

2023 Regular Session

HOUSE BILL NO. 239

BY REPRESENTATIVE BROWN

(On Recommendation of the Louisiana State Law Institute)

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

COMMERCIAL REGULATIONS: Provides relative to certain assets and transactions subject to the Uniform Commercial Code

1 AN ACT

2 To amend and reenact R.S. 10:1-201(b)(10), (15), (21)(C), (24), (27), (36), and (37),

3 1-204(introductory paragraph), 1-301(g)(8), 3-104(a)(introductory paragraph) and

4 (3), 3-105(a), 3-401, 3-604(a), 4A-103(a)(1)(introductory paragraph), 4A-201,

5 4A-202(b) and (c), 4A-203(a)(1), 4A-207(b)(2) and (c)(introductory paragraph) and

6 (2), 4A-208(b)(2), 4A-210(a), 4A-211(a) and (d), 4A-305(b) through (d), 5-104,

7 5-116, 7-102(a)(11), 7-106(b)(introductory paragraph) and (4), 8-102(a)(6)(i) and

8 (b), 8-106(d)(3), 8-303(b), 9-102(a)(2), (3), (4)(A), (7), (11), (31), (42), (47), (61),

9 (66), (75), and (79) and (b), 9-104(a)(2) and (3), 9-105, 9-107.1, 9-107.2,

10 9-203(b)(3)(A), (C), and (D), 9-204(b)(introductory paragraph),

11 9-207(c)(introductory paragraph), 9-208(b)(introductory paragraph), (1), and (3)

12 through (7), 9-209(b), 9-210(a)(2) through (4), (b), (c), (d)(introductory paragraph),

13 and (e)(introductory paragraph), 9-301(introductory paragraph) and (3)(introductory

14 paragraph), 9-304(a), 9-305(a)(introductory paragraph), 9-310(b)(8), 9-312(a), (b)(3)

15 through (5), and (e), 9-313(a), (c), and (d), 9-314(a) through (c),

16 9-316(a)(introductory paragraph) and (f)(introductory paragraph), 9-317(b) and (d),

17 9-323(d)(introductory paragraph) and (f)(introductory paragraph),

18 9-324(b)(introductory paragraph) and (2) and (d)(introductory paragraph) and (2),

19 9-330(a), (b), and (f), 9-331(a) and (b), 9-332, 9-334(f)(1), 9-341(introductory

20 paragraph), 9-404(a)(introductory paragraph) and (2), 9-406(a), (b)(introductory

1 paragraph), (c), (d)(introductory paragraph), and (g), 9-408(g), 9-412(a), 9-509(a)(1)  
 2 and (b)(introductory paragraph), 9-513(b)(introductory paragraph) and (2) and  
 3 (c)(introductory paragraph), 9-601(b), 9-605, 9-608(a)(1)(C), 9-611(a)(1), (b),  
 4 (c)(introductory paragraph) and (3)(A), and (e)(introductory paragraph) and (2)(B),  
 5 9-613, 9-614, 9-615(a)(3)(A) and (4), 9-616(a)(1)(introductory paragraph) and (B)  
 6 and (2)(A), (b)(1)(A), and (c)(introductory paragraph), 9-619(a)(introductory  
 7 paragraph), 9-620(a)(2)(introductory paragraph), (b)(1), (c)(1) and (2)(introductory  
 8 paragraph) and (C), and (f)(introductory paragraph) and (2), 9-621(a)(1), 9-624,  
 9 9-628(a)(introductory paragraph) and (b)(introductory paragraph), and 9-629(a)(1)  
 10 and (2) and to enact R.S. 10:1-201(b)(16.1), 1-301(g)(9), 7-106(c) through (i),  
 11 8-103(h), 8-106(h) and (i), 8-110(g), 9-102(7.1), (7.2), (27.1), (27.2), (31.1), (54.1),  
 12 and (79.1), 9-104(a)(4), 9-105.1, 9-107.3, 9-107.4, 9-203(b)(3)(E), 9-204(b.1),  
 13 9-208(b)(8) and (9), 9-305(a)(5), 9-306.1, 9-306.2, 9-310(b)(8.1), 9-312(b)(6),  
 14 9-314.1, 9-317(f) through (i), 9-326.1, 9-406(l), 9-408(h), 9-628(f), Chapter 12 of  
 15 Title 10 of the Louisiana Revised Statutes of 1950, to be comprised of R.S.  
 16 10:12-101 through 12-107, and Chapter 13 of Title 10 of the Louisiana Revised  
 17 Statutes of 1950, to be comprised of R.S. 10:13-101 through 13-306, relative to  
 18 transactions involving existing and new classes of assets; to provide for new types  
 19 of digital assets; to provide for security interests in digital assets; to provide for  
 20 tethered digital assets; to provide take-free rules for digital assets; to provide relative  
 21 to governing law for digital assets; to provide relative to tangible and electronic  
 22 money; to provide relative to chattel paper; to provide relative to hybrid transactions;  
 23 to provide for the negotiability of certain instruments; to provide for updates in  
 24 terminology; to provide for transition rules; to provide for technical corrections; and  
 25 to provide for related matters.

26 Be it enacted by the Legislature of Louisiana:

27 Section 1. R.S. 10:1-201(b)(10), (15), (21)(C), (24), (27), (36), and (37),  
 28 1-204(introductory paragraph), 1-301(g)(8), 3-104(a)(introductory paragraph) and (3),  
 29 3-105(a), 3-401, 3-604(a), 4A-103(a)(1)(introductory paragraph), 4A-201, 4A-202(b) and

1 (c), 4A-203(a)(1), 4A-207(b)(2) and (c)(introductory paragraph) and (2), 4A-208(b)(2),  
2 4A-210(a), 4A-211(a) and (d), 4A-305(b) through (d), 5-104, 5-116, 7-102(a)(11),  
3 7-106(b)(introductory paragraph) and (4), 8-102(a)(6)(i) and (b), 8-106(d)(3), 8-303(b),  
4 9-102(a)(2), (3), (4)(A), (7), (11), (31), (42), (47), (61), (66), (75), and (79) and (b),  
5 9-104(a)(2) and (3), 9-105, 9-107.1, 9-107.2, 9-203(b)(3)(A), (C), and (D),  
6 9-204(b)(introductory paragraph), 9-207(c)(introductory paragraph), 9-208(b)(introductory  
7 paragraph), (1), and (3) through (7), 9-209(b), 9-210(a)(2) through (4), (b), (c),  
8 (d)(introductory paragraph), and (e)(introductory paragraph), 9-301(introductory paragraph)  
9 and (3)(introductory paragraph), 9-304(a), 9-305(a)(introductory paragraph), 9-310(b)(8),  
10 9-312(a), (b)(3) and (4), and (e), 9-313(a), (c), and (d), 9-314(a) through (c),  
11 9-316(a)(introductory paragraph) and (f)(introductory paragraph), 9-317(b) and (d),  
12 9-323(d)(introductory paragraph) and (f)(introductory paragraph), 9-324(b)(introductory  
13 paragraph) and (2) and (d)(introductory paragraph) and (2), 9-330(a), (b), and (f), 9-331(a)  
14 and (b), 9-332, 9-334(f)(1), 9-341(introductory paragraph), 9-404(a)(introductory paragraph)  
15 and (2), 9-406(a), (b)(introductory paragraph), (c), (d)(introductory paragraph), and (g),  
16 9-408(g), 9-412(a), 9-509(a)(1) and (b)(introductory paragraph), 9-513(b)(introductory  
17 paragraph) and (2) and (c)(introductory paragraph), 9-601(b), 9-605, 9-608(a)(1)(C),  
18 9-611(a)(1), (b), (c)(introductory paragraph) and (3)(A), and (e)(introductory paragraph) and  
19 (2)(B), 9-613, 9-614, 9-615(a)(3)(A) and (4), 9-616(a)(1)(introductory paragraph) and (B)  
20 and (2)(A), (b)(1)(A), and (c)(introductory paragraph), 9-619(a)(introductory paragraph),  
21 9-620(a)(2)(introductory paragraph), (b)(1), (c)(1) and (2)(introductory paragraph) and (C),  
22 and (f)(introductory paragraph) and (2), 9-621(a)(1), 9-624, 9-628(a)(introductory  
23 paragraph) and (b)(introductory paragraph), and 9-629(a)(1) and (2) are hereby amended and  
24 reenacted and R.S. 10:1-201(b)(16.1), 1-301(g)(9), 7-106(c) through (i), 8-103(h), 8-106(h)  
25 and (i), 8-110(g), 9-102(7.1), (7.2), (27.1), (27.2), (31.1), (54.1), and (79.1), 9-104(a)(4),  
26 9-105.1, 9-107.3, 9-107.4, 9-203(b)(3)(E), 9-204(b.1), 9-208(b)(8) and (9), 9-305(a)(5),  
27 9-306.1, 9-306.2, 9-310(b)(8.1), 9-312(b)(5) and (6), 9-314.1, 9-317(f) through (i), 9-326.1,  
28 9-406(l), 9-408(h), 9-628(f), Chapter 12 of Title 10 of the Louisiana Revised Statutes of  
29 1950, to be comprised of R.S. 10:12-101 through 12-107, and Chapter 13 of Title 10 of the

1 Louisiana Revised Statutes of 1950, to be comprised of R.S. 10:13-101 through 13-306, are  
2 hereby enacted to read as follows:

3 §1-201. General definitions

4 \* \* \*

5 (b) Subject to definitions contained in other Chapters of this Title that apply  
6 to particular Chapters or parts thereof:

7 \* \* \*

8 (10) "Conspicuous," with reference to a term, means so written, displayed,  
9 or presented that, based on the totality of the circumstances, a reasonable person  
10 against which it is to operate ought to have noticed it. Whether a term is  
11 "conspicuous" or not is a question of law for the court. ~~Conspicuous terms include~~  
12 ~~the following:~~

13 (A) ~~a heading in capitals equal to or greater in size than the surrounding text,~~  
14 ~~or in contrasting type, font, or color to the surrounding text of the same or lesser size;~~  
15 ~~and~~

16 (B) ~~language in the body of a record or display in larger type than the~~  
17 ~~surrounding text, or in contrasting type, font, or color to the surrounding text of the~~  
18 ~~same size, or set off from surrounding text of the same size by symbols or other~~  
19 ~~marks that call attention to the language.~~

20 \* \* \*

21 (15) "Delivery", with respect to an electronic document of title means  
22 voluntary transfer of control and with respect to an instrument, a tangible document  
23 of title, or an authoritative tangible copy of a record evidencing chattel paper, means  
24 voluntary transfer of possession.

25 \* \* \*

26 (16.1) "Electronic" means relating to technology having electrical, digital,  
27 magnetic, wireless, optical, electromagnetic, or similar capabilities.

28 \* \* \*

1 (21) "Holder" means:

2 \* \* \*

3 (C) the person in control, other than pursuant to R.S. 10:7-106(g), of a  
4 negotiable electronic document of title.

5 \* \* \*

6 (24) "Money" means a medium of exchange that is currently authorized or  
7 adopted by a domestic or foreign government. The term includes a monetary unit  
8 of account established by an intergovernmental organization or by agreement  
9 between two or more countries. The term does not include an electronic record that  
10 is a medium of exchange recorded and transferable in a system that existed and  
11 operated for the medium of exchange before the medium of exchange was authorized  
12 or adopted by the government.

13 \* \* \*

14 (27) "Person" means an individual, or any legal or commercial entity,  
15 including a corporation, business trust, partnership, limited liability company,  
16 association, joint venture, government, governmental subdivision, agency, or  
17 instrumentality, or public corporation. The term includes a protected series, however  
18 denominated, of an entity if the protected series is established under law other than  
19 this Title that limits, or limits if conditions specified under the law are satisfied, the  
20 ability of a creditor of the entity or of any other protected series of the entity to  
21 satisfy a claim from assets of the protected series.

22 \* \* \*

23 (36) "Send", in connection with a record or ~~notice~~ notification, means:  
24 (A) to deposit in the mail, ~~or deliver for transmission, or transmit~~ by any  
25 other usual means of communication, with postage or cost of transmission provided  
26 for, ~~and properly addressed and, in the case of an instrument, to an address specified~~  
27 ~~thereon or otherwise agreed, or if there be none~~ addressed to any address reasonable  
28 under the circumstances; or

1 (B) ~~in any other way to cause to be received any record or notice within the~~  
2 ~~time it would have arrived if properly sent~~ to cause the record or notification to be  
3 received within the time it would have been received if properly sent under  
4 Subparagraph A of this Paragraph.

5 (37) ~~"Signed" includes using any symbol executed or adopted with present~~  
6 ~~intention to adopt or accept a writing.~~ "Sign" means, with present intent to  
7 authenticate or adopt a record:

8 (A) execute or adopt a tangible symbol; or

9 (B) attach to or logically associate with the record an electronic symbol,  
10 sound, or process.

11 "Signed", "signing", and "signature" have corresponding meanings.

12 \* \* \*

13 §1-204. Value

14 Except as otherwise provided in Chapters 3, 4, ~~and 5,~~ and 12, a person gives  
15 value for rights if the person acquires them:

16 \* \* \*

17 §1-301. Territorial applicability; parties' power to choose applicable law

18 \* \* \*

19 (g) To the extent that this Title governs a transaction, if one of the following  
20 provisions of this Title specifies the applicable law, that provision governs and a  
21 contrary agreement is effective only to the extent permitted by the law so specified:

22 \* \* \*

23 (8) R.S. 10:9-301 through 9-307;<sub>2</sub>

24 (9) R.S. 10:12-107.

25 §3-104. Negotiable instrument

26 (a) Except as provided in Subsections (c) and (d) of this Section, "negotiable  
27 instrument" means an unconditional promise or order to pay a fixed amount of

1 money, with or without interest or other charges described in the promise or order,  
2 if it:

3 \* \* \*

4 (3) does not state any other undertaking or instruction by the person  
5 promising or ordering payment to do any act in addition to the payment of money,  
6 but the promise or order may contain (i) an undertaking or power to give, maintain,  
7 or protect collateral to secure payment, (ii) an authorization or power to the holder  
8 to confess judgment or realize on or dispose of collateral, or (iii) a waiver of the  
9 benefit of any law intended for the advantage or protection of an obligor, (iv) a term  
10 that specifies the law that governs the promise or order, or (v) an undertaking to  
11 resolve in a specified forum a dispute concerning the promise or order.

12 \* \* \*

13 §3-105. Issue of instrument

14 (a) "Issue" means:

15 (1) the first delivery of an instrument by the maker or drawer, whether to a  
16 holder or nonholder, for the purpose of giving rights on the instrument to any person;  
17 or

18 (2) if agreed by the payee, the first transmission by the drawer to the payee  
19 of an image of an item and information derived from the item that enables the  
20 depository bank to collect the item by transferring or presenting under federal law  
21 an electronic check.

22 \* \* \*

23 §3-401. Signature necessary for liability on instrument

24 ~~(a)~~ A person is not liable on an instrument unless (i) the person signed the  
25 instrument, or (ii) the person is represented by an agent or representative who signed  
26 the instrument and the signature is binding on the represented person under R.S.  
27 10:3-402.

28 ~~(b) A signature may be made (i) manually or by means of a device or~~  
29 ~~machine, and (ii) by the use of any name, including a trade or assumed name, or by~~

1 a word, mark, or symbol executed or adopted by a person with present intention to  
2 authenticate a writing.

3 §3-604. Discharge by cancellation or renunciation

4 (a) A person entitled to enforce an instrument, with or without consideration,  
5 may discharge the obligation of a party to pay the instrument (i) by an intentional  
6 voluntary act, such as surrender of the instrument to the party, destruction,  
7 mutilation, or cancellation of the instrument, cancellation or striking out of the  
8 party's signature, or the addition of words to the instrument indicating discharge, or  
9 (ii) by agreeing not to sue or otherwise renouncing rights against the party by a  
10 signed writing. The obligation of a party to pay a check is not discharged solely by  
11 destruction of the check in connection with a process in which information is  
12 extracted from the check and an image of the check is made and, subsequently, the  
13 information and image are transmitted for payment.

14 \* \* \*

15 §4A-103. Payment Order - Definitions

16 (a) In this Chapter:  
17 (1) "Payment order" means an instruction of a sender to a receiving bank,  
18 transmitted orally, ~~electronically, or in writing~~ or in a record, to pay, or to cause  
19 another bank to pay, a fixed or determinable amount of money to a beneficiary if:

20 \* \* \*

21 §4A-201. Security procedure

22 "Security procedure" means a procedure established by agreement of a  
23 customer and a receiving bank for the purpose of (i) verifying that a payment order  
24 or communication amending or cancelling a payment order is that of the customer,  
25 or (ii) detecting error in the transmission or the content of the payment order or  
26 communication. A security procedure may impose an obligation on the receiving  
27 bank or the customer and may require the use of algorithms or other codes,  
28 identifying words ~~or~~, numbers, symbols, sounds, biometrics, encryption, callback



1 procedures, or similar security devices. Comparison of a signature on a payment  
2 order or communication with an authorized specimen signature of the customer or  
3 requiring a payment order to be sent from a known email address, IP address, or  
4 telephone number is not by itself a security procedure.

5 §4A-202. Authorized and verified payment orders

6 \* \* \*

7 (b) If a bank and its customer have agreed that the authenticity of payment  
8 orders issued to the bank in the name of the customer as sender will be verified  
9 pursuant to a security procedure, a payment order received by the receiving bank is  
10 effective as the order of the customer, whether or not authorized, if (i) the security  
11 procedure is a commercially reasonable method of providing security against  
12 unauthorized payment orders, and (ii) the bank proves that it accepted the payment  
13 order in good faith and in compliance with the bank's obligations under the security  
14 procedure and any ~~written~~ agreement or instruction of the customer, evidenced by  
15 a record, restricting acceptance of payment orders issued in the name of the  
16 customer. The bank is not required to follow an instruction that violates a ~~written~~  
17 an agreement with the customer, evidenced by a record, or notice of which is not  
18 received at a time and in a manner affording the bank a reasonable opportunity to act  
19 on it before the payment order is accepted.

20 (c) Commercial reasonableness of a security procedure is a question of law  
21 to be determined by considering the wishes of the customer expressed to the bank,  
22 the circumstances of the customer known to the bank, including the size, type, and  
23 frequency of payment orders normally issued by the customer to the bank, alternative  
24 security procedures offered to the customer, and security procedures in general use  
25 by customers and receiving ~~bank~~ banks similarly situated. A security procedure is  
26 deemed to be commercially reasonable if (i) the security procedure was chosen by  
27 the customer after the bank offered, and the customer refused, a security procedure  
28 that was commercially reasonable for that customer, and (ii) the customer expressly  
29 agreed in ~~writing~~ a record to be bound by any payment order, whether or not

1 authorized, issued in its name and accepted by the bank in compliance with the  
2 bank's obligations under the security procedure chosen by the customer.

