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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.	109 110 111
(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.	112 113 114 115 116
(12) "Collateral" means the property subject to a security interest or agricultural lien, including:	117 118
(a) Proceeds to which a security interest attaches;	119
(b) Accounts, chattel paper, payment intangibles, and promissory notes that have been sold; and	120 121
(c) Goods that are the subject of a consignment.	122
(13) "Commercial tort claim" means a claim arising in tort with respect to which:	123 124
(a) The claimant is an organization; or	125
(b) The claimant is an individual, and the claim:	126
(i) Arose in the course of the claimant's business or profession; and	127 128
(ii) Does not include damages arising out of personal injury to or the death of an individual.	129 130
(14) "Commodity account" means an account maintained by a commodity intermediary in which a commodity contract is carried for a commodity customer.	131 132 133
(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:	134 135 136
(a) Traded on or subject to the rules of a board of trade	137

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
(73) <u>(74)</u> "Security agreement" means an agreement that creates or provides for a security interest.	505 506
(74) <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
(75) <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
(76) <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
(77) <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
Sec. 1309.105. <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
Sec. 1309.311. (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 certificate of title statute of another jurisdiction that provides for a security interest to be indicated on the a	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.

(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:

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

(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;

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

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

(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

(4) The record is duly recorded.

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

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

(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,

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
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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 1366
1367

(3) Provide the basis for the person's belief that the record 1368
is inaccurate and indicate the manner in which the person believes 1369
the record should be amended to cure any inaccuracy or provide the 1370
basis for the person's belief that the record was wrongfully 1371
filed. 1372

(C) A person may file in the filing office an information 1373
statement with respect to a record filed there if the person is a 1374
secured party of record with respect to the financing statement to 1375
which the record relates and believes that the person that filed 1376
the record was not entitled to do so under division (D) of section 1377
1309.509 of the Revised Code. 1378

(D) An information statement under division (C) of this 1379
section must: 1380

(1) Identify the record to which it relates by: 1381

(a) The file number assigned to the initial financing 1382
statement to which the record relates; and 1383

(b) If the information statement relates to a record filed in 1384
a filing office described in division (A)(1) of section 1309.501 1385
of the Revised Code, the date and time that the initial financing 1386
statement was filed and the information specified in division (B) 1387
of section 1309.502 of the Revised Code; 1388

(2) Indicate that it is an information statement; and 1389

(3) Provide the basis for the person's belief that the person 1390
that filed the record was not entitled to do so under division (D) 1391
of section 1309.509 of the Revised Code. 1392

(E) The filing of a ~~correction~~ an information statement does 1393
not affect the effectiveness of an initial financing statement or 1394
other filed record. 1395

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
	1436
3a. Organization's name	1437
or	1438
3b. Individual's last name First name	1439
Middle name Suffix	1440
3c. Mailing address	1441
City State Postal code Country	1442
4. This FINANCING STATEMENT covers the following collateral:	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
	1453
7. Check to REQUEST SEARCH REPORT(S) on debtor(s)	1454
[ADDITIONAL FEE] [optional]	1455
[] All debtors [] Debtor 1 [] Debtor 2	1456

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

(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