personal 1734  
representative within the meaning of division (A)(2) of section 1735  
1309.503 of the Revised Code as amended by this act. A financing 1736  
statement that indicates that the debtor is a trust or is a 1737  
trustee acting with respect to property held in trust indicates 1738  
that the collateral is held in a trust within the meaning of 1739  
division (A)(3) of section 1309.503 of the Revised Code as amended 1740  
by this act. 1741

**Section 6.** (A) The filing of an initial financing statement 1742  
in the office specified in section 1309.501 of the Revised Code 1743  
continues the effectiveness of a financing statement filed before 1744  
Sections 1 through 8 of this act take effect if: 1745

(1) The filing of an initial financing statement in that 1746  
office would be effective to perfect a security interest under 1747  
Chapter 1309. of the Revised Code as amended by this act; 1748

(2) The pre-effective-date financing statement was filed in 1749  
an office in another state; and 1750

(3) The initial financing statement satisfies division (C) of 1751  
this section. 1752

(B) The filing of an initial financing statement under 1753  
division (A) of this section continues the effectiveness of the 1754  
pre-effective-date financing statement: 1755

(1) If the initial financing statement is filed before 1756  
Sections 1 through 8 of this act take effect, for the period 1757  
provided in section 1309.515 of the Revised Code as it existed 1758  
before amendment with respect to an initial financing statement; 1759  
and 1760

(2) If the initial financing statement is filed after 1761  
Sections 1 through 8 of this act take effect, for the period 1762  
provided in section 1309.515 of the Revised Code as amended by 1763  
this act with respect to an initial financing statement. 1764

(C) To be effective for purposes of division (A) of this 1765  
section, an initial financing statement must: 1766

(1) Satisfy the requirements of sections 1309.501 to 1309.529 1767  
of the Revised Code as amended by this act for an initial 1768  
financing statement; 1769

(2) Identify the pre-effective-date financing statement by 1770  
indicating the office in which the financing statement was filed 1771  
and providing the dates of filing and file numbers, if any, of the 1772  
financing statement and of the most recent continuation statement 1773  
filed with respect to the financing statement; and 1774

(3) Indicate that the pre-effective-date financing statement 1775  
remains effective. 1776

**Section 7.** (A) In this section, "pre-effective-date financing 1777  
statement" means a financing statement filed before Sections 1 1778  
through 8 of this act take effect. 1779

(B) After Sections 1 through 8 of this act take effect, a 1780  
person may add or delete collateral covered by, continue or 1781  
terminate the effectiveness of, or otherwise amend the information 1782

provided in, a pre-effective-date financing statement only in 1783  
accordance with the law of the jurisdiction governing perfection 1784  
as provided in Chapter 1309. of the Revised Code as amended by 1785  
this act. However, the effectiveness of a pre-effective-date 1786  
financing statement also may be terminated in accordance with the 1787  
law of the jurisdiction in which the financing statement is filed. 1788

(C) Except as otherwise provided in division (D) of this 1789  
section, if the law of this state governs perfection of a security 1790  
interest, the information in a pre-effective-date financing 1791  
statement may be amended after Sections 1 through 8 of this act 1792  
take effect only if: 1793

(1) The pre-effective-date financing statement and an 1794  
amendment are filed in the office specified in section 1309.501 of 1795  
the Revised Code; 1796

(2) An amendment is filed in the office specified in section 1797  
1309.501 of the Revised Code concurrently with, or after the 1798  
filing in that office of, an initial financing statement that 1799  
satisfies division (C) of Section 6 of this act; or 1800

(3) An initial financing statement that provides the 1801  
information as amended and satisfies division (C) of Section 6 of 1802  
this act is filed in the office specified in section 1309.501 of 1803  
the Revised Code. 1804

(D) If the law of this state governs perfection of a security 1805  
interest, the effectiveness of a pre-effective-date financing 1806  
statement may be continued only under divisions (C) and (E) of 1807  
Section 5 of this act or Section 6 of this act. 1808

(E) Whether or not the law of this state governs perfection 1809  
of a security interest, the effectiveness of a pre-effective-date 1810  
financing statement filed in this state may be terminated after 1811  
Sections 1 through 8 of this act take effect by filing a 1812  
termination statement in the office in which the 1813

pre-effective-date financing statement is filed, unless an initial 1814  
financing statement that satisfies division (C) of Section 6 of 1815  
this act has been filed in the office specified by the law of the 1816  
jurisdiction governing perfection as provided in Chapter 1309. of 1817  
the Revised Code as amended by this act as the office in which to 1818  
file a financing statement. 1819

A person may file an initial financing statement or a 1820  
continuation statement under Sections 3 through 8 of this act if: 1821

(1) The secured party of record authorizes the filing; and 1822

(2) The filing is necessary under Sections 3 through 8 of 1823  
this act: 1824

(a) To continue the effectiveness of a financing statement 1825  
filed before Sections 1 through 8 of this act take effect; or 1826

(b) To perfect or continue the perfection of a security 1827  
interest. 1828

**Section 8.** This act determines the priority of conflicting 1829  
claims to collateral. However, if the relative priorities of the 1830  
claims were established before Sections 1 through 8 of this act 1831  
take effect, Chapter 1309. of the Revised Code as it existed 1832  
before amendment determines priority. 1833

**Section 9.** Sections 1 through 8 of this act shall take effect 1834  
on July 1, 2013. 1835