3 \* \* \*

4 §4A-203. Unenforceability of certain verified payment orders

5 (a) If an accepted payment order is not, under R.S. 10:4A-202(a), an  
6 authorized order of a customer identified as sender, but is effective as an order of the  
7 customer pursuant to R.S. 10:4A-202(b), the following rules apply:

8 (1) By express ~~written~~ agreement evidenced by a record, the receiving bank  
9 may limit the extent to which it is entitled to enforce or retain payment of the  
10 payment order.

11 \* \* \*

12 §4A-207. Misdescription of beneficiary

13 \* \* \*

14 (b) If a payment order received by the beneficiary's bank identifies the  
15 beneficiary both by name and by an identifying or bank account number and the  
16 name and number identify different persons, the following rules apply:

17 \* \* \*

18 (2) If the beneficiary's bank pays the person identified by ~~the~~ name or knows  
19 that the name and number identify different persons, no person has rights as  
20 beneficiary except the person paid by the beneficiary's bank if that person was  
21 entitled to receive payment from the originator of the funds transfer. If no person  
22 has rights as beneficiary, acceptance of the order cannot occur.

23 (c) If (i) a payment order described in Subsection (b) of this Section is  
24 accepted, (ii) the originator's payment order described the beneficiary inconsistently  
25 by name and number, and (iii) the beneficiary's bank pays the person identified by  
26 number as permitted by Subsection (b)(1) of this Section, the following rules apply:

27 \* \* \*

28 (2) If the originator is not a bank and proves that the person identified by  
29 number was not entitled to receive payment from the originator, the originator is not



1 receiving bank is rejecting the order or will not execute or pay the order. Rejection  
 2 is effective when the notice is given if transmission is by means that is reasonable  
 3 in the circumstances. If notice of rejection is given by a means that is not  
 4 reasonable, rejection is effective when the notice is received. If an agreement of the  
 5 sender and receiving bank establishes the means to be used to reject a payment order,  
 6 (i) any means complying with the agreement is reasonable and (ii) any means not  
 7 complying is not reasonable unless no significant delay in receipt of the notice  
 8 resulted from the use of the noncomplying means.

9 \* \* \*

10 §4A-211. Cancellation and amendment of payment order

11 (a) A communication of the sender of a payment order cancelling or  
 12 amending the order may be transmitted to the receiving bank orally, ~~electronically,~~  
 13 or in writing a record. If a security procedure is in effect between the sender and the  
 14 receiving bank, the communication is not effective to cancel or amend the order  
 15 unless the communication is verified pursuant to the security procedure or the bank  
 16 agrees to the cancellation or amendment.

17 \* \* \*

18 (d) An unaccepted payment order is cancelled by operation of law at the  
 19 close of the fifth funds-transfer business day of the receiving bank after the execution  
 20 date ~~of~~ or payment date of the order.

21 \* \* \*

22 §4A-305. Liability for late or improper execution or failure to execute payment  
23 order

24 \* \* \*

25 (b) If execution of a payment order by a receiving bank in breach of ~~R.S.~~  
 26 ~~10:4A-303~~ R.S. 10:4A-302 results in (i) noncompletion of the funds transfer, (ii)  
 27 failure to use an intermediary bank designated by the originator, or (iii) issuance of  
 28 a payment order that does not comply with the terms of the payment order of the  
 29 originator, the bank is liable to the originator for its expenses in the funds transfer

1 and for incidental expenses and interest losses, to the extent not covered by  
2 Subsection (a) of this Section, resulting from the improper execution. Except as  
3 provided in Subsection (c) of this Section, additional damages are not recoverable.

4 (c) In addition to the amounts payable under Subsections (a) and (b) of this  
5 Section, damages, including consequential damages, are recoverable to the extent  
6 provided in an express ~~written~~ agreement of the receiving bank, evidenced by a  
7 record.

8 (d) If a receiving bank fails to execute a payment order it was obliged by  
9 express agreement to execute, the receiving bank is liable to the sender for its  
10 expenses in the transaction and for incidental expenses and interest losses resulting  
11 from the failure to execute. Additional damages, including consequential damages,  
12 are recoverable to the extent provided in an express ~~written~~ agreement of the  
13 receiving bank, evidenced by a record, but are not otherwise recoverable.

14 \* \* \*

15 §5-104. Formal requirements

16 A letter of credit, confirmation, advice, transfer, amendment, or cancellation  
17 may be issued in any form that is a signed record ~~and is authenticated (i) by a~~  
18 ~~signature or (ii) in accordance with the agreement of the parties or the standard~~  
19 ~~practice referred to in R.S. 10:5-108(e).~~

20 \* \* \*

21 §5-116. Choice of law and forum

22 (a) The liability of an issuer, nominated person, or adviser for action or  
23 omission is governed by the law of the jurisdiction chosen by an agreement in the  
24 form of a record signed ~~or otherwise authenticated~~ by the affected parties ~~in the~~  
25 ~~manner provided in R.S. 10:5-104~~ or by a provision in the person's letter of credit,  
26 confirmation, or other undertaking. The jurisdiction whose law is chosen need not  
27 bear any relation to the transaction.

28 (b) Unless Subsection (a) of this Section applies, the liability of an issuer,  
29 nominated person, or adviser for action or omission is governed by the law of the

1 jurisdiction in which the person is located. The person is considered to be located  
2 at the address indicated in the person's undertaking. If more than one address is  
3 indicated, the person is considered to be located at the address from which the  
4 person's undertaking was issued.

5 (c) For the purpose of jurisdiction, choice of law, and recognition of  
6 interbranch letters of credit, but not enforcement of a judgment, all branches of a  
7 bank are considered separate juridical entities and a bank is considered to be located  
8 at the place where its relevant branch is considered to be located under ~~this~~  
9 Subsection (d) of this Section.

10 (d) A branch of a bank is considered to be located at the address indicated  
11 in the branch's undertaking. If more than one address is indicated, the branch is  
12 considered to be located at the address from which the undertaking was issued.

13 ~~(c)~~(e) Except as otherwise provided in this Subsection, the liability of an  
14 issuer, nominated person, or adviser is governed by any rules of custom or practice,  
15 such as the Uniform Customs and Practice for Documentary Credits, to which the  
16 letter of credit, confirmation, or other undertaking is expressly made subject. If (i)  
17 this Chapter would govern the liability of an issuer, nominated person, or adviser  
18 under Subsection (a) or (b) of this Section; (ii) the relevant undertaking incorporates  
19 rules of custom or practice; and (iii) there is conflict between this Chapter and those  
20 rules as applied to that undertaking, those rules govern except to the extent of any  
21 conflict with the nonvariable provisions specified in R.S. 10:5-103(c).

22 ~~(d)~~(f) If there is conflict between this Chapter and Chapter 3, 4, 4A, or 9 of  
23 this Title, this Chapter governs.

24 ~~(e)~~(g) The forum for settling disputes arising out of an undertaking within  
25 this Chapter may be chosen in the manner and with the binding effect that governing  
26 law may be chosen in accordance with Subsection (a) of this Section.

27 \* \* \*

1 §7-102. Definitions and index of definitions

2 (a) In this Chapter, unless the context otherwise requires:

3 \* \* \*

4 (11) "Sign" means, ~~with present intent to authenticate or adopt a record:~~

5 ~~(A) To execute or adopt a tangible symbol; or~~

6 ~~(B) To attach to or logically associate with the record an electronic sound,~~  
7 ~~symbol, or process. [Reserved.]~~

8 \* \* \*

9 §7-106. Control of electronic document of title

10 \* \* \*

11 (b) A system satisfies Subsection (a) of this Section, and a person ~~is deemed~~  
12 ~~to have~~ has control of an electronic document of title, if the document is created,  
13 stored, and ~~assigned~~ transferred in ~~such~~ a manner that:

14 \* \* \*

15 (4) Copies or amendments that add or change an identified ~~assignee~~  
16 transferee of the authoritative copy can be made only with the consent of the person  
17 asserting control;

18 \* \* \*

19 (c) A system satisfies Subsection (a) of this Section, and a person has control  
20 of an electronic document of title, if an authoritative electronic copy of the  
21 document, a record attached to or logically associated with the electronic copy, or  
22 a system in which the electronic copy is recorded:

23 (1) enables the person readily to identify each electronic copy as either an  
24 authoritative copy or a nonauthoritative copy;

25 (2) enables the person readily to identify itself in any way, including by  
26 name, identifying number, cryptographic key, office, or account number, as the  
27 person to which each authoritative electronic copy was issued or transferred; and

28 (3) gives the person exclusive power, subject to Subsection (d) of this  
29 Section, to:

1           (A) prevent others from adding or changing the person to which each  
2           authoritative electronic copy has been issued or transferred; and

3           (B) transfer control of each authoritative electronic copy.

4           (d) Subject to Subsection (e) of this Section, a power is exclusive under  
5           Subsection (c)(3)(A) and (B) of this Section even if:

6           (1) the authoritative electronic copy, a record attached to or logically  
7           associated with the authoritative electronic copy, or a system in which the  
8           authoritative electronic copy is recorded limits the use of the document of title or has  
9           a protocol that is programmed to cause a change, including a transfer or loss of  
10          control; or

11          (2) the power is shared with another person.

12          (e) A power of a person is not shared with another person under Subsection  
13          (d)(2) of this Section and the person's power is not exclusive if:

14          (1) the person can exercise the power only if the power also is exercised by  
15          the other person; and

16          (2) the other person:

17           (A) can exercise the power without exercise of the power by the person; or

18           (B) is the transferor to the person of an interest in the document of title.

19          (f) If a person has the powers specified in Subsection (c)(3)(A) and (B) of  
20          this Section, the powers are presumed to be exclusive.

21          (g) A person has control of an electronic document of title if another person,  
22          other than the transferor to the person of an interest in the document:

23           (1) has control of the document and acknowledges that it has control on  
24           behalf of the person; or

25           (2) obtains control of the document after having acknowledged that it will  
26           obtain control of the document on behalf of the person.

27          (h) A person that has control under this Section is not required to  
28          acknowledge that it has control on behalf of another person.





1 §8-103. Rules for determining whether certain obligations and interests are  
2 securities or financial assets

3 \* \* \*

4 (h) A controllable account, controllable electronic record, or controllable  
5 payment intangible is not a financial asset unless R.S. 10:8-102(a)(9)(iii) applies.

6 \* \* \*

7 §8-106. Control

8 \* \* \*

9 (d) A purchaser has "control" of a security entitlement if:

10 \* \* \*

11 ~~(3) another person has control of the security entitlement on behalf of the~~  
12 ~~purchaser or, having previously acquired control of the security entitlement,~~  
13 ~~acknowledges that it has control on behalf of the purchaser.~~ person, other than the  
14 transferor to the purchaser of an interest in the security entitlement:

15 (A) has control of the security entitlement and acknowledges that it has  
16 control on behalf of the purchaser; or

17 (B) obtains control of the security entitlement after having acknowledged  
18 that it will obtain control of the security entitlement on behalf of the purchaser.

19 \* \* \*

20 (h) A person that has control under this Section is not required to  
21 acknowledge that it has control on behalf of a purchaser.

22 (i) If a person acknowledges that it has or will obtain control on behalf of a  
23 purchaser, unless the person otherwise agrees or law other than this Chapter or  
24 Chapter 9 otherwise provides, the person does not owe any duty to the purchaser and  
25 is not required to confirm the acknowledgment to any other person.

26 \* \* \*

1 §8-110. Applicability; choice of law

2 \* \* \*

3 (g) The local law of the issuer's jurisdiction or the securities intermediary's  
4 jurisdiction governs a matter or transaction specified in subsection (a) or (b) of this  
5 Section even if the matter or transaction does not bear any relation to the jurisdiction.

6 \* \* \*

7 §8-303. Protected purchaser

8 \* \* \*

9 (b) ~~In addition to acquiring the rights of a purchaser, a~~ A protected purchaser  
10 also acquires its interest in the security free of any adverse claim.

11 \* \* \*

12 §9-102. Definitions and index of definitions

13 (a) Chapter 9 definitions. In this Chapter:

14 \* \* \*

15 (2) "Account;" , except as used in "account for;" , "account statement",  
16 "account to", "commodity account" in Paragraph (14) of this Subsection, "customer's  
17 account", "deposit account" in Paragraph (29) of this Subsection, "on account of",  
18 and "statement of account", means a right to payment of a monetary obligation,  
19 whether or not earned by performance, (i) for property that has been or is to be sold,  
20 leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to  
21 be rendered, (iii) for a policy of insurance issued or to be issued, (iv) for a secondary  
22 obligation incurred or to be incurred, (v) for energy provided or to be provided, (vi)  
23 for the use or hire of a vessel under a charter or other contract, (vii) arising out of the  
24 use of a credit or charge card or information contained on or for use with the card,  
25 or (viii) as winnings in a lottery or other game of chance operated or sponsored by  
26 a state, governmental unit of a state, or person licensed or authorized to operate the  
27 game by a state or governmental unit of a state. The term includes controllable  
28 accounts and health-care-insurance receivables. The term further includes any right  
29 to payment that is payable out of or measured by production of oil, gas, or other

1 minerals, or is otherwise attributable to a mineral right, whether or not the payment  
 2 is classified as rent under the Mineral Code, except that the term does not include  
 3 bonuses, delay rentals, royalties, or shut-in payments payable to a landowner or  
 4 mineral servitude owner under a mineral lease, nor does the term include other  
 5 payments to them that are classified as rent under the Mineral Code. The term does  
 6 not include (i) ~~rights to payment evidenced by chattel paper or an instrument~~ chattel  
 7 paper, (ii) tort claims, (iii) deposit accounts, (iv) investment property, (v)  
 8 letter-of-credit rights or letters of credit, (vi) rights to payment for money or funds  
 9 advanced or sold, other than rights arising out of the use of a credit or charge card  
 10 or information contained on or for use with the card, (vii) life insurance policies or  
 11 rights to payment or claims thereunder, ~~or~~ (viii) judgments or rights to payment  
 12 represented thereby, or (ix) rights to payment evidenced by an instrument.

13 (3) "Account debtor" means a person obligated on an account, chattel paper,  
 14 or general intangible. The term does not include persons obligated to pay a  
 15 negotiable instrument, even if the negotiable instrument constitutes part of evidences  
 16 chattel paper.

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

18 (A) ~~authenticated~~ signed by a secured party;

19 \* \* \*

20 (7) "Authenticate" means:

21 (A) ~~to sign; or~~

22 (B) ~~with present intent to adopt or accept a record, to attach to or logically~~  
 23 ~~associate with the record an electronic sound, symbol, or process. [Reserved.]~~

24 (7.1) "Assignee", except as used in "assignee for benefit of creditors", means  
 25 a person (i) in whose favor a security interest that secures an obligation is created or  
 26 provided for under a security agreement, whether or not the obligation is outstanding  
 27 or (ii) to which an account, chattel paper, payment intangible, or promissory note has  
 28 been sold. The term includes a person to which a security interest has been  
 29 transferred by a secured party.







1	"Broker"	R.S. 10:8-102.
2	"Certificated security"	R.S. 10:8-102.
3	"Check"	R.S. 10:3-104.
4	"Clearing corporation"	R.S. 10:8-102.
5	<u>"Controllable electronic record"</u>	<u>R.S. 10:12-102.</u>
6	"Customer"	R.S. 10:4-104.
7	"Entitlement holder"	R.S. 10:8-102.
8	"Financial asset"	R.S. 10:8-102.
9	"Holder in due course"	R.S. 10:3-302.
10	"Issuer" (with respect to a letter of credit	
11	or letter-of-credit right)	R.S. 10:5-102.
12	"Issuer" (with respect to a security)	R.S. 10:8-201.
13	"Issuer" (with respect to documents of title)	R.S. 10:7-102.
14	"Letter of credit"	R.S. 10:5-102.
15	"Negotiable instrument"	R.S. 10:3-104.
16	"Nominated person"	R.S. 10:5-102.
17	"Note"	R.S. 10:3-104.
18	"Proceeds of a letter of credit"	R.S. 10:5-114.
19	<u>"Protected purchaser"</u>	<u>R.S. 10:8-303.</u>
20	"Prove"	R.S. 10:3-103.
21	<u>"Qualifying purchaser"</u>	<u>R.S. 10:12-102.</u>
22	"Securities account"	R.S. 10:8-501.
23	"Securities intermediary"	R.S. 10:8-102.
24	"Security"	R.S. 10:8-102.
25	"Security certificate"	R.S. 10:8-102.
26	"Security entitlement"	R.S. 10:8-102.
27	"Uncertificated security"	R.S. 10:8-102.
28	* * *	



1 §9-104. Control of deposit account

2 (a) Requirements for control. A secured party has control of a deposit  
3 account if:

4 \* \* \*

5 (2) the debtor, secured party, and bank have agreed ~~in an authenticated a~~  
6 signed record that the bank will comply with instructions originated by the secured  
7 party directing disposition of the funds in the deposit account without further consent  
8 by the debtor; ~~or~~

9 (3) the secured party becomes the bank's customer with respect to the deposit  
10 account; or

11 (4) another person, other than the debtor:

12 (A) has control of the deposit account and acknowledges that it has control  
13 on behalf of the secured party; or

14 (B) obtains control of the deposit account after having acknowledged that it  
15 will obtain control of the deposit account on behalf of the secured party.

16 \* \* \*

17 §9-105. Control of electronic copy of record evidencing chattel paper

18 (a) ~~General rule: control of electronic chattel paper. A secured party has~~  
19 ~~control of electronic chattel paper if a system employed for evidencing the transfer~~  
20 ~~of interests in the chattel paper reliably establishes the secured party as the person~~  
21 ~~to which the chattel paper was assigned.~~

22 (b) ~~Specific facts giving control. A system satisfies Subsection (a) if the~~  
23 ~~record or records comprising the chattel paper are created, stored, and assigned in~~  
24 ~~such a manner that:~~

25 (1) ~~a single authoritative copy of the record or records exists which is~~  
26 ~~unique, identifiable and, except as otherwise provided in Paragraphs (4), (5), and (6),~~  
27 ~~unalterable;~~

28 (2) ~~the authoritative copy identifies the secured party as the assignee of the~~  
29 ~~record or records;~~

1           ~~(3) the authoritative copy is communicated to and maintained by the secured~~  
2 ~~party or its designated custodian;~~

3           ~~(4) copies or amendments that add or change an identified assignee of the~~  
4 ~~authoritative copy can be made only with the consent of the secured party;~~

5           ~~(5) each copy of the authoritative copy and any copy of a copy is readily~~  
6 ~~identifiable as a copy that is not the authoritative copy; and~~

7           ~~(6) any amendment of the authoritative copy is readily identifiable as~~  
8 ~~authorized or unauthorized.~~

9           (a) General rule: control of electronic copy of record evidencing chattel  
10 paper. A purchaser has control of an authoritative electronic copy of a record  
11 evidencing chattel paper if a system employed for evidencing the assignment of  
12 interests in the chattel paper reliably establishes the purchaser as the person to which  
13 the authoritative electronic copy was assigned.

14           (b) Single authoritative copy. A system satisfies Subsection (a) of this  
15 Section if the record or records evidencing the chattel paper are created, stored, and  
16 assigned in a manner that:

17           (1) a single authoritative copy of the record or records exists which is  
18 unique, identifiable, and, except as otherwise provided in Paragraphs (4), (5), and (6)  
19 of this Subsection, unalterable;

20           (2) the authoritative copy identifies the purchaser as the assignee of the  
21 record or records;

22           (3) the authoritative copy is communicated to and maintained by the  
23 purchaser or its designated custodian;

24           (4) copies or amendments that add or change an identified assignee of the  
25 authoritative copy can be made only with the consent of the purchaser;

26           (5) each copy of the authoritative copy and any copy of a copy is readily  
27 identifiable as a copy that is not the authoritative copy; and

28           (6) any amendment of the authoritative copy is readily identifiable as  
29 authorized or unauthorized.

1           (c) One or more authoritative copies. A system satisfies Subsection (a) of  
2           this Section, and a purchaser has control of an authoritative electronic copy of a  
3           record evidencing chattel paper, if the electronic copy, a record attached to or  
4           logically associated with the electronic copy, or a system in which the electronic  
5           copy is recorded:

6           (1) enables the purchaser readily to identify each electronic copy as either  
7           an authoritative copy or a nonauthoritative copy;

8           (2) enables the purchaser readily to identify itself in any way, including by  
9           name, identifying number, cryptographic key, office, or account number, as the  
10          assignee of the authoritative electronic copy; and

11          (3) gives the purchaser exclusive power, subject to Subsection (d) of this  
12          Section, to:

13          (A) prevent others from adding or changing an identified assignee of the  
14          authoritative electronic copy; and

15          (B) transfer control of the authoritative electronic copy.

16          (d) Meaning of exclusive. Subject to Subsection (e) of this Section, a power  
17          is exclusive under Subsection (c)(3)(A) and (B) of this Section even if:

18          (1) the authoritative electronic copy, a record attached to or logically  
19          associated with the authoritative electronic copy, or a system in which the  
20          authoritative electronic copy is recorded limits the use of the authoritative electronic  
21          copy or has a protocol programmed to cause a change, including a transfer or loss of  
22          control; or

23          (2) the power is shared with another person.

24          (e) When power not shared with another person. A power of a purchaser is  
25          not shared with another person under Subsection (d)(2) of this Section and the  
26          purchaser's power is not exclusive if:

27          (1) the purchaser can exercise the power only if the power also is exercised  
28          by the other person; and

29          (2) the other person:

1           (A) can exercise the power without exercise of the power by the purchaser;

2           or

3           (B) is the transferor to the purchaser of an interest in the chattel paper.

4           (f) Presumption of exclusivity of certain powers. If a purchaser has the  
5           powers specified in Subsection (c)(3)(A) and (B) of this Section, the powers are  
6           presumed to be exclusive.

7           (g) Obtaining control through another person. A purchaser has control of an  
8           authoritative electronic copy of a record evidencing chattel paper if another person,  
9           other than the transferor to the purchaser of an interest in the chattel paper:

10           (1) has control of the authoritative electronic copy and acknowledges that it  
11           has control on behalf of the purchaser; or

12           (2) obtains control of the authoritative electronic copy after having  
13           acknowledged that it will obtain control of the electronic copy on behalf of the  
14           purchaser.

15           §9-105.1. Control of electronic money

16           (a) General rule: control of electronic money. A person has control of  
17           electronic money if:

18           (1) the electronic money, a record attached to or logically associated with the  
19           electronic money, or a system in which the electronic money is recorded gives the  
20           person:

21           (A) power to avail itself of substantially all the benefit from the electronic  
22           money; and

23           (B) exclusive power, subject to Subsection (b) of this Section, to:

24           (i) prevent others from availing themselves of substantially all the benefit  
25           from the electronic money; and

26           (ii) transfer control of the electronic money to another person or cause  
27           another person to obtain control of other electronic money as a result of the transfer  
28           of the electronic money; and

1           (2) the electronic money, a record attached to or logically associated with the  
2           electronic money, or a system in which the electronic money is recorded enables the  
3           person readily to identify itself in any way, including by name, identifying number,  
4           cryptographic key, office, or account number, as having the powers under Paragraph  
5           (1) of this Subsection.

6           (b) Meaning of exclusive. Subject to Subsection (c) of this Section, a power  
7           is exclusive under Subsection (a)(1)(B)(i) and (ii) of this Section even if:

8           (1) the electronic money, a record attached to or logically associated with the  
9           electronic money, or a system in which the electronic money is recorded limits the  
10           use of the electronic money or has a protocol programmed to cause a change,  
11           including a transfer or loss of control; or

12           (2) the power is shared with another person.

13           (c) When power not shared with another person. A power of a person is not  
14           shared with another person under Subsection (b)(2) of this Section and the person's  
15           power is not exclusive if:

16           (1) the person can exercise the power only if the power also is exercised by  
17           the other person; and

18           (2) the other person:

19           (A) can exercise the power without exercise of the power by the person; or

20           (B) is the transferor to the person of an interest in the electronic money.

21           (d) Presumption of exclusivity of certain powers. If a person has the powers  
22           specified in Subsection (a)(1)(B)(i) and (ii) of this Section, the powers are presumed  
23           to be exclusive.

24           (e) Control through another person. A person has control of electronic  
25           money if another person, other than the transferor to the person of an interest in the  
26           electronic money:

27           (1) has control of the electronic money and acknowledges that it has control  
28           on behalf of the person; or





1 policy, the condition specified in R.S. 10:9-107.1(b) is met, and, if the security  
2 interest covers timber to be cut, a description of the land concerned;

3 \* \* \*

4 (C) the collateral is a certificated security in registered form and the security  
5 certificate has been delivered to the secured party under R.S. 10:8-301 pursuant to  
6 the debtor's security agreement; ~~or~~

7 (D) the collateral is ~~controllable~~ accounts, ~~controllable~~ electronic records,  
8 ~~controllable payment intangibles,~~ deposit accounts, ~~electronic chattel paper,~~  
9 electronic documents, electronic money, investment property, letter-of-credit rights,  
10 ~~electronic documents,~~ or a life insurance policy, and the secured party has control  
11 under R.S. 10:7-106, 9-104, ~~9-105,~~ 9-105.1, 9-106, 9-107, ~~or 9-107.1,~~ or 9-107.3  
12 pursuant to the debtor's security agreement; or

13 (E) the collateral is chattel paper and the secured party has possession and  
14 control under R.S. 10:9-314.1 pursuant to the debtor's security agreement.

15 \* \* \*

16 §9-204. After-acquired property; future advances

17 \* \* \*

18 (b) When after-acquired property clause not effective. ~~A~~ Subject to  
19 subsection (b.1) of this Section, a security interest does not attach under a term  
20 constituting an after-acquired property clause to:

21 \* \* \*

22 (b.1) Limitation on Subsection (b). Subsection (b) of this Section does not  
23 prevent a security interest from attaching:

24 (1) to consumer goods as proceeds under R.S. 10:9-315(a) or commingled  
25 goods under R.S. 10:9-336(c);

26 (2) to a tort claim as proceeds under R.S. 10:9-315(a);

27 (3) under an after-acquired property clause to property that is proceeds of  
28 consumer goods or a tort claim; or





1 (1) a secured party having control of a deposit account under R.S.  
2 10:9-104(a)(2) shall send to the bank with which the deposit account is maintained  
3 ~~an authenticated statement~~ a signed record that releases the bank from any further  
4 obligation to comply with instructions originated by the secured party;

5 \* \* \*

6 ~~(3) a secured party, other than a buyer, having control of electronic chattel~~  
7 ~~paper under R.S. 10:9-105 shall:~~

8 ~~(A) communicate the authoritative copy of the electronic chattel paper to the~~  
9 ~~debtor or its designated custodian;~~

10 ~~(B) if the debtor designates a custodian that is the designated custodian with~~  
11 ~~which the authoritative copy of the electronic chattel paper is maintained for the~~  
12 ~~secured party, communicate to the custodian an authenticated record releasing the~~  
13 ~~designated custodian from any further obligation to comply with instructions~~  
14 ~~originated by the secured party and instructing the custodian to comply with~~  
15 ~~instructions originated by the debtor; and~~

16 ~~(C) take appropriate action to enable the debtor or its designated custodian~~  
17 ~~to make copies of or revisions to the authoritative copy which add or change an~~  
18 ~~identified assignee of the authoritative copy without the consent of the secured party;~~

19 (3) a secured party, other than a buyer, having control under R.S. 10:9-105  
20 of an authoritative electronic copy of a record evidencing chattel paper shall transfer  
21 control of the electronic copy to the debtor or a person designated by the debtor;

22 (4) a secured party having control of investment property under R.S.  
23 10:8-106(d)(2) or 9-106(b) shall send to the securities intermediary or commodity  
24 intermediary with which the security entitlement or commodity contract is  
25 maintained ~~an authenticated~~ a signed record that releases the securities intermediary  
26 or commodity intermediary from any further obligation to comply with entitlement  
27 orders or directions originated by the secured party;

28 (5) a secured party having control of a letter-of-credit right under R.S. 10:9-  
29 107 shall send to each person having an unfulfilled obligation to pay or deliver

1 proceeds of the letter of credit to the secured party ~~an authenticated~~ a signed release  
2 from any further obligation to pay or deliver proceeds of the letter of credit to the  
3 secured party;

4 ~~(6) a secured party having control of an electronic document shall:~~

5 ~~(A) give control of the electronic document to the debtor or its designated~~  
6 ~~custodian;~~

7 ~~(B) if the debtor designates a custodian that is the designated custodian with~~  
8 ~~which the authoritative copy of the electronic document is maintained for the secured~~  
9 ~~party, communicate to the custodian an authenticated record releasing the designated~~  
10 ~~custodian from any further obligation to comply with instructions originated by the~~  
11 ~~secured party and instructing the custodian to comply with instructions originated by~~  
12 ~~the debtor; and~~

13 ~~(C) take appropriate action to enable the debtor or its designated custodian~~  
14 ~~to make copies of or revisions to the authoritative copy which add or change an~~  
15 ~~identified assignee of the authoritative copy without the consent of the secured party;~~  
16 ~~and~~

17 (6) a secured party having control under R.S. 10:7-106 of an authoritative  
18 electronic copy of an electronic document of title shall transfer control of the  
19 electronic copy to the debtor or a person designated by the debtor;

20 (7) a secured party having control under R.S. 10:9-105.1 of electronic money  
21 shall transfer control of the electronic money to the debtor or a person designated by  
22 the debtor;

23 (8) a secured party having control under R.S. 10:12-105 of a controllable  
24 electronic record, other than a buyer of a controllable account or controllable  
25 payment intangible evidenced by the controllable electronic record, shall transfer  
26 control of the controllable electronic record to the debtor or a person designated by  
27 the debtor; and

28 ~~(7)~~ (9) a secured party having control of a life insurance policy under R.S.  
29 10:9-107.1(a)(2) shall send to the insurer that issued the policy ~~an authenticated a~~

1 signed record that releases both the security interest and the insurer's  
2 acknowledgment.

3 §9-209. Duties of secured party if account debtor has been notified of assignment

4 \* \* \*

5 (b) Duties of secured party after receiving demand from debtor. Within ten  
6 days after receiving ~~an authenticated~~ a signed demand by the debtor, a secured party  
7 shall send to an account debtor that has received notification under R.S. 10:9-406(a)  
8 or 12-106(b) of an assignment to the secured party as assignee ~~under R.S.~~  
9 ~~10:9-406(a) an authenticated~~ a signed record that releases the account debtor from  
10 any further obligation to the secured party.

11 \* \* \*

12 §9-210. Request for accounting; request regarding list of collateral or statement of  
13 account

14 (a) Definitions. In this Section:

15 \* \* \*

16 (2) "Request for an accounting" means a record ~~authenticated~~ signed by a  
17 debtor requesting that the recipient provide an accounting of the unpaid obligations  
18 secured by collateral and reasonably identifying the transaction or relationship that  
19 is the subject of the request.

20 (3) "Request regarding a list of collateral" means a record ~~authenticated~~  
21 signed by a debtor requesting that the recipient approve or correct a list of what the  
22 debtor believes to be the collateral securing an obligation and reasonably identifying  
23 the transaction or relationship that is the subject of the request.

24 (4) "Request regarding a statement of account" means a record ~~authenticated~~  
25 signed by a debtor requesting that the recipient approve or correct a statement  
26 indicating what the debtor believes to be the aggregate amount of unpaid obligations  
27 secured by collateral as of a specified date and reasonably identifying the transaction  
28 or relationship that is the subject of the request.

1 (b) Duty to respond to requests. Subject to Subsections (c), (d), (e), and (f)  
2 of this Section, a secured party, other than a buyer of accounts, chattel paper,  
3 payment intangibles, or promissory notes or a consignor, shall comply with a request  
4 within fourteen days after receipt:

5 (1) in the case of a request for an accounting, by ~~authenticating~~ signing and  
6 sending to the debtor an accounting; and

7 (2) in the case of a request regarding a list of collateral or a request regarding  
8 a statement of account, by ~~authenticating~~ signing and sending to the debtor an  
9 approval or correction.

10 (c) Request regarding list of collateral; statement concerning type of  
11 collateral. A secured party that claims a security interest in all of a particular type  
12 of collateral owned by the debtor may comply with a request regarding a list of  
13 collateral by sending to the debtor ~~an authenticated~~ a signed record including a  
14 statement to that effect within fourteen days after receipt.

15 (d) Request regarding list of collateral; no interest claimed. A person that  
16 receives a request regarding a list of collateral, claims no interest in the collateral  
17 when it receives the request, and claimed an interest in the collateral at an earlier  
18 time shall comply with the request within fourteen days after receipt by sending to  
19 the debtor ~~an authenticated~~ a signed record:

20 \* \* \*

21 (e) Request for accounting or regarding statement of account; no interest in  
22 obligation claimed. A person that receives a request for an accounting or a request  
23 regarding a statement of account, claims no interest in the obligations when it  
24 receives the request, and claimed an interest in the obligations at an earlier time shall  
25 comply with the request within fourteen days after receipt by sending to the debtor  
26 ~~an authenticated~~ a signed record:

27 \* \* \*

1 §9-301. Law governing perfection and priority of security interests

2 Except as otherwise provided in R.S. 10:9-303 through ~~9-306~~ 9-306.2, the  
3 following rules determine the law governing perfection, the effect of perfection or  
4 nonperfection, and the priority of a security interest in collateral:

5 \* \* \*

6 (3) Except as otherwise provided in Paragraphs (4) and (5) of this Section,  
7 while tangible negotiable tangible documents, goods, instruments, or tangible  
8 money, ~~or tangible chattel paper~~ is located in a jurisdiction, the local law of that  
9 jurisdiction governs:

10 \* \* \*

11 §9-304. Law governing perfection and priority of security interests in deposit  
12 accounts

13 (a) Law of bank's jurisdiction governs. The local law of a bank's jurisdiction  
14 governs perfection, the effect of perfection or nonperfection, and the priority of a  
15 security interest in a deposit account maintained with that bank even if the  
16 transaction does not bear any relation to the bank's jurisdiction.

17 \* \* \*

18 §9-305. Law governing perfection and priority of security interests in investment  
19 property

20 (a) Governing law: general rules. Except as otherwise provided in  
21 Subsection (c) of this Section, the following rules apply:

22 \* \* \*

23 (5) Paragraphs (2), (3), and (4) of this Subsection apply even if the  
24 transaction does not bear any relation to the jurisdiction.

25 \* \* \*

26 §9-306.1. Law governing perfection and priority of security interests in chattel  
27 paper

28 (a) Chattel paper evidenced by authoritative electronic copy. Except as  
29 provided in Subsection (d) of this Section, if chattel paper is evidenced only by an

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 authoritative electronic copy of the chattel paper or is evidenced by an authoritative  
2 electronic copy and an authoritative tangible copy, the local law of the chattel paper's  
3 jurisdiction governs perfection, the effect of perfection or nonperfection, and the  
4 priority of a security interest in the chattel paper, even if the transaction does not  
5 bear any relation to the chattel paper's jurisdiction.

6 (b) Chattel paper's jurisdiction. The following rules determine the chattel  
7 paper's jurisdiction under this Section:

8 (1) If the authoritative electronic copy of the record evidencing chattel paper,  
9 or a record attached to or logically associated with the electronic copy and readily  
10 available for review, expressly provides that a particular jurisdiction is the chattel  
11 paper's jurisdiction for purposes of this Part, this Chapter, or this Title, that  
12 jurisdiction is the chattel paper's jurisdiction.

13 (2) If Paragraph (1) of this Subsection does not apply and the rules of the  
14 system in which the authoritative electronic copy is recorded are readily available  
15 for review and expressly provide that a particular jurisdiction is the chattel paper's  
16 jurisdiction for purposes of this Part, this Chapter, or this Title, that jurisdiction is the  
17 chattel paper's jurisdiction.

18 (3) If Paragraphs (1) and (2) of this Subsection do not apply and the  
19 authoritative electronic copy, or a record attached to or logically associated with the  
20 electronic copy and readily available for review, expressly provides that the chattel  
21 paper is governed by the law of a particular jurisdiction, that jurisdiction is the  
22 chattel paper's jurisdiction.

23 (4) If Paragraphs (1), (2), and (3) of this Subsection do not apply and the  
24 rules of the system in which the authoritative electronic copy is recorded are readily  
25 available for review and expressly provide that the chattel paper or the system is  
26 governed by the law of a particular jurisdiction, that jurisdiction is the chattel paper's  
27 jurisdiction.

28 (5) If Paragraphs (1) through (4) of this Subsection do not apply, the chattel  
29 paper's jurisdiction is the jurisdiction in which the debtor is located.





1 §9-310. When filing required to perfect security interest or agricultural lien; security  
2 interests and agricultural liens to which filing provisions do not apply

3 \* \* \*

4 (b) Exceptions: filing not necessary. The filing of a financing statement is  
5 not necessary to perfect a security interest:

6 \* \* \*

7 (8) in controllable accounts, controllable electronic records, controllable  
8 payment intangibles, deposit accounts, ~~electronic chattel paper~~, electronic  
9 documents, investment property, letter-of-credit rights, or life insurance policies  
10 when the security interest is perfected by control under R.S. 10:9-314;

11 (8.1) in chattel paper which is perfected by possession and control under R.S.  
12 10:9-314.1;

13 \* \* \*

14 §9-312. Perfection of security interests in chattel paper, controllable accounts,  
15 controllable electronic records, controllable payment intangibles, deposit  
16 accounts, negotiable documents, goods covered documents, instruments,  
17 investment property, letter-of-credit rights, money, life insurance policies,  
18 and collateral mortgage notes; perfection by permissive filing; temporary  
19 perfection without filing or transfer of possession

20 (a) Perfection by filing permitted. A security interest in chattel paper,  
21 controllable accounts, controllable electronic records, controllable payment  
22 intangibles, negotiable documents, instruments other than collateral mortgage notes,  
23 or investment property may be perfected by filing.

24 (b) Control or possession of certain collateral. Except as otherwise provided  
25 in R.S. 10:9-315(c) and (d) for proceeds:

26 \* \* \*

27 (3) a security interest in tangible money may be perfected only by the  
28 secured party's taking possession under R.S. 10:9-313;



1 (1) the person in possession ~~authenticates~~ signs a record acknowledging that  
2 it holds possession of the collateral for the secured party's benefit; or

3 (2) the person takes possession of the collateral after having ~~authenticated~~  
4 signed a record acknowledging that it will hold possession of the collateral for the  
5 secured party's benefit.

6 (d) Time of perfection by possession; continuation of perfection. If  
7 perfection of a security interest depends upon possession of the collateral by a  
8 secured party, perfection occurs ~~no~~ not earlier than the time the secured party takes  
9 possession and continues only while the secured party retains possession.

10 \* \* \*

11 §9-314. Perfection by control

12 (a) Perfection by control. A security interest in ~~investment property, deposit~~  
13 ~~accounts, letter-of-credit rights, electronic chattel paper, electronic documents~~  
14 controllable accounts, controllable electronic records, controllable payment  
15 intangibles, deposit accounts, electronic documents, electronic money, investment  
16 property, letter-of-credit rights, or a life insurance policy may be perfected by control  
17 of the collateral under R.S. 10:7-106, 9-104, ~~9-105~~, 9-105.1, 9-106, 9-107, ~~or~~ 9-  
18 107.1, 9-107.3.

19 (b) Specified collateral: time of perfection by control; continuation of  
20 perfection. A security interest in controllable accounts, controllable electronic  
21 records, controllable payment intangibles, deposit accounts, ~~electronic chattel paper,~~  
22 electronic documents, electronic money, a life insurance policy, or letter-of-credit  
23 rights is perfected by control under R.S. 10:7-106, 9-104, ~~9-105~~, 9-105.1, 9-107, ~~or~~  
24 9-107.1, or 9-107.3 ~~when~~ not earlier than the time the secured party obtains control  
25 and remains perfected by control only while the secured party retains control.

26 (c) Investment property: time of perfection by control; continuation of  
27 perfection. A security interest in investment property is perfected by control under

1 R.S. 10:9-106 ~~from~~ not earlier than the time the secured party obtains control and  
2 remains perfected by control until:

3 \* \* \*

4 §9-314.1. Perfection by possession and control of chattel paper

5 (a) Perfection by possession and control. A secured party may perfect a  
6 security interest in chattel paper by taking possession of each authoritative tangible  
7 copy of the record evidencing the chattel paper and obtaining control of each  
8 authoritative electronic copy of the electronic record evidencing the chattel paper.

9 (b) Time of perfection; continuation of perfection. A security interest is  
10 perfected under Subsection (a) of this Section not earlier than the time the secured  
11 party takes possession and obtains control and remains perfected under Subsection  
12 (a) of this Section only while the secured party retains possession and control.

13 (c) Application of R.S. 10:9-313 to perfection by possession of chattel paper.  
14 R.S. 10:9-313(c) and (f) through (i) applies to perfection by possession of an  
15 authoritative tangible copy of a record evidencing chattel paper.

16 \* \* \*

17 §9-316. Continued perfection of security interest following change in governing law

18 (a) General rule: effect on perfection of change in governing law. A security  
19 interest perfected pursuant to the law of the jurisdiction designated in R.S.  
20 10:9-301(1), ~~or~~ 9-305(c), 9-306.1(d), or 9-306.2(b) remains perfected until the  
21 earliest of:

22 \* \* \*

23 (f) Change in jurisdiction of chattel paper, controllable electronic record,  
24 bank, issuer, nominated person, securities intermediary, or commodity intermediary.  
25 A security interest in chattel paper, controllable accounts, controllable electronic  
26 records, controllable payment intangibles, deposit accounts, letter-of-credit rights,  
27 or investment property which is perfected under the law of the chattel paper's  
28 jurisdiction, the controllable electronic record's jurisdiction, the bank's jurisdiction,  
29 the issuer's jurisdiction, a nominated person's jurisdiction, the securities

1 intermediary's jurisdiction, or the commodity intermediary's jurisdiction, as  
2 applicable, remains perfected until the earlier of:

3 \* \* \*

4 §9-317. Interests that take priority over or take free of security interest or  
5 agricultural lien

6 \* \* \*

7 (b) Buyers that receive delivery. Except as otherwise provided in Subsection  
8 (e) of this Section, a buyer, other than a secured party, of ~~tangible chattel paper,~~  
9 ~~tangible documents,~~ goods, instruments, tangible documents, or certificated security  
10 takes free of a security interest or agricultural lien if the buyer gives value and  
11 receives delivery of the collateral before it is perfected.

12 \* \* \*

13 (d) Licensees and buyers of certain collateral. ~~A~~ Subject to Subsections (f)  
14 through (i) of this Section, a licensee of a general intangible or a buyer, other than  
15 a secured party, of collateral other than ~~tangible chattel paper,~~ electronic money,  
16 ~~tangible documents,~~ goods, instruments, tangible documents, or a certificated  
17 security takes free of a security interest if the licensee or buyer gives value before it  
18 is perfected.

19 \* \* \*

20 (f) Buyers of chattel paper. A buyer, other than a secured party, of chattel  
21 paper takes free of a security interest if, before it is perfected, the buyer gives value  
22 and:

23 (1) receives delivery of each authoritative tangible copy of the record  
24 evidencing the chattel paper; and

25 (2) if each authoritative electronic copy of the record evidencing the chattel  
26 paper can be subjected to control under R.S. 10:9-105, obtains control of each  
27 authoritative electronic copy.

28 (g) Buyers of electronic documents. A buyer of an electronic document  
29 takes free of a security interest if, before it is perfected, the buyer gives value and,

1 if each authoritative electronic copy of the document can be subjected to control  
2 under R.S. 10:7-106, obtains control of each authoritative electronic copy.

3 (h) Buyers of controllable electronic records. A buyer of a controllable  
4 electronic record takes free of a security interest if, before it is perfected, the buyer  
5 gives value and obtains control of the controllable electronic record.

6 (i) Buyers of controllable accounts and controllable payment intangibles. A  
7 buyer, other than a secured party, of a controllable account or a controllable payment  
8 intangible takes free of a security interest if, before it is perfected, the buyer gives  
9 value and obtains control of the controllable account or controllable payment  
10 intangible.

11 Louisiana Official Revision Comments - 2023

12 In new subsections (f), (g), (h), and (i) of revised Chapter 9, the revised  
13 national U.C.C. Article 9's requirement of being "without knowledge" is omitted,  
14 conforming to existing Louisiana subsections (b), (c), and (d). This change is  
15 consistent with the Louisiana public records doctrine, which is predicated on filing  
16 and not on knowledge. The Louisiana rule is that actual knowledge by third parties  
17 of an unrecorded interest is immaterial; proper filing is alone dispositive. See  
18 Louisiana Official Revision Comments - 2001. This change also promotes judicial  
19 efficiency by facilitating proof in contested cases.

20 \* \* \*

21 §9-323. Future advances

22 \* \* \*

23 (d) Buyer of goods. Except as otherwise provided in Subsection (e) of this  
24 Section, a buyer of goods ~~other than a buyer in ordinary course of business~~ takes free  
25 of a security interest to the extent that it secures advances made after the earlier of:

26 \* \* \*

27 (f) Lessee of goods. Except as otherwise provided in Subsection (g) of this  
28 Section, a lessee of goods, ~~other than a lessee in ordinary course of business~~, takes  
29 the leasehold interest free of a security interest to the extent that it secures advances  
30 made after the earlier of:

31 \* \* \*

1 §9-324. Priority of purchase-money security interests

2 \* \* \*

3 (b) Inventory purchase-money priority. Subject to Subsection (c) of this  
4 Section and except as otherwise provided in Subsection (g) of this Section, a  
5 perfected purchase-money security interest in inventory has priority over a  
6 conflicting security interest in the same inventory, has priority over a conflicting  
7 security interest in chattel paper or an instrument constituting proceeds of the  
8 inventory and in proceeds of the chattel paper, if so provided in R.S. 10:9-330, and,  
9 except as otherwise provided in R.S. 10:9-327, also has priority in identifiable cash  
10 proceeds of the inventory to the extent the identifiable cash proceeds are received on  
11 or before the delivery of the inventory to a buyer, if:

12 \* \* \*

13 (2) the purchase-money secured party sends ~~an authenticated~~ a signed  
14 notification to the holder of the conflicting security interest;

15 \* \* \*

16 (d) Livestock purchase-money priority. Subject to Subsection (e) of this  
17 Section and except as otherwise provided in Subsection (g) of this Section, a  
18 perfected purchase-money security interest in livestock that are farm products has  
19 priority over a conflicting security interest in the same livestock, and, except as  
20 otherwise provided in R.S. 10:9-327, a perfected security interest in their identifiable  
21 proceeds and identifiable products in their unmanufactured states also has priority,  
22 if:

23 \* \* \*

24 (2) the purchase-money secured party sends ~~an authenticated~~ a signed  
25 notification to the holder of the conflicting security interest;

26 \* \* \*





1 (f) Indication of assignment gives knowledge. For purposes of Subsections  
 2 (b) and (d) of this Section, if the authoritative copies of the record evidencing chattel  
 3 paper or an instrument indicates indicate that it the chattel paper or instrument has  
 4 been assigned to an identified secured party other than the purchaser, a purchaser of  
 5 the chattel paper or instrument has knowledge that the purchase violates the rights  
 6 of the secured party.

7 §9-331. Priority of rights of purchasers of controllable accounts, controllable  
 8 electronic records, controllable payment intangibles, instruments, documents,  
 9 instruments and securities under other Chapters; priority of interests in  
 10 financial assets and security entitlements under ~~Chapter~~ Chapters 8 and 12

11 (a) Rights under Chapters 3, 7, ~~and 8, and 12~~ not limited. This Chapter does  
 12 not limit the rights of a holder in due course of a negotiable instrument, a holder to  
 13 which a negotiable document of title has been duly negotiated, or a protected  
 14 purchaser of a security, or a qualifying purchaser of a controllable account,  
 15 controllable electronic record, or controllable payment intangible. These holders or  
 16 purchasers take priority over an earlier security interest, even if perfected, to the  
 17 extent provided in Chapters 3, 7, ~~and 8, and 12.~~

18 (b) Protection under ~~Chapter 8~~ Chapters 8 and 12. This Chapter does not  
 19 limit the rights of or impose liability on a person to the extent that the person is  
 20 protected against the assertion of an adverse claim under Chapter 8 or 12.

21 \* \* \*

22 §9-332. Transfer of money; transfer of funds from deposit account

23 (a) Transferee of tangible money. A transferee of tangible money takes the  
 24 money free of a security interest ~~unless the transferee acts~~ if the transferee receives  
 25 possession of the money without acting in collusion with the debtor in violating the  
 26 rights of the secured party.

27 (b) Transferee of funds from deposit account. A transferee of funds from a  
 28 deposit account takes the funds free of a security interest in the deposit account

1 ~~unless the transferee acts~~ if the transferee receives the funds without acting in  
2 collusion with the debtor in violating the rights of the secured party.

3 (c) Transferee of electronic money. A transferee of electronic money takes  
4 the money free of a security interest if the transferee obtains control of the money  
5 without acting in collusion with the debtor in violating the rights of the secured  
6 party.

7 \* \* \*

8 §9-334. Priority of security interests in fixtures and crops

9 \* \* \*

10 (f) Priority based on consent, disclaimer, or right to remove. A security  
11 interest in fixtures, whether or not perfected, has priority over a conflicting interest  
12 of an encumbrancer or owner of the real property if:

13 (1) the encumbrancer or owner has, in ~~an authenticated~~ a signed record,  
14 consented to the security interest or disclaimed an interest in the goods as fixtures;  
15 or

16 \* \* \*

17 §9-341. Bank's rights and duties with respect to deposit account

18 Except as otherwise provided in R.S. 10:9-340(c), and unless the bank  
19 otherwise agrees in ~~an authenticated~~ a signed record, a bank's rights and duties with  
20 respect to a deposit account maintained with the bank are not terminated, suspended,  
21 or modified by:

22 \* \* \*

23 §9-404. Rights acquired by assignee; claims and defenses against assignee

24 (a) Assignee's rights subject to terms, claims, and defenses; exceptions.  
25 Unless an account debtor has made an enforceable agreement not to assert defenses  
26 or claims, and subject to Subsections (b) through (e) of this Section, the rights of an  
27 assignee are subject to:

28 \* \* \*

1 (2) any other defense or claim of the account debtor against the assignor  
2 which accrues before the account debtor receives a notification of the assignment  
3 ~~authenticated~~ signed by the assignor or the assignee.

4 \* \* \*

5 §9-406. Discharge of account debtor; notification of assignment; identification and  
6 proof of assignment; restrictions on assignment of accounts, chattel paper,  
7 payment intangibles, and promissory notes ineffective

8 (a) Discharge of account debtor; effect of notification. Subject to  
9 Subsections (b) through (i) and (l) of this Section and R.S. 10:9-411, an account  
10 debtor on an account, chattel paper, or a payment intangible may discharge its  
11 obligation by paying the assignor until, but not after, the account debtor receives a  
12 notification, authenticated by the assignor or the assignee, that the amount due or to  
13 become due has been assigned and that payment is to be made to the assignee. After  
14 receipt of the notification, the account debtor may discharge its obligation by paying  
15 the assignee and may not discharge the obligation by paying the assignor.

16 (b) When notification ineffective. Subject to ~~Subsection~~ Subsections (h) and  
17 (l) of this Section, notification is ineffective under Subsection (a) of this Section:

18 \* \* \*

19 (c) Proof of assignment. Subject to ~~Subsection~~ Subsections (h) and (l) of this  
20 Section, if requested by the account debtor, an assignee shall seasonably furnish  
21 reasonable proof that the assignment has been made. Unless the assignee complies,  
22 the account debtor may discharge its obligation by paying the assignor, even if the  
23 account debtor has received a notification under Subsection (a) of this Section.

24 (d) Term restricting assignment generally ineffective. In this Subsection,  
25 "promissory note" includes a negotiable instrument that evidences chattel paper.  
26 Except as otherwise provided in Subsection (e), (i), and (k) of this Section and R.S.  
27 10:9-407 and R.S. 10:9-410, and subject to Subsection (h) of this Section, a term in

1 an agreement between an account debtor and an assignor or in a promissory note is  
2 ineffective to the extent that it:

3 \* \* \*

4 (g) Subsection (b)(3) not waivable. Subject to ~~Subsection~~ Subsections (h)  
5 and (l) of this Section, an account debtor may not waive or vary its option under  
6 Subsection (b)(3) of this Section.

7 \* \* \*

8 (l) Inapplicability of certain subsections. Subsections (a), (b), (c), and (g)  
9 of this Section do not apply to a controllable account or controllable payment  
10 intangible.

11 \* \* \*

12 Louisiana Official Revision Comments - 2023

13 The reference to subsection (k) in subsection (d) is intentional, even though  
14 the subsection (k) in Louisiana Chapter 9 is nonuniform and completely different  
15 from the subsection (k) in revised national U.C.C. Article 9.

16 \* \* \*

17 §9-408. Restrictions on assignment of promissory notes, health-care-insurance  
18 receivables, and certain general intangibles ineffective

19 \* \* \*

20 (g) "Promissory note." In this Section, "promissory note" includes a  
21 negotiable instrument that evidences chattel paper.

22 (h) Subsections (a) and (c) of this Section do not apply to the assignment or  
23 transfer or creation of a security interest in:

24 (1) a claim or right to receive compensation for injuries or sickness as  
25 described in 26 U.S.C. 104(a)(1) or (2), as amended; or

26 (2) a claim or right to receive benefits under a special needs trust as  
27 described in 42 U.S.C. 1396p(d)(4), as amended.

28 \* \* \*

1 §9-412. Discharge of tortfeasor; notification and filing of assignment

2 (a) Discharge of tortfeasor. Subject to Subsections (b) through (c) of this  
3 Section, a person obligated on a tort claim may discharge its obligation by paying the  
4 debtor until, but not after, the person receives a notification, ~~authenticated~~ signed by  
5 the debtor or the secured party, that the amount due has been assigned and that  
6 payment is to be made to the secured party. After receipt of the notification, the  
7 person may discharge its obligation by paying the secured party and may not  
8 discharge the obligation by paying the debtor.

9 \* \* \*

10 §9-509. Persons entitled to file a record

11 (a) Person entitled to file record. A person may file an initial financing  
12 statement, amendment that adds collateral covered by a financing statement, or  
13 amendment that adds a debtor to a financing statement only if:

14 (1) the debtor authorizes the filing in ~~an authenticated~~ a signed record or  
15 pursuant to Subsection (b) or (c) of this Section; or

16 \* \* \*

17 (b) Security agreement as authorization. By ~~authenticating~~ signing or  
18 becoming bound as debtor by a security agreement, a debtor or new debtor  
19 authorizes the filing of an initial financing statement, and an amendment, covering:

20 \* \* \*

21 §9-513. Termination statement

22 \* \* \*

23 (b) Time for compliance with Subsection (a). To comply with Subsection  
24 (a) of this Section, a secured party shall cause the secured party of record to file the  
25 termination statement in the filing office where the financing statement was  
26 originally filed:

27 \* \* \*

28 (2) if earlier, within twenty days after the secured party receives ~~an~~  
29 ~~authenticated~~ a signed demand from a debtor.

1 (c) Other collateral. In cases not governed by Subsection (a) of this Section,  
 2 within twenty days after a secured party receives ~~an authenticated~~ a signed demand  
 3 from a debtor, the secured party shall cause the secured party of record for a  
 4 financing statement to send to the debtor a termination statement for the financing  
 5 statement or file the termination statement in the filing office where the financing  
 6 statement was originally filed if:

7 \* \* \*

8 §9-601. Rights after default; judicial enforcement; consignor or buyer of accounts,  
 9 chattel paper, payment intangibles, or promissory notes

10 \* \* \*

11 (b) Rights and duties of secured party in possession or control. A secured  
 12 party in possession of collateral or control of collateral under R.S. 10:7-106, 9-104,  
 13 9-105, 9-105.1 9-106, 9-107, ~~or 9-107.1,~~ or 9-107.3 has the rights and duties  
 14 provided in R.S. 10:9-207.

15 \* \* \*

16 §9-605. Unknown debtor or secondary obligor

17 ~~▲~~ (a) In general: No duty owed by secured party. Except as provided in  
 18 Subsection (b) of this Section, a secured party does not owe a duty based on its status  
 19 as secured party:

- 20 (1) to a person that is a debtor or obligor, unless the secured party knows:  
 21 (A) that the person is a debtor or obligor;  
 22 (B) the identity of the person; and  
 23 (C) how to communicate with the person; or  
 24 (2) to a secured party or lienholder that has filed a financing statement  
 25 against a person, unless the secured party knows:  
 26 (A) that the person is a debtor; and  
 27 (B) the identity of the person.

28 (b) Exception: Secured party owes duty to debtor or obligor. A secured  
 29 party owes a duty based on its status as a secured party to a person if, at the time the

1 secured party obtains control of collateral that is a controllable account, controllable  
2 electronic record, or controllable payment intangible or at the time the security  
3 interest attaches to the collateral, whichever is later:

- 4 (1) the person is a debtor or obligor; and
- 5 (2) the secured party knows that the information in Subsection (a)(1)(A), (B),
- 6 or (C) of this Section relating to the person is not provided by the collateral, a record
- 7 attached to or logically associated with the collateral, or the system in which the
- 8 collateral is recorded.

9 \* \* \*

10 §9-608. Application of proceeds of collection or enforcement; liability for  
11 deficiency and right to surplus

12 (a) Application of proceeds, surplus, and deficiency if obligation secured.  
13 If a security interest or agricultural lien secures payment or performance of an  
14 obligation, the following rules apply:

- 15 (1) A secured party shall apply or pay over for application the cash proceeds
- 16 of collection or enforcement under R.S. 10:9-607 in the following order to:

17 \* \* \*

18 (C) the satisfaction of obligations secured by any subordinate security  
19 interest in or lien on the collateral subject to the security interest or agricultural lien  
20 under which the collection or enforcement is made if the secured party receives ~~an~~  
21 authenticated a signed demand for proceeds before distribution of the proceeds is  
22 completed.

23 \* \* \*

24 §9-611. Notification before disposition of collateral

25 (a) "Notification date." In this Section, "notification date" means the earlier  
26 of the date on which:

- 27 (1) a secured party sends to the debtor and any secondary obligor ~~an~~
- 28 authenticated a signed notification of disposition; or

29 \* \* \*

1 (b) Notification of disposition required. Except as otherwise provided in  
2 Subsection (d) of this Section, a secured party that disposes of collateral under R.S.  
3 10:9-610 shall send to the persons specified in Subsection (c) of this Section a  
4 reasonable ~~authenticated~~ signed notification of disposition.

5 (c) Persons to be notified. To comply with Subsection (b) of this Section,  
6 the secured party shall send ~~an authenticated~~ a signed notification of disposition to:

7 \* \* \*

8 (3) if the collateral is other than consumer goods:

9 (A) any other person from which the secured party has received, before the  
10 notification date, ~~an authenticated~~ a signed notification of a claim of an interest in  
11 the collateral;

12 \* \* \*

13 (e) Compliance with Subsection (c)(3)(B). A secured party complies with  
14 the requirement for notification prescribed by Subsection (c)(3)(B) of this Section  
15 if:

16 \* \* \*

17 (2) before the notification date, the secured party:

18 \* \* \*

19 (B) received a response to the request for information and sent ~~an~~  
20 ~~authenticated~~ a signed notification of disposition to each secured party or other  
21 lienholder named in that response whose financing statement covered the collateral.

22 \* \* \*

23 §9-613. Contents and form of notification before disposition of collateral: general

24 (a) Contents and form of notification. Except in a consumer-goods  
25 transaction, the following rules apply:

26 (1) The contents of a notification of disposition are sufficient if the  
27 notification:

28 (A) describes the debtor and the secured party;

29 (B) describes the collateral that is the subject of the intended disposition;



1 (C) states the method of intended disposition;

2 (D) states that the debtor is entitled to an accounting of the unpaid  
3 indebtedness and states the charge, if any, for an accounting; and

4 (E) states the time and place of a public disposition or the time after which  
5 any other disposition is to be made.

6 (2) Whether the contents of a notification that lacks any of the information  
7 specified in Paragraph (1) of this Section are nevertheless sufficient is a question of  
8 fact.

9 (3) The contents of a notification providing substantially the information  
10 specified in Paragraph (1) of this Section are sufficient, even if the notification  
11 includes:

12 (A) information not specified by that Paragraph; or

13 (B) minor errors that are not seriously misleading.

14 (4) A particular phrasing of the notification is not required.

15 (5) The following form of notification and the form appearing in R.S.  
16 ~~10:9-614(3)~~ 10:9-614(a)(3), when completed, each provides sufficient information:

17 ~~NOTIFICATION OF DISPOSITION OF COLLATERAL~~

18 ~~To: [Name of debtor, obligor, or other person to which the notification is sent]~~

19 ~~From: [Name, address, and telephone number of secured party]~~

20 ~~Name of Debtor(s): [Include only if debtor(s) are not an addressee]~~

21 ~~[For a public disposition:]~~

22 ~~We will sell [or lease or license, as applicable] the [describe collateral] to~~  
23 ~~[the highest qualified bidder] in public as follows:~~

24 ~~Day and Date:~~

25 ~~Time:~~

26 ~~Place:~~

27 ~~[For a private disposition:]~~

28 ~~We will sell [or lease or license, as applicable] the [describe~~  
29 ~~collateral] privately sometime after [day and date].~~

1           ~~You are entitled to an accounting of the unpaid indebtedness secured by the~~  
2           ~~property that we intend to sell [or lease or license, as applicable] [for a charge of~~  
3           ~~\$ \_\_\_\_\_]. You may request an accounting by calling us at [telephone number]~~  
4           ~~[End of Form]~~

5                           NOTIFICATION OF DISPOSITION OF COLLATERAL

6           To: (Name of debtor, obligor, or other person to which the notification is sent)

7           From: (Name, address, and telephone number of secured party)

8                           {1} Name of any debtor that is not an addressee: (Name of each debtor)

9                           {2} We will sell (describe collateral) (to the highest qualified bidder) at  
10           public sale. A sale could include a lease or license. The sale will be held as follows:

11                           (Date)

12                           (Time)

13                           (Place)

14                           {3} We will sell (describe collateral) at private sale sometime after (date).

15           A sale could include a lease or license.

16                           {4} You are entitled to an accounting of the unpaid indebtedness secured by  
17           the property that we intend to sell or, as applicable, lease or license.

18                           {5} If you request an accounting you must pay a charge of \$ (amount).

19                           {6} You may request an accounting by calling us at (telephone number).

20   [End of Form]

21           (b) Instructions for form of notification. The following instructions apply  
22           to the form of notification in Subsection (a)(5) of this Section:

23                           (1) The instructions in this Subsection refer to the numbers in braces before  
24           items in the form of notification in Subsection (a)(5) of this Section. Do not include  
25           the numbers or braces in the notification. The numbers and braces are used only for  
26           the purpose of these instructions.

27                           (2) Include and complete item {1} only if there is a debtor that is not an  
28           addressee of the notification and list the name or names.

1           (3) Include and complete either item {2}, if the notification relates to a  
2           public disposition of the collateral, or item {3}, if the notification relates to a private  
3           disposition of the collateral. If item {2} is included, include the words "to the  
4           highest qualified bidder" only if applicable.

5           (4) Include and complete items {4} and {6}.

6           (5) Include and complete item {5} only if the sender will charge the recipient  
7           for an accounting.

8           §9-614. Contents and form of notification before disposition of collateral:  
9           consumer-goods transaction

10          (a) Contents and form of notification. In a consumer-goods transaction, the  
11          following rules apply:

12           (1) A notification of disposition must provide the following information:

13           (A) the information specified in ~~R.S. 10:9-613(1)~~ R.S. 10:9-613(a)(1);

14           (B) a description of any liability for a deficiency of the person to which the  
15          notification is sent;

16           (C) a telephone number from which the amount that must be paid to the  
17          secured party to redeem the collateral under R.S. 10:9-623 is available; and

18           (D) a telephone number or mailing address from which additional  
19          information concerning the disposition and the obligation secured is available.

20           (2) A particular phrasing of the notification is not required.

21           (3) The following form of notification, when completed, provides sufficient  
22          information:

23                                   NOTICE OF OUR PLAN TO SELL PROPERTY

24           ~~[Name and address of any obligor who is also a debtor]~~

25           Subject: ~~[Identification of Transaction]~~

26           We have your ~~[describe collateral]~~, because you broke promises in our  
27          agreement.

28           ~~[For a public disposition:]~~

1           We will sell [*describe collateral*] at public sale. A sale could include a lease  
2           or license. The sale will be held as follows:

3           Date:

4           Time:

5           Place:

6           You may attend the sale and bring bidders if you want.

7           [*For a private disposition:*]

8           We will sell [*describe collateral*] at private sale sometime after [*date*]. A  
9           sale could include a lease or license.

10           The money that we get from the sale (after paying our costs) will reduce the  
11           amount you owe. If we get less money than you owe, you [*will or will not, as*  
12           *applicable*] still owe us the difference. If we get more money than you owe, you will  
13           get the extra money, unless we must pay it to someone else.

14           You can get the property back at any time before we sell it by paying us the  
15           full amount you owe (not just the past due payments), including our expenses. To  
16           learn the exact amount you must pay, call us at [*telephone number*].

17           If you want us to explain to you in writing how we have figured the amount  
18           that you owe us, you may call us at [*telephone number*] [or write us at [*secured*  
19           *party's address*]] and request a written explanation. [We will charge you \$\_\_\_\_\_]  
20           for the explanation if we sent you another written explanation of the amount you owe  
21           us within the last six months.]

22           If you need more information about the sale call us at [*telephone number*] [or  
23           write us at [*secured party's address*]].

24           We are sending this notice to the following other people who have an interest  
25           in [*describe collateral*] or who owe money under your agreement:

26           [*Names of all other debtors and obligors, if any*]

27           [End of Form]

1        (Name and address of secured party)

2        (Date)

3                                NOTICE OF OUR PLAN TO SELL PROPERTY

4        (Name and address of any obligor who is also a debtor)

5        Subject: (Identify transaction)

6                We have your (describe collateral), because you broke promises in our  
7        agreement.

8                {1} We will sell (describe collateral) at public sale. A sale could include a  
9        lease or license. The sale will be held as follows:

10                (Date)

11                (Time)

12                (Place)

13                You may attend the sale and bring bidders if you want.

14                {2} We will sell (describe collateral) at private sale sometime after (date).

15                A sale could include a lease or license.

16                {3} The money that we get from the sale, after paying our costs, will reduce  
17        the amount you owe. If we get less money than you owe, you (will or will not, as  
18        applicable) still owe us the difference. If we get more money than you owe, you will  
19        get the extra money, unless we must pay it to someone else.

20                {4} You can get the property back at any time before we sell it by paying us  
21        the full amount you owe, not just the past due payments, including our expenses. To  
22        learn the exact amount you must pay, call us at (telephone number).

23                {5} If you want us to explain to you in (writing) (writing or in (description  
24        of electronic record)) (description of electronic record) how we have figured the  
25        amount that you owe us,

26                {6} call us at (telephone number) (or) (write us at (secured party's address))  
27        (or contact us by (description of electronic communication method))



1 notification to communicate with the sender. Neither of the two additional methods  
2 of communication is required to be included.

3 (6) In item {7}, include and complete the method or methods for the  
4 explanation-writing, writing or electronic record, or electronic record-included in  
5 item {5}.

6 (7) Include and complete item {8} only if a written explanation is included  
7 in item {5} as a method for communicating the explanation and the sender will  
8 charge the recipient for another written explanation.

9 (8) In item {9}, include either the telephone number or the address or both  
10 the telephone number and the address. In addition, the sender may include and  
11 complete the additional method of communication-electronic communication-for the  
12 recipient of the notification to communicate with the sender. The additional method  
13 of electronic communication is not required to be included.

14 (9) If item {10} does not apply, insert "None" after "agreement:".

15 ~~(4)~~ (10) A notification in the form of Paragraph (a)(3) of this Section is  
16 sufficient, even if additional information appears at the end of the form.

17 ~~(5)~~ (11) A notification in the form of Paragraph (a)(3) of this Section, is  
18 sufficient, even if it includes errors in information not required by Paragraph (a)(1)  
19 of this Section, unless the error is misleading with respect to rights arising under this  
20 Chapter.

21 ~~(6)~~ (12) If a notification under this Section is not in the form of Paragraph  
22 (a)(3), law other than this Chapter determines the effect of including information not  
23 required by Paragraph (a)(1) of this Section.

24 §9-615. Application of proceeds of disposition; liability for deficiency and right to  
25 surplus

26 (a) Application of proceeds. A secured party shall apply or pay over for  
27 application the cash proceeds of disposition under R.S. 10:9-610 in the following  
28 order to:

29 \* \* \*

1 (3) the satisfaction of obligations secured by any subordinate security  
2 interest in or subordinate lien on the collateral if:

3 (A) the secured party receives from the holder of the subordinate security  
4 interest or lien ~~an authenticated~~ a signed demand for proceeds before distribution of  
5 the proceeds is completed; and

6 \* \* \*

7 (4) a secured party that is a consignor of the collateral if the secured party  
8 receives from the consignor ~~an authenticated~~ a signed demand for proceeds before  
9 distribution of the proceeds is completed.

10 \* \* \*

11 §9-616. Explanation of calculation of surplus or deficiency

12 (a) Definitions. In this Section:

13 (1) "Explanation" means a ~~writing~~ record that:

14 \* \* \*

15 (B) provides an explanation in accordance with Subsection (c) of this Section  
16 of how the secured party calculated the surplus or deficiency;

17 \* \* \*

18 (2) "Request" means a record:

19 (A) ~~authenticated~~ signed by a debtor or consumer obligor;

20 \* \* \*

21 (b) Explanation of calculation. In a consumer-goods transaction in which  
22 the debtor is entitled to a surplus or a consumer obligor is liable for a deficiency  
23 under R.S. 10:9-615, the secured party shall:

24 (1) send an explanation to the debtor or consumer obligor, as applicable after  
25 the disposition and:

26 (A) before or when the secured party accounts to the debtor and pays any  
27 surplus or first makes ~~written~~ demand in a record on the consumer obligor after the  
28 disposition for payment of the deficiency; and

29 \* \* \*



1 (c) Required information. To comply with Subsection (a)(1)(B) of this  
2 Section, ~~a writing~~ an explanation must provide the following information in the  
3 following order:

4 \* \* \*

5 §9-619. Transfer of record or legal title

6 (a) "Transfer statement." In this Section, "transfer statement" means a record  
7 ~~authenticated~~ signed by a secured party stating:

8 \* \* \*

9 §9-620. Acceptance of collateral in full or partial satisfaction of obligation;  
10 compulsory disposition of collateral

11 (a) Conditions to acceptance in satisfaction. A secured party may accept  
12 collateral in full or partial satisfaction of the obligation it secures only if:

13 \* \* \*

14 (2) the secured party does not receive, within the time set forth in Subsection  
15 (d) of this Section, a notification of objection to the proposal ~~authenticated~~ signed  
16 by:

17 \* \* \*

18 (b) Purported acceptance ineffective. A purported or apparent acceptance  
19 of collateral under this Section is ineffective unless:

20 (1) the secured party consents to the acceptance in ~~an authenticated~~ a signed  
21 record or sends a proposal to the debtor; and

22 \* \* \*

23 (c) Debtor's consent. For purposes of this Section:

24 (1) a debtor consents to an acceptance of collateral in partial satisfaction of  
25 the obligation it secures only if the debtor agrees to the terms of the acceptance in  
26 a record ~~authenticated~~ signed after default; and

1 (2) a debtor consents to an acceptance of collateral in full satisfaction of the  
2 obligation it secures only if the debtor agrees to the terms of the acceptance in a  
3 record ~~authenticated~~ signed after default or the secured party:

4 \* \* \*

5 (C) does not receive a notification of objection ~~authenticated~~ signed by the  
6 debtor within twenty days after the proposal is sent.

7 \* \* \*

8 (f) Compliance with mandatory disposition requirement. To comply with  
9 Subsection (e) of this Section, the secured party shall dispose of the collateral or  
10 alternatively institute judicial proceedings to execute upon the security interest:

11 \* \* \*

12 (2) within any longer period to which the debtor and all secondary obligors  
13 have agreed in an agreement to that effect entered into and ~~authenticated~~ signed after  
14 default.

15 \* \* \*

16 §9-621. Notification of proposal to accept collateral

17 (a) Persons to which proposal to be sent. A secured party that desires to  
18 accept collateral in full or partial satisfaction of the obligation it secures shall send  
19 its proposal to:

20 (1) any person from which the secured party has received, before the debtor  
21 consented to the acceptance, ~~an authenticated~~ a signed notification of a claim of an  
22 interest in the collateral;

23 \* \* \*

24 §9-624. Waiver

25 (a) Waiver of disposition notification. A debtor or secondary obligor may  
26 waive the right to notification of disposition of collateral under R.S. 10:9-611 only  
27 by an agreement to that effect entered into and ~~authenticated~~ signed after default.

1 (b) Waiver of mandatory disposition. A debtor may waive the right to  
2 require disposition of collateral under R.S. 10:9-620(e) only by an agreement to that  
3 effect entered into and ~~authenticated~~ signed after default.

4 (c) Waiver of redemption right. Except in a consumer-goods transaction, a  
5 debtor or secondary obligor may waive the right to redeem collateral under R.S.  
6 10:9-623 only by an agreement to that effect entered into and ~~authenticated~~ signed  
7 after default.

8 \* \* \*

9 §9-628. Nonliability and limitation on liability of secured party; liability of  
10 secondary obligor

11 (a) Limitation of liability of secured party for noncompliance with Chapter.  
12 ~~Unless~~ Subject to Subsection (f) of this Section, unless a secured party knows that  
13 a person is a debtor or obligor, knows the identity of the person, and knows how to  
14 communicate with the person:

15 \* \* \*

16 (b) Limitation of liability based on status as secured party. ~~✱~~ Subject to  
17 Subsection (f) of this Section, a secured party is not liable because of its status as  
18 secured party:

19 \* \* \*

20 (f) Exception: Limitation of liability under Subsections (a) and (b) does not  
21 apply. Subsections (a) and (b) of this Section do not apply to limit the liability of a  
22 secured party to a person if, at the time the secured party obtains control of collateral  
23 that is a controllable account, controllable electronic record, or controllable payment  
24 intangible or at the time the security interest attaches to the collateral, whichever is  
25 later:

- 26 (1) the person is a debtor or obligor; and  
27 (2) the secured party knows that the information in Subsection (b)(1)(A),  
28 (B), or (C) of this Section relating to the person is not provided by the collateral, a

1 record attached to or logically associated with the collateral, or the system in which  
2 the collateral is recorded.

3 §9-629. Judicial proceedings; authentic evidence

4 (a) Foreclosure. For purposes of executory or ordinary process seeking  
5 enforcement of a security interest and the obligation it secures:

6 (1) ~~An authenticated~~ A signed record that contains a confession of judgment  
7 shall be deemed to be authentic for purposes of executory process.

8 (2) The negotiation, assignment, pledge, or other transfer in whole or in part  
9 of an obligation or of any right therein or thereto secured by a security interest may  
10 be proven by any record ~~authenticated~~ signed by the secured party or any person  
11 entitled to effect such a transfer, and such record shall be deemed authentic for  
12 purposes of executory process.

13 \* \* \*

14 CHAPTER 12. CONTROLLABLE ELECTRONIC RECORDS

15 §12-101. Title

16 This Chapter may be cited as Uniform Commercial Code-Controllable  
17 Electronic Records.

18 §12-102. Definitions

19 (a) Chapter 12 definitions. In this Chapter:

20 (1) "Controllable electronic record" means a record stored in an electronic  
21 medium that can be subjected to control under R.S. 10:12-105. The term does not  
22 include a controllable account, a controllable payment intangible, a deposit account,  
23 an electronic copy of a record evidencing chattel paper, an electronic document of  
24 title, electronic money, investment property, or a transferable record.

25 (2) "Qualifying purchaser" means a purchaser of a controllable electronic  
26 record or an interest in a controllable electronic record that obtains control of the  
27 controllable electronic record for value, in good faith, and without notice of a claim  
28 of a property right in the controllable electronic record.

29 (3) "Transferable record" has the meaning provided for that term in:



1        §12-104. Rights in controllable account, controllable electronic record, and  
2                    controllable payment intangible

3                    (a) Applicability of Section to controllable account and controllable payment  
4                    intangible. This Section applies to the acquisition and purchase of rights in a  
5                    controllable account or controllable payment intangible, including the rights and  
6                    benefits under Subsections (c), (d), (e), (g), and (h) of this Section of a purchaser and  
7                    qualifying purchaser, in the same manner this Section applies to a controllable  
8                    electronic record.

9                    (b) Control of controllable account and controllable payment intangible. To  
10                    determine whether a purchaser of a controllable account or a controllable payment  
11                    intangible is a qualifying purchaser, the purchaser obtains control of the account or  
12                    payment intangible if it obtains control of the controllable electronic record that  
13                    evidences the account or payment intangible.

14                    (c) Applicability of other law to acquisition of rights. Except as provided in  
15                    this Section, law other than this Chapter determines whether a person acquires a right  
16                    in a controllable electronic record and the right the person acquires.

17                    (d) Shelter principle and purchase of limited interest. A purchaser of a  
18                    controllable electronic record acquires all rights in the controllable electronic record  
19                    that the transferor had or had power to transfer, except that a purchaser of a limited  
20                    interest in a controllable electronic record acquires rights only to the extent of the  
21                    interest purchased.

22                    (e) Rights of qualifying purchaser. A qualifying purchaser acquires its rights  
23                    in the controllable electronic record free of a claim of a property right in the  
24                    controllable electronic record.

25                    (f) Limitation of rights of qualifying purchaser in other property. Except as  
26                    provided in Subsections (a) and (e) of this Section for a controllable account and a  
27                    controllable payment intangible or law other than this Chapter, a qualifying  
28                    purchaser takes a right to payment, right to performance, or other interest in property

1 evidenced by the controllable electronic record subject to a claim of a property right  
2 in the right to payment, right to performance, or other interest in property.

3 (g) No-action protection for qualifying purchaser. An action may not be  
4 asserted against a qualifying purchaser based on both a purchase by the qualifying  
5 purchaser of a controllable electronic record and a claim of a property right in  
6 another controllable electronic record, whether the action is framed in conversion,  
7 replevin, constructive trust, equitable lien, or other theory.

8 (h) Filing not notice. Filing of a financing statement under Chapter 9 is not  
9 notice of a claim of a property right in a controllable electronic record.

10 §12-105. Control of controllable electronic record

11 (a) General rule: control of controllable electronic record. A person has  
12 control of a controllable electronic record if the electronic record, a record attached  
13 to or logically associated with the electronic record, or a system in which the  
14 electronic record is recorded:

15 (1) gives the person:

16 (A) power to avail itself of substantially all the benefit from the electronic  
17 record; and

18 (B) exclusive power, subject to Subsection (b) of this Section, to:

19 (i) prevent others from availing themselves of substantially all the benefit  
20 from the electronic record; and

21 (ii) transfer control of the electronic record to another person or cause  
22 another person to obtain control of another controllable electronic record as a result  
23 of the transfer of the electronic record; and

24 (2) enables the person readily to identify itself in any way, including by  
25 name, identifying number, cryptographic key, office, or account number, as having  
26 the powers specified in Paragraph (1) of this Subsection.

27 (b) Meaning of exclusive. Subject to Subsection (c) of this Section, a power  
28 is exclusive under Subsection (a)(1)(B)(i) and (ii) of this Section even if:

1           (1) the controllable electronic record, a record attached to or logically  
2           associated with the electronic record, or a system in which the electronic record is  
3           recorded limits the use of the electronic record or has a protocol programmed to  
4           cause a change, including a transfer or loss of control or a modification of benefits  
5           afforded by the electronic record; or

6           (2) the power is shared with another person.

7           (c) When power not shared with another person. A power of a person is not  
8           shared with another person under Subsection (b)(2) of this Section and the person's  
9           power is not exclusive if:

10           (1) the person can exercise the power only if the power also is exercised by  
11           the other person; and

12           (2) the other person:

13           (A) can exercise the power without exercise of the power by the person; or

14           (B) is the transferor to the person of an interest in the controllable electronic  
15           record or a controllable account or controllable payment intangible evidenced by the  
16           controllable electronic record.

17           (d) Presumption of exclusivity of certain powers. If a person has the powers  
18           specified in Subsection (a)(1)(B)(i) and (ii) of this Section, the powers are presumed  
19           to be exclusive.

20           (e) Control through another person. A person has control of a controllable  
21           electronic record if another person, other than the transferor to the person of an  
22           interest in the controllable electronic record or a controllable account or controllable  
23           payment intangible evidenced by the controllable electronic record:

24           (1) has control of the electronic record and acknowledges that it has control  
25           on behalf of the person; or

26           (2) obtains control of the electronic record after having acknowledged that  
27           it will obtain control of the electronic record on behalf of the person.



1           (f) No requirement to acknowledge. A person that has control under this  
2           Section is not required to acknowledge that it has control on behalf of another  
3           person.

4           (g) No duties or confirmation. If a person acknowledges that it has or will  
5           obtain control on behalf of another person, unless the person otherwise agrees or law  
6           other than this Chapter or Chapter 9 otherwise provides, the person does not owe any  
7           duty to the other person and is not required to confirm the acknowledgment to any  
8           other person.

9           §12-106. Discharge of account debtor on controllable account or controllable  
10           payment intangible

11           (a) Discharge of account debtor. An account debtor on a controllable  
12           account or controllable payment intangible may discharge its obligation by paying:

13           (1) the person having control of the controllable electronic record that  
14           evidences the controllable account or controllable payment intangible; or

15           (2) except as provided in Subsection (b) of this Section, a person that  
16           formerly had control of the controllable electronic record.

17           (b) Content and effect of notification. Subject to Subsection (d) of this  
18           Section, the account debtor may not discharge its obligation by paying a person that  
19           formerly had control of the controllable electronic record if the account debtor  
20           receives a notification that:

21           (1) is signed by a person that formerly had control or the person to which  
22           control was transferred;

23           (2) reasonably identifies the controllable account or controllable payment  
24           intangible;

25           (3) notifies the account debtor that control of the controllable electronic  
26           record that evidences the controllable account or controllable payment intangible was  
27           transferred;

28           (4) identifies the transferee, in any reasonable way, including by name,  
29           identifying number, cryptographic key, office, or account number; and

1           (5) provides a commercially reasonable method by which the account debtor  
2           is to pay the transferee.

3           (c) Discharge following effective notification. After receipt of a notification  
4           that complies with Subsection (b) of this Section, the account debtor may discharge  
5           its obligation by paying in accordance with the notification and may not discharge  
6           the obligation by paying a person that formerly had control.

7           (d) When notification ineffective. Subject to Subsection (h) of this Section,  
8           notification is ineffective under Subsection (b) of this Section:

9           (1) unless, before the notification is sent, the account debtor and the person  
10          that, at that time, had control of the controllable electronic record that evidences the  
11          controllable account or controllable payment intangible agree in a signed record to  
12          a commercially reasonable method by which a person may furnish reasonable proof  
13          that control has been transferred;

14          (2) to the extent an agreement between the account debtor and seller of a  
15          payment intangible limits the account debtor's duty to pay a person other than the  
16          seller and the limitation is effective under law other than this Chapter; or

17          (3) at the option of the account debtor, if the notification notifies the account  
18          debtor to:

19               (A) divide a payment;

20               (B) make less than the full amount of an installment or other periodic  
21               payment; or

22               (C) pay any part of a payment by more than one method or to more than one  
23               person.

24          (e) Proof of transfer of control. Subject to Subsection (h) of this Section, if  
25          requested by the account debtor, the person giving the notification under Subsection  
26          (b) of this Section seasonably shall furnish reasonable proof, using the method in the  
27          agreement referred to in Subsection (d)(1) of this Section, that control of the  
28          controllable electronic record has been transferred. Unless the person complies with  
29          the request, the account debtor may discharge its obligation by paying a person that

1 formerly had control, even if the account debtor has received a notification under  
2 Subsection (b) of this Section.

3 (f) What constitutes reasonable proof. A person furnishes reasonable proof  
4 under Subsection (e) of this Section that control has been transferred if the person  
5 demonstrates, using the method in the agreement referred to in Subsection (d)(1) of  
6 this Section, that the transferee has the power to:

7 (1) avail itself of substantially all the benefit from the controllable electronic  
8 record;

9 (2) prevent others from availing themselves of substantially all the benefit  
10 from the controllable electronic record; and

11 (3) transfer the powers specified in Paragraphs (1) and (2) of this Subsection  
12 to another person.

13 (g) Rights not waivable. Subject to Subsection (h) of this Section, an  
14 account debtor may not waive or vary its rights under Subsections (d)(1) and (e) of  
15 this Section or its option under Subsection (d)(3) of this Section.

16 (h) Rule for individual under other law. This Section is subject to law other  
17 than this Chapter which establishes a different rule for an account debtor who is an  
18 individual and who incurred the obligation primarily for personal, family, or  
19 household purposes.

20 §12-107. Governing law

21 (a) Governing law: general rule. Except as provided in Subsection (b) of  
22 this Section, the local law of a controllable electronic record's jurisdiction governs  
23 a matter covered by this Chapter.

24 (b) Governing law: R.S. 10:12-106. For a controllable electronic record that  
25 evidences a controllable account or controllable payment intangible, the local law  
26 of the controllable electronic record's jurisdiction governs a matter covered by R.S.  
27 10:12-106 unless an effective agreement determines that the local law of another  
28 jurisdiction governs.

1           (c) Controllable electronic record's jurisdiction. The following rules  
2           determine a controllable electronic record's jurisdiction under this Section:

3           (1) If the controllable electronic record, or a record attached to or logically  
4           associated with the controllable electronic record and readily available for review,  
5           expressly provides that a particular jurisdiction is the controllable electronic record's  
6           jurisdiction for purposes of this Chapter or this Title, that jurisdiction is the  
7           controllable electronic record's jurisdiction.

8           (2) If Paragraph (1) of this Subsection does not apply and the rules of the  
9           system in which the controllable electronic record is recorded are readily available  
10          for review and expressly provide that a particular jurisdiction is the controllable  
11          electronic record's jurisdiction for purposes of this Chapter or this Title, that  
12          jurisdiction is the controllable electronic record's jurisdiction.

13          (3) If Paragraphs (1) and (2) of this Subsection do not apply and the  
14          controllable electronic record, or a record attached to or logically associated with the  
15          controllable electronic record and readily available for review, expressly provides  
16          that the controllable electronic record is governed by the law of a particular  
17          jurisdiction, that jurisdiction is the controllable electronic record's jurisdiction.

18          (4) If Paragraphs (1), (2), and (3) of this Subsection do not apply and the  
19          rules of the system in which the controllable electronic record is recorded are readily  
20          available for review and expressly provide that the controllable electronic record or  
21          the system is governed by the law of a particular jurisdiction, that jurisdiction is the  
22          controllable electronic record's jurisdiction.

23          (5) If Paragraphs (1) through (4) of this Subsection do not apply, the  
24          controllable electronic record's jurisdiction is the District of Columbia.

25          (d) Applicability of Article 12. If Subsection (c)(5) of this Section applies  
26          and Article 12 is not in effect in the District of Columbia without material  
27          modification, the governing law for a matter covered by this Chapter is the law of the  
28          District of Columbia as though Article 12 were in effect in the District of Columbia

1 without material modification. In this Subsection, "Article 12" means Article 12 of  
2 Uniform Commercial Code Amendments (2022).

3 (e) Relation of matter or transaction to controllable electronic record's  
4 jurisdiction not necessary. To the extent Subsections (a) and (b) of this Section  
5 provide that the local law of the controllable electronic record's jurisdiction governs  
6 a matter covered by this Chapter, that law governs even if the matter or a transaction  
7 to which the matter relates does not bear any relation to the controllable electronic  
8 record's jurisdiction.

9 (f) Rights of purchasers determined at time of purchase. The rights acquired  
10 under R.S. 10:12-104 by a purchaser or qualifying purchaser are governed by the law  
11 applicable under this Section at the time of purchase.

12 CHAPTER 13. TRANSITIONAL PROVISIONS FOR  
13 UNIFORM COMMERCIAL CODE AMENDMENTS (2022)

14 PART 1. GENERAL PROVISIONS AND DEFINITIONS

15 §13-101. Title

16 This Chapter may be cited as Transitional Provisions for Uniform  
17 Commercial Code Amendments (2022).

18 §13-102. Definitions

19 (a) Chapter 13 Definitions. In this Chapter:

20 (1) "Adjustment date" means July 1, 2025.

21 (2) "Chapter 12" means Chapter 12 of this Title.

22 (3) "Chapter 12 property" means a controllable account, controllable  
23 electronic record, or controllable payment intangible.

24 (b) Definitions in other Chapters. The following definitions in other  
25 Chapters of this Title apply to this Chapter.

26 "Controllable account" R.S. 10:9-102.

27 "Controllable electronic record" R.S. 10:12-102.

28 "Controllable payment intangible" R.S. 10:9-102.

29 "Electronic money" R.S. 10:9-102.

1                   "Financing statement"                   R.S. 10:9-102.

2                   (c) Chapter 1 definitions and principles. Chapter 1 contains general  
3                   definitions and principles of construction and interpretation applicable throughout  
4                   this Chapter.

5                   (d) Definition of "Act". As used in this Chapter, "Act" means the Act that  
6                   originated as House Bill No.     of the 2023 Regular Session of the Legislature that  
7                   enacted Chapters 12 and 13 of this Title and amended other provisions of law in  
8                   other Chapters of this Title.

9                   PART 2. GENERAL TRANSITIONAL PROVISION

10                  §13-201. Saving clause

11                  Except as provided in Part 3, a transaction validly entered into before the  
12                  effective date of this Act and the rights, duties, and interests flowing from the  
13                  transaction remain valid thereafter and may be terminated, completed, consummated,  
14                  or enforced as required or permitted by law other than this Title or, if applicable, this  
15                  Title, as though this Act had not taken effect.

16                  PART 3. TRANSITIONAL PROVISIONS FOR CHAPTERS 9 AND 12

17                  §13-301. Saving clause

18                  (a) Pre-effective-date transaction, lien, or interest. Except as provided in this  
19                  Part, Chapter 9 as amended by this Act and Chapter 12 apply to a transaction, lien,  
20                  or other interest in property, even if the transaction, lien, or interest was entered into,  
21                  created, or acquired before the effective date of this Act.

22                  (b) Continuing validity. Except as provided in Subsection (c) of this Section  
23                  and R.S. 10:13-302 through 13-306:

24                  (1) a transaction, lien, or interest in property that was validly entered into,  
25                  created, or transferred before the effective date of this Act and was not governed by  
26                  this Title, but would be subject to Chapter 9 as amended by this Act or Chapter 12  
27                  if it had been entered into, created, or transferred on or after the effective date of this  
28                  Act, including the rights, duties, and interests flowing from the transaction, lien, or  
29                  interest, remains valid on and after the effective date of this Act; and

1           (2) the transaction, lien, or interest may be terminated, completed,  
2           consummated, and enforced as required or permitted by this Act or by the law that  
3           would apply if this Act had not taken effect.

4           (c) Pre-effective-date proceeding. This Act does not affect an action, case,  
5           or proceeding commenced before the effective date of this Act.

6           §13-302. Security interest perfected before effective date

7           (a) Continuing perfection: perfection requirements satisfied. A security  
8           interest that is enforceable and perfected immediately before the effective date of this  
9           Act is a perfected security interest under this Act if, on the effective date of this Act,  
10          the requirements for enforceability and perfection under this Act are satisfied without  
11          further action.

12          (b) Continuing perfection: enforceability or perfection requirements not  
13          satisfied. If a security interest is enforceable and perfected immediately before the  
14          effective date of this Act, but the requirements for enforceability or perfection under  
15          this Act are not satisfied on the effective date of this Act, the security interest:

16               (1) is a perfected security interest until the earlier of the time perfection  
17               would have ceased under the law in effect immediately before the effective date of  
18               this Act or the adjustment date;

19               (2) remains enforceable thereafter only if the security interest satisfies the  
20               requirements for enforceability under R.S. 10:9-203, as amended by this Act, before  
21               the adjustment date; and

22               (3) remains perfected thereafter only if the requirements for perfection under  
23               this Act are satisfied before the time specified in Paragraph (1) of this Subsection.

24          §13-303. Security interest unperfected before effective date

25               A security interest that is enforceable immediately before the effective date  
26               of this Act but is unperfected at that time:

27               (1) remains an enforceable security interest until the adjustment date;

1           (2) remains enforceable thereafter if the security interest becomes  
2           enforceable under R.S. 10:9-203, as amended by this Act, on the effective date of  
3           this Act or before the adjustment date; and

4           (3) becomes perfected:

5           (A) without further action, on the effective date of this Act if the  
6           requirements for perfection under this Act are satisfied before or at that time; or

7           (B) when the requirements for perfection are satisfied if the requirements are  
8           satisfied after that time.

9           §13-304. Effectiveness of actions taken before effective date

10           (a) Pre-effective-date action; attachment and perfection before adjustment  
11           date. If action, other than the filing of a financing statement, is taken before the  
12           effective date of this Act and the action would have resulted in perfection of the  
13           security interest had the security interest become enforceable before the effective  
14           date of this Act, the action is effective to perfect a security interest that attaches  
15           under this Act before the adjustment date. An attached security interest becomes  
16           unperfected on the adjustment date unless the security interest becomes a perfected  
17           security interest under this Act before the adjustment date.

18           (b) Pre-effective-date filing. The filing of a financing statement before the  
19           effective date of this Act is effective to perfect a security interest on the effective  
20           date of this Act to the extent the filing would satisfy the requirements for perfection  
21           under this Act.

22           (c) Pre-effective-date enforceability action. The taking of an action before  
23           the effective date of this Act is sufficient for the enforceability of a security interest  
24           on the effective date of this Act if the action would satisfy the requirements for  
25           enforceability under this Act.

26           §13-305. Priority

27           (a) Determination of priority. Subject to Subsections (b) and (c) of this  
28           Section, this Act determines the priority of conflicting claims to collateral.



1           (b) Established priorities. Subject to Subsection (c) of this Section, if the  
2           priorities of claims to collateral were established before the effective date of this Act,  
3           Chapter 9 as in effect before the effective date of this Act determines priority.

4           (c) Determination of certain priorities on adjustment date. On the adjustment  
5           date, to the extent the priorities determined by Chapter 9 as amended by this Act  
6           modify the priorities established before the effective date of this Act, the priorities  
7           of claims to Chapter 12 property and electronic money established before the  
8           effective date of this Act cease to apply.

9           §13-306. Priority of claims when priority rules of Chapter 9 do not apply

10           (a) Determination of priority. Subject to Subsections (b) and (c) of this  
11           Section, Chapter 12 determines the priority of conflicting claims to Chapter 12  
12           property when the priority rules of Chapter 9 as amended by this Act do not apply.

13           (b) Established priorities. Subject to Subsection (c) of this Section, when the  
14           priority rules of Chapter 9 as amended by this Act do not apply and the priorities of  
15           claims to Chapter 12 property were established before the effective date of this Act,  
16           law other than Chapter 12 determines priority.

17           (c) Determination of certain priorities on adjustment date. When the priority  
18           rules of Chapter 9 as amended by this Act do not apply, to the extent the priorities  
19           determined by this Act modify the priorities established before the effective date of  
20           this Act, the priorities of claims to Chapter 12 property established before the  
21           effective date of this Act cease to apply on the adjustment date.

22           Section 2. The Louisiana State Law Institute is hereby directed to update or print the  
23           Official Comments to the national Uniform Commercial Code as set forth in the Uniform  
24           Commercial Code Amendments (2022) drafted by the Uniform Law Commission and the  
25           American Law Institute.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 239 Original

2023 Regular Session

Brown

**Abstract:** Provides relative to certain assets and technologies that are subject to the Uniform Commercial Code.

Present law (R.S. 10:1-201(b)(10)) defines the term "conspicuous".

Proposed law retains present law and clarifies that whether a term is conspicuous is determined by reference to the totality of the circumstances in a given case.

Present law (R.S. 10:1-201(b)(15)) defines the term "delivery".

Proposed law retains present law and conforms the reference to chattel paper to the definition of the term provided in R.S. 10:9-102(a)(11).

Proposed law (R.S. 10:1-201(b)(16.1)) provides a definition for the term "electronic".

Present law (R.S. 10:1-201(b)(21)(C)) defines the term "holder".

Proposed law excludes from the definition of the term "holder" someone who has control of an electronic document of title by acknowledgment pursuant to R.S. 10:7-106(g).

Present law (R.S. 10:1-201(b)(24)) defines the term "money".

Proposed law excludes from the definition of "money" an electronic record recorded and transferrable in a system that existed prior to adoption by the government as a monetary unit of account.

Present law (R.S. 10:1-201(b)(27)) defines the term "person".

Proposed law retains present law and clarifies that the definition of "person" includes a protected series.

Present law (R.S. 10:1-201(b)(36)(A)) provides a definition of the term "send", limiting the appropriateness of sending the communication to "any address reasonable under the circumstances" to the case of an instrument.

Proposed law retains present law but eliminates the limitation.

Present law (R.S. 10:1-201(b)(36)(B)) provides a definition of "send".

Proposed law retains present law and makes minor changes for grammatical uniformity.

Present law (R.S. 10:1-201(b)(37)) defines the term "signed".

Proposed law defines the term "sign" and expands the applicability of present law to the adoption of all records, not merely writings, and expands the manner in which a record can be "signed" to include the attachment of an electronic symbol, sound, or process. Proposed law also clarifies that this definition applies to alternate forms of the term "sign".

Present law (R.S. 10:1-204(intro. para.)) specifies the portions of Title 10 to which the description of giving for "value" is inapplicable.

Proposed law adds new Chapter 12 of Title 10 to the list provided in present law.

Present law (R.S. 10:1-301(g)) sets out a list of exceptions to the general rule for territorial applicability and parties' power to choose applicable law.

Proposed law adds R.S. 10:12-107 to this list of exceptions.

Present law (R.S. 10:3-104(a)) provides the criteria necessary for an unconditional promise or order to pay a fixed amount of money to constitute a "negotiable instrument", including that the promise or order to pay does not include any other undertaking or instruction beyond the payment of money.

Proposed law retains present law and clarifies that the inclusion of a choice-of-law or forum-selection clause does not negate the negotiability of an instrument. Proposed law also makes technical corrections.

Present law (R.S. 10:3-105(a)) defines the term "issue".

Proposed law expands present law to include the electronic transmission of an image of and information derived from the instrument if agreed by the payee.

Present law (R.S. 10:3-401) provides that a signature is necessary for liability on an instrument and specifies how a signature may be made.

Proposed law retains present law and deletes the description of how a signature may be made as redundant.

Present law (R.S. 10:3-604(a)) provides the manner by which a person entitled to enforce an instrument may discharge the obligation of a party to pay the instrument.

Proposed law retains present law and clarifies that the destruction of a check in connection with a process by which information is extracted from the check and an image is made and transmitted for payment does not, of itself, discharge the obligation of a party to pay the check.

Present law (R.S. 10:4A-103(a)(1)) defines the term "payment order".

Proposed law retains present law and replaces reference to transmission electronically or in a writing with reference to transmission in a record.

Present law (R.S. 10:4A-201) provides relative to a "security procedure".

Proposed law retains and clarifies present law while expanding the list of examples of a "security procedure" and specifying that the requirement that a payment order be sent from a known source does not by itself suffice as a "security procedure".

Present law (R.S. 10:4A-202(b) and (c)) provides relative to authorized and verified payment orders.

Proposed law retains and clarifies present law while making grammatical corrections and replacing reference to writings with reference to records.

Present law (R.S. 10:4A-203(a)(1)) provides a rule applicable if an accepted payment order is not an authorized order but is nevertheless effective as an order of the customer under R.S. 10:4A-202(b).

Proposed law retains present law and replaces reference to a writing with reference to a record.

Present law (R.S. 10:4A-207) provides relative to the misdescription of a beneficiary.

Proposed law retains present law while making technical and grammatical corrections and replacing reference to a writing with reference to a record.

Present law (R.S. 10:4A-208(b)(2)) provides relative to the misdescription of an intermediary bank or a beneficiary's bank.

Proposed law retains present law, replaces reference to a writing with reference to a record, and makes technical corrections.

Present law (R.S. 10:4A-210(a)) provides relative to the rejection of a payment order.

Proposed law retains present law, replaces reference to electronic transmission or transmission in a writing with reference to transmission in a record, and makes grammatical corrections.

Present law (R.S. 10:4A-211(a) and (d)) provides relative to the cancellation and amendment of payment orders.

Proposed law (R.S. 10:4A-211(a)) retains present law and replaces reference to electronic transmission or transmission in a writing with reference to transmission in a record.

Proposed law (R.S. 10:4A-211(d)) retains present law and makes grammatical corrections.

Present law (R.S. 10:4A-305(b) through (d)) provides relative to late or improper execution or failure to execute payment orders.

Proposed law retains present law, replaces reference to a writing with reference to a record, and makes technical corrections.

Present law (R.S. 10:5-104) sets out the formal requirements for a letter of credit, confirmation, advice, transfer, amendment, or cancellation.

Proposed law retains present law but eliminates language that is now redundant as subsumed by the expanded definition of "sign" contained in R.S. 10:1-201(b)(37).

Present law (R.S. 10:5-116) provides relative to choice of law and forum.

Proposed law (R.S. 10:5-116(a)) retains present law but eliminates language that is now redundant as subsumed by the expanded definition of "sign" provided in R.S. 10:1-201(b)(37).

Proposed law (R.S. 10:5-116(b) and (c)) retains present law and makes technical corrections.

Proposed law (R.S. 10:5-116(d)) retains present law and adds clarification regarding the location of a bank branch.

Proposed law (R.S. 10:5-116(e) through (g)) retains present law and makes technical corrections.

Present law (R.S. 10:7-102(a)(11)) defines the term "sign".

Proposed law deletes present law as redundant in light of the substantially equivalent definition of "sign" provided in R.S. 10:1-201(b)(37).

Present law (R.S. 10:7-106) provides relative to control of an electronic document of title.

Proposed law (R.S. 10:7-106(b)) retains present law and makes nonsubstantive stylistic revisions.

Proposed law (R.S. 10:7-106(c)) adds to present law an additional mechanism by which to effect control of an electronic document of title.

Proposed law (R.S. 10:7-106(d) and (e)) describes when power is considered exclusive.

Proposed law (R.S. 10:7-106(f)) provides for a presumption of exclusivity of power.

Proposed law (R.S. 10:7-106(g)) provides for control through another person.

Proposed law (R.S. 10:7-106(h)) clarifies that a person with control is not required to acknowledge that it has control on behalf of another person.

Proposed law (R.S. 10:7-106(i)) clarifies that a person who has control on behalf of another person owes no duties to that person unless agreed otherwise.

Present law (R.S. 10:8-102(a)(6)) defines the term "communicate".

Proposed law retains present law and replaces reference to a writing with reference to a record.

Present law (R.S. 10:8-102(b)) incorporates by reference defined terms appearing elsewhere throughout Title 10.

Proposed law adds to this list the defined terms "controllable account", "controllable electronic record", and "controllable payment intangible".

Proposed law (R.S. 10:8-103(h)) provides the circumstances under which a controllable account, controllable electronic record, or controllable payment constitutes a financial asset.

Present law (R.S. 10:8-106(d)(3)) provides one means by which a purchaser can obtain "control" of a security entitlement.

Proposed law conforms the structure of present law to corresponding provisions for control of other types of assets while clarifying that an acknowledgment is only effective to confer control if made by a person other than the transferor of an interest in the security entitlement.

Proposed law (R.S. 10:8-106(h)) clarifies that a person with control of a security entitlement is not required to acknowledge that it has control on behalf of another person.

Proposed law (R.S. 10:8-106(i)) clarifies that a person who has control of a security entitlement on behalf of another person owes no duties to that person unless agreed otherwise.

Present law (R.S. 10:8-110(a) and (b)) provides relative to the governing law of certain matters and transactions.

Proposed law (R.S. 10:8-110(g)) clarifies that present law applies even if the matter or transaction at issue bears no relation to the jurisdiction identified by present law.

Present law (R.S. 10:8-303(b)) provides that a protected purchaser both acquires the rights of a purchaser and acquires its interest in the security free of any adverse claim.

Proposed law retains present law and deletes reference to the former concept as redundant.

Present law (R.S. 10:9-102(a)(2)) defines the term "account".

Proposed law retains present law and revises this definition to conform to the revised definition of the term "chattel paper" as provided in R.S. 10:9-102(a)(11). Proposed law also clarifies certain exceptions that accommodate use of the term "account" in other provisions.

Present law (R.S. 10:9-102(a)(3)) defines the term "account debtor".

Proposed law retains present law and clarifies that an obligor on a negotiable instrument is not an account debtor.

Present law (R.S. 10:9-102(a)) defines the term "accounting".

Proposed law (R.S. 10:9-102(a)(4)(A)) retains present law and replaces the term "authenticated" with the term "signed" to account for the replacement of the defined term "sign" in R.S. 10:9-102(a)(7) with the substantially similar defined term "authenticate" in R.S. 10:1-102(b)(37).

Present law (R.S. 10:9-102(a)(7)) defines the term "authenticate".

Proposed law deletes present law to account for the replacement of the defined term "sign" in R.S. 10:9-102(a)(7) with the substantially similar defined term "authenticate" in R.S. 10:1-102(b)(37).

Proposed law (R.S. 10:9-102(a)(7.1)) adds the defined term "assignee".

Proposed law (R.S. 10:9-102(a)(7.2)) adds the defined term "assignor".

Present law (R.S. 10:9-102(a)(11)) defines the term "chattel paper".

Proposed law revises the definition of "chattel paper" for accuracy and to clarify the distinction between the right to payment versus the record evidencing that right and regarding the creation of chattel paper in mixed-purpose contracts. Proposed law also eliminates the need for separate definitions of "electronic chattel paper" and "tangible chattel paper".

Proposed law (R.S. 10:9-102(a)(27.1)) adds the defined term "controllable account".

Proposed law (R.S. 10:9-102(a)(27.2)) adds the defined term "controllable payment intangible".

Present law (R.S. 10:9-102(a)(31)) defines the term "electronic chattel paper".

Proposed law deletes this definition as no longer necessary in light of the new definition of "chattel paper" provided in R.S. 10:9-102(a)(11).

Proposed law (R.S. 10:9-102(a)(31.1)) adds the defined term "electronic money".

Present law (R.S. 10:9-102(a)(42)) defines the term "general intangible".

Proposed law retains present law and adds controllable electronic records to the illustrative list of general intangibles.

Present law (R.S. 10:9-102(a)(47)) defines the term "instrument".

Proposed law excludes from this definition writings that evidence chattel paper.

Proposed law (R.S. 10:9-102(a)(54.1)) adds a Chapter-specific definition of the term "money" that excludes deposit accounts and money in an electronic form that cannot be subjected to control.

Present law (R.S. 10:9-102(a)(61)) defines the term "payment intangible".

Proposed law retains present law and clarifies that the term "payment intangible" includes a controllable payment intangible.

Present law (R.S. 10:9-102(a)(66)) defines the term "proposal".

Proposed law retains present law and replaces the term "authenticated" with "signed".

Present law (R.S. 10:9-102(a)(75)) defines the term "send".

Proposed law deletes this definition as redundant in light of the adoption in R.S. 10:1-102(36) of a substantially similar definition of the term "send".

Present law (R.S. 10:9-102(a)(79)) defines the term "tangible chattel paper".

Proposed law deletes this definition as no longer necessary in light of the new definition of "chattel paper" provided in R.S. 10:9-102(a)(11).

Proposed law (R.S. 10:9-102(a)(79.1)) adds the defined term "tangible money".

Present law (R.S. 10:9-102(b)) incorporates by reference defined terms appearing elsewhere throughout Title 10.

Proposed law adds to this list the defined terms "controllable electronic record", "protected purchaser", and "qualifying purchaser".

Present law (R.S. 10:9-104(a)) provides the requirements for control of a deposit account.

Proposed law (R.S. 10:9-104(a)(2) and (3)) retains present law and replaces the term "authenticated" with "signed".

Proposed law (R.S. 10:9-104(a)(4)) allows for a secured party to obtain control of a deposit account by virtue of the acknowledgment by another person in control of the deposit account.

Present law (R.S. 10:9-105) provides relative to control of electronic chattel paper.

Proposed law revises present law to conform to the new definition of the term "chattel paper" provided in R.S. 10:9-102(a)(11) and the new concept of control.

Proposed law (R.S. 10:9-105.1) describes the manner by which to obtain control of electronic money.

Present law (R.S. 10:9-107.1) provides relative to control over a life insurance policy.

Proposed law retains present law while adding the concept of control by acknowledgment and replacing the term "authenticates" with "signs".

Present law (R.S. 10:9-107.2) provides relative to control conditioned on default.

Proposed law updates the list of cross-references in present law to incorporate R.S. 10:9-105.1 and 9-107.3 in the list of provisions providing rules for control over various types of assets.

Proposed law (R.S. 10:9-107.3) provides relative to control over a controllable electronic record, controllable account, or controllable payment intangible.

Proposed law (R.S. 10:9-107.4(a)) provides that a person with control is not required to acknowledge that it has control on behalf of another person.

Proposed law (R.S. 10:9-107.4(b)) provides that a person who has control on behalf of another person owes no duties to that person unless agreed otherwise.

Present law (R.S. 10:9-203(b)(3)(A)) provides for the enforceability of a security interest if the debtor has authenticated a security agreement providing a description of the collateral and has satisfied other conditions.

Proposed law retains present law and replaces the term "authenticates" with the term "signs".

Present law (R.S. 10:9-203(b)(3)(C) and (D)) provides for the enforceability of a security interest if the collateral is one of several listed types and the secured party has control over it.

Proposed law revises the list of types of collateral that suffice to satisfy present law to include new categories of assets and to conform to the new definition of the term "chattel paper" provided in R.S. 10:9-102(a)(11). Proposed law also updates the list of cross-references providing how to obtain control over such collateral.

Present law (R.S. 10:9-204(b)) sets out when an after-acquired property clause is not effective.

Proposed law (R.S. 10:9-204(b)(introductory paragraph) and (b.1)) provide a limitation on present law.

Present law (R.S. 10:9-207(c)) provides for the rights and duties of a secured party with possession or control of collateral.

Proposed law updates the list of cross-references contained in present law and makes technical corrections.

Present law (R.S. 10:9-208) provides for additional duties of a secured party with control of collateral.

Proposed law (R.S. 10:9-208(b)(intro. para.) and (1)) retains present law and replaces the term "authenticated" with "signed" and the term "authenticated statement" with "signed record".

Present law (R.S. 10:9-208(b)(3)) provides the duties of a secured party with control of electronic chattel paper.

Proposed law revises present law to conform to the new definition of the term "chattel paper" provided in R.S. 10:9-102(a)(11).

Proposed law (R.S. 10:9-208(b)(4) and (5)) retains present law and replaces the term "authenticated" with "signed".

Present law (R.S. 10:9-208(b)(6)) provides the duties of a secured party with control of an electronic document.

Proposed law revises present law to conform to changes to the definition of the term "chattel paper" provided in R.S. 10:9-102(a)(11) and the concept of control of an authoritative electronic copy of a record evidencing chattel paper provided in R.S. 10:9-105.



Proposed law (R.S. 10:9-208(b)(7)) provides the duties of a secured party with control of electronic money.

Proposed law (R.S. 10:9-208(b)(8)) provides the duties of a secured party with control of a controllable electronic record.

Present law (R.S. 10:9-208(b)(7)) provides the duties of a secured party with control in a life insurance policy.

Proposed law (R.S. 10:9-208(b)(9)) retains and redesignates present law and replaces the term "authenticated" with "signed".

Present law (R.S. 10:9-209(b)) provides for the duties of a secured party after receiving demand from the debtor.

Proposed law retains present law while expanding the manner of sufficient notice to conform to R.S. 10:12-106(b). Proposed law also replaces the term "authenticated" with "signed" and makes nonsubstantive stylistic changes.

Present law (R.S. 10:9-210) provides relative to a request for accounting or list of collateral or statement of account.

Proposed law retains present law, replaces the term "authenticated" with "signed", and makes technical corrections.

Present law (R.S. 10:9-301) provides relative to the law governing perfection and priority of security interests.

Proposed law (R.S. 10:9-301(intro. para.)) updates the list of exceptions to incorporate a cross-reference to R.S. 10:9-306.2.

Proposed law (R.S. 10:9-301(3)(intro. para.)) updates the list of assets to conform to changes under proposed law.

Present law (R.S. 10:9-304(a)) provides that the law that governs perfection and priority of a security interest in a deposit account is the law of the bank's jurisdiction.

Proposed law retains present law and clarifies that this rule applies even if the transaction at issue bears no relation to the bank's jurisdiction.

Present law (R.S. 10:9-305(a)) provides general rules regarding the law governing perfection and priority of security interests in investment property.

Proposed law (R.S. 10:9-305(a)(intro. para.)) makes technical corrections.

Proposed law (R.S. 10:9-305(a)(5)) retains present law and clarifies that provisions of present law apply even if the transaction at issue bears no relation to the identified jurisdiction.

Proposed law (R.S. 10:9-306.1) provides for the law governing perfection and priority of security interest in chattel paper.

Proposed law (R.S. 10:9-306.2) provides for the law governing perfection and priority of security interests in controllable accounts, controllable electronic records, and controllable payment intangibles.

Present law (R.S. 10:9-310(b)(8)) sets out when the filing of a financing statement is not necessary to perfect a security interest.

Proposed law (R.S. 10:9-310(b)(8) and (8.1)) reorganizes and expands the list of asset classes in present law for which filing is not necessary to perfect a security interest to include controllable accounts, controllable electronic records, and controllable payment intangibles and to conform to the new definition of the term "chattel paper" provided in R.S. 10:9-102(a)(11) and the new manner of perfection of a security interest in chattel paper provided in R.S. 10:9-314.1.

Present law (R.S. 10:9-312(a)) provides the asset classes in which a security interest may be perfected by filing.

Proposed law expands this list to include controllable accounts, controllable electronic records, and controllable payment intangibles.

Present law (R.S. 10:9-312(b)(3)) provides for perfection of a security interest in money.

Proposed law clarifies that present law applies only to tangible money.

Proposed law (R.S. 10:9-312(b)(4)) provides for perfection of a security interest in electronic money.

Present law (R.S. 10:9-312(b)(4) and (5)) provide for perfection of a security interest in a collateral mortgage note or a life insurance policy.

Proposed law (R.S. 10:9-312(b)(5) and (6)) retain and redesignate present law.

Present law (R.S. 10:9-312(e)) provides for temporary perfection of a security interest when there is new value.

Proposed law retains present law and replaces the term "authenticated" with "signed".

Present law (R.S. 10:9-313(a)) provides for the types of collateral in which a secured party may perfect a security interest by taking possession of the collateral.

Proposed law removes reference to "tangible chattel paper" to conform to the new definition of the term "chattel paper" provided in R.S. 10:9-102(a)(11) and the new manner of perfection of a security interest in chattel paper provided in R.S. 10:9-314.1.

Present law (R.S. 10:9-313(c) and (d)) provides relative to perfection of a security interest by possession.

Proposed law replaces the terms "authenticates" and "authenticated" with "signs" and "signed" and makes technical corrections.

Present law (R.S. 10:9-314(a) through (c)) provides for perfection of a security interest by control.

Proposed law (R.S. 10:9-314(a) and (b)) updates lists of categories of collateral and corresponding cross-references to add new categories of collateral and to conform to the new definition of the term "chattel paper" provided in R.S. 10:9-102(a)(11) and the new manner of perfection of a security interest in chattel paper provided in R.S. 10:9-314.1.

Proposed law (R.S. 10:9-314(c)) makes semantic changes.

Proposed law (R.S. 10:9-314.1) provides for perfection by possession and control of chattel paper.

Present law (R.S. 10:9-316(a) and (f)) provides relative to continued perfection of a security interest following a change in governing law.

Proposed law updates lists of categories of collateral and corresponding cross-references.

Present law (R.S. 10:9-317(b) and (d)) sets out when buyers of certain categories of collateral take free of existing security interests.

Proposed law updates lists of categories of collateral to remove reference to chattel paper and otherwise conform to changes to asset classes.

Proposed law (R.S. 10:9-317(f)) sets out when a buyer of chattel paper takes free of a security interest.

Proposed law (R.S. 10:9-317(g)) sets out when a buyer of electronic documents takes free of a security interest.

Proposed law (R.S. 10:9-317(h)) sets out when a buyer of controllable electronic records takes free of a security interest.

Proposed law (R.S. 10:9-317(i)) sets out when a buyer of controllable accounts or controllable payment intangibles takes free of a security interest.

Present law (R.S. 10:9-323(d)) sets out when a buyer of goods takes free of a security interest.

Proposed law expands present law to remove the exclusion of buyers in the ordinary course of business.

Present law (R.S. 10:9-323(f)) sets out when a lessee of goods takes the leasehold interest free of a security interest.

Proposed law expands present law to remove the exclusion of lessees in the ordinary course of business.

Present law (R.S. 10:9-324) provides relative to the priority of purchase-money security interests.

Proposed law replaces the term "authenticated" with the term "signed" and makes technical corrections.

Proposed law (R.S. 10:9-326.1) provides for the priority of a security interest in a controllable account, controllable electronic record, or controllable payment intangible.

Present law (R.S. 10:9-330) provides for the priority of purchasers of chattel paper or instruments.

Proposed law updates present law to conform to the new definition of the term "chattel paper" provided in R.S. 10:9-102(a)(11) and the new concept of control in chattel paper provided in R.S. 10:9-105.

Present law (R.S. 10:9-331(a) and (b)) provides relative to the priority of rights of purchasers of various categories of asset.

Proposed law updates the lists of assets and corresponding cross-references to conform with changes under proposed law.

Present law (R.S. 10:9-332) sets out when a transferee of money takes free of a security interest.

Proposed law (R.S. 10:9-332(a)) retains and clarifies present law while updating terminology to account for new categories of assets under R.S. 10:9-102(a)(79.1).

Present law (R.S. 10:9-332(b)) sets out when the transferee of funds from a deposit account takes free of a security interest.

Proposed law retains and clarifies present law.

Proposed law (R.S. 10:9-332(c)) sets out when a transferee of electronic money takes free of a security interest.

Present law (R.S. 10:9-334) provides for the priority of security interests in fixtures and crops.

Proposed law retains present law and replaces the term "authenticated" with the term "signed".

Present law (R.S. 10:9-341) provides for a bank's rights and duties with respect to a deposit account.

Proposed law retains present law and replaces the term "authenticated" with the term "signed".

Present law (R.S. 10:9-404) provides relative to the rights acquired by and claims and defenses against an assignee.

Proposed law retains present law, replaces the term "authenticated" with the term "signed", and makes technical corrections.

Present law (R.S. 10:9-406) provides relative to the discharge of an account debtor.

Proposed law (R.S. 10:9-406(a)) replaces the term "authenticated" with "signed".

Proposed law (R.S. 10:9-406(a) through (d)) updates the internal cross-references contained in present law for clarification and also makes technical corrections.

Proposed law (R.S. 10:9-406(d)) retains present law by restoring the scope of the provision to ensure that it applies to a negotiable instrument that would be a promissory note but for changes made under R.S. 10:9-102(a)(65).

Proposed law (R.S. 10:9-406(l)) provides for the inapplicability of R.S. 10:9-404(a), (b), (c), and (g) to controllable accounts or controllable payment intangibles in light of R.S. 10:12-106.

Present law (R.S. 10:9-408(g)) provides relative to the applicability of present law to the assignment or transfer or creation of certain security interests.

Proposed law ensures that present law (R.S. 10:9-408) remains applicable to a negotiable instrument that would otherwise be a promissory note but for changes under R.S. 10:9-102(a)(65).

Proposed law (R.S. 10:9-408(h)) retains and redesignates present law (R.S. 10:9-408(g)) and makes technical corrections.

Present law (R.S. 10:9-412) provides relative to the discharge of a tortfeasor.

Proposed law retains present law, replaces the term "authenticated" with "signed", and makes technical corrections.

Present law (R.S. 10:9-509) provides relative to the persons entitled to file a record.

Proposed law retains present law, replaces the term "authenticated" with "signed", and makes technical corrections.

Present law (R.S. 10:9-513) provides relative to a termination statement.

Proposed law retains present law, replaces the term "authenticated" with "signed", and makes technical corrections.

Present law (R.S. 10:9-601(b)) provides for the rights and duties of a secured party in possession or control.

Proposed law expands the list of cross-references contained in present law to account for new control rules under R.S. 10:9-105.1 and 107.3.

Present law (R.S. 10:9-605) sets out circumstances in which a secured party does not owe a duty based on its status as secured party.

Proposed law retains present law while adding reference to the exception created by R.S. 10:9-605(b).

Present law (R.S. 10:9-608) provides relative to the application of proceeds of collection or enforcement.

Proposed law retains present law and replaces the term "authenticated" with "signed".

Present law (R.S. 10:9-611) provides rules for notification before disposition of collateral.

Proposed law retains present law, replaces the term "authenticated" with "signed", and makes technical corrections.

Present law (R.S. 10:9-613) sets out the required content and form of the notification before disposition of collateral in general.

Proposed law (R.S. 10:9-613(a)) retains present law, updates the applicable safe-harbor form, and makes technical corrections.

Proposed law (R.S. 10:9-613(b)) provides further instruction and clarification regarding present law.

Present law (R.S. 10:9-614) sets out the required content and form of the notification before disposition of collateral for a consumer goods transaction.

Proposed law (R.S. 10:9-614(a)) retains present law and updates the applicable safe-harbor form to achieve medium neutrality. Proposed law also makes technical corrections.

Proposed law (R.S. 10:9-614(b)) provides further instruction and clarification regarding present law.

Present law (R.S. 10:9-615) provides relative to the application of proceeds of disposition.

Proposed law retains present law and replaces the term "authenticated" with "signed".

Present law (R.S. 10:9-616) sets out the manner of calculation of surplus and deficiency.

Proposed law retains present law and replaces the term "writing" with "record and the term "authenticated" with "signed". Proposed law also makes technical corrections.

Present law (R.S. 10:9-619) provides for transfer of a record or legal title.

Proposed law retains present law, replaces the term "authenticated" with "signed", and makes technical corrections.

Present law (R.S. 10:9-620) provides relative to acceptance of collateral in satisfaction of an obligation.

Proposed law replaces the term "authenticated" with "signed" and makes technical corrections.

Present law (R.S. 10:9-621(a)(1)) provides which parties must be notified of a proposal to accept collateral.

Proposed law replaces the term "authenticated" with "signed".

Present law (R.S. 10:9-624) provides relative to waiver.

Proposed law replaces the term "authenticated" with "signed".

Present law (R.S. 10:9-628) provides for the nonliability and limitation of liability of a secured party and the liability of a secondary obligor.

Proposed law (R.S. 10:9-628(a)(intro. para.) and (b)(intro. para.)) retains present law while adding reference to the exception created by R.S. 10:9-628(f).

Proposed law (R.S. 10:9-628(f)) provides for circumstances in which the limitation of liability contained in present law is inapplicable.

Present law (R.S. 10:9-629) provides relative to judicial proceedings and authentic evidence.

Proposed law retains present law and replaces the term "authenticated" with "signed".

Proposed law (Chapter 12) provides relative to a new class of digital assets to be called controllable electronic records.

Proposed law (R.S. 10:12-101) provides a short title.

Proposed law (R.S. 10:12-102) provides for definitions.

Proposed law (R.S. 10:12-103) governs the relationship between Chapter 12 and the Uniform Commercial Code-Secured Transactions and other consumer laws.

Proposed law (R.S. 10:12-104) provides relative to rights in a controllable accounts, controllable electronic records, or controllable payment intangibles.

Proposed law (R.S. 10:12-105) provides relative to control of a controllable electronic record.

Proposed law (R.S. 10:12-106) sets out how an account debtor on a controllable account or controllable payment intangible may discharge its debt.

Proposed law (R.S. 10:12-107) sets forth the law that governs matters covered by Chapter 12.

Proposed law (Chapter 13) provides for transition rules relative to Chapter 12.

Proposed law (R.S. 10:13-101) provides a short title.

Proposed law (R.S. 10:13-102) provides definitions.

Proposed law (R.S. 10:13-201) provides a general savings clause.

Proposed law (R.S. 10:13-301) provides a special savings clause.

Proposed law (R.S. 10:13-302) provides relative to the continuing perfection of security interests perfected before the effective date of the Act.

Proposed law (R.S. 10:13-303) provides relative to security interests that remain unperfected upon the effective date of the Act.

Proposed law (R.S. 10:13-304) provides for the effectiveness of certain actions taken before the effective date of the Act.

Proposed law (R.S. 10:13-305) provides for the priority of claims to collateral established before and after the effective date and adjustment date of the Act.

Proposed law (R.S. 10:13-306) provides relative to the priority of claims to collateral when the priority rules of Chapter 9 do not apply.

(Amends R.S. 10:1-201(b)(10), (15), (21)(C), (24), (27), (36), and (37), 1-204(intro. para.), 1-301(g)(8), 3-104(a)(intro. para.) and (3), 3-105(a), 3-401, 3-604(a), 4A-103(a)(1)(intro. para.), 4A-201, 4A-202(b) and (c), 4A-203(a)(1), 4A-207(b)(2) and (c)(intro. para.) and (2), 4A-208(b)(2), 4A-210(a), 4A-211(a) and (d), 4A-305(b) - (d), 5-104, 5-116, 7-102(a)(11), 7-106(b)(intro. para.) and (4), 8-102(a)(6)(i) and (b), 8-106(d)(3), 8-303(b), 9-102(a)(2), (3), (4)(A), (7), (11), (31), (42), (47), (61), (66), (75), and (79) and (b), 9-104(a)(2) and (3), 9-105, 9-107.1, 9-107.2, 9-203(b)(3)(A), (C), and (D), 9-204(b)(intro. para.), 9-207(c)(intro. para.), 9-208(b)(intro. para.), (1), and (3) through (7), 9-209(b), 9-210(a)(2) - (4), (b), (c), (d)(intro. para.), and (e)(intro. para.), 9-301(intro. para.) and (3)(intro. para.), 9-304(a), 9-305(a)(intro. para.), 9-310(b)(8), 9-312(a), (b)(3) through (5), and (e), 9-313(a), (c), and (d), 9-314(a) - (c), 9-316(a)(intro. para.) and (f)(intro. para.), 9-317(b) and (d), 9-323(d)(intro. para.) and (f)(intro. para.), 9-324(b)(intro. para.) and (2) and (d)(intro. para.) and (2), 9-330(a), (b), and (f), 9-331(a) and (b), 9-332, 9-334(f)(1), 9-341(intro. para.), 9-404(a)(intro. para.) and (2), 9-406(a), (b)(intro. para.), (c), (d)(intro. para.), and (g), 9-408(g), 9-412(a), 9-509(a)(1) and (b)(intro. para.), 9-513(b)(intro. para.) and (2) and (c)(intro. para.), 9-601(b), 9-605, 9-608(a)(1)(C), 9-611(a)(1), (b), (c)(intro. para.) and (3)(A), and (e)(intro. para.) and (2)(B), 9-613, 9-614, 9-615(a)(3)(A) and (4), 9-616(a)(1)(intro. para.) and (B) and (2)(A), (b)(1)(A), and (c)(intro. para.), 9-619(a)(intro. para.), 9-620(a)(2)(intro. para.), (b)(1), (c)(1) and (2)(intro. para.) and (C), and (f)(intro. para.) and (2), 9-621(a)(1), 9-624, 9-628(a)(intro. para.) and (b)(intro. para.), and 9-629(a)(1) and (2); Adds R.S. 10:1-201(b)(16.1), 1-301(g)(9), 7-106(c) - (i), 8-103(h), 8-106(h) and (i), 8-110(g), 9-102(7.1), (7.2), (27.1), (27.2), (31.1), (54.1), and (79.1), 9-104(a)(4), 9-105.1, 9-107.3, 9-107.4, 9-203(b)(3)(E), 9-204(b.1), 9-208(b)(8) and (9), 9-305(a)(5), 9-306.1, 9-306.2, 9-310(b)(8.1), 9-312(b)(6), 9-314.1, 9-317(f) - (i), 9-326.1, 9-406(l), 9-408(h), 9-628(f), R.S. 10:12-101 - 12-107, and R.S. 10:13-101 - 13-306)