

1           4. In the case of a record filed [or recorded] in the filing office described in s.  
2 409.501 (1) (a), the record does not provide a sufficient description of the real  
3 property to which it relates;

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

7           (e) In the case of an initial financing statement or an amendment that provides  
8 a name of a debtor which was not previously provided in the financing statement to  
9 which the amendment relates, the record does not:

10           1. Provide a mailing address for the debtor;

11           2. Indicate whether the debtor is an individual or an organization; or

12           3. If the financing statement indicates that the debtor is an organization,  
13 provide:

14           a. A type of organization for the debtor;

15           b. A jurisdiction of organization for the debtor; or

16           c. An organizational identification number for the debtor or indicate that the  
17 debtor has none;

18           (f) In the case of an assignment reflected in an initial financing statement under  
19 s. 409.514 (1) or an amendment filed under s. 409.514 (2), the record does not provide  
20 a name and mailing address for the assignee; or

21           (g) In the case of a continuation statement, the record is not filed within the  
22 6-month period prescribed by s. 409.515 (4).

23           **(3) RULES APPLICABLE TO SUB. (2).** For purposes of sub. (2):

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

3 (b) A record that does not indicate that it is an amendment or identify an initial  
4 financing statement to which it relates, as required by s. 409.512, 409.514 or 409.518,  
5 is an initial financing statement.

6 (4) REFUSAL TO ACCEPT RECORD; RECORD EFFECTIVE AS FILED RECORD. A record that  
7 is communicated to the filing office with tender of the filing fee, but which the filing  
8 office refuses to accept for a reason other than one set forth in sub. (2), is effective as  
9 a filed record except as against a purchaser of the collateral which gives value in  
10 reasonable reliance upon the absence of the record from the files.

11 **409.517 Effect of indexing errors.** The failure of the filing office to index a  
12 record correctly does not affect the effectiveness of the filed record.

13 **409.518 Claim concerning inaccurate or wrongfully filed record. (1)**  
14 **CORRECTION STATEMENT.** A person may file in the filing office a correction statement  
15 with respect to a record indexed there under the person's name if the person believes  
16 that the record is inaccurate or was wrongfully filed.

17 Alternative A

18 (2) SUFFICIENCY OF CORRECTION STATEMENT. A correction statement must:

19 (a) Identify the record to which it relates by the file number assigned to the  
20 initial financing statement to which the record relates;

21 (b) Indicate that it is a correction statement; and

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

1           Alternative B

2           **(2) SUFFICIENCY OF CORRECTION STATEMENT.** A correction statement must:

3           (a) Identify the record to which it relates by:

4           1. The file number assigned to the initial financing statement to which the  
5           record relates; and

6           2. If the correction statement relates to a record filed [or recorded] in a filing  
7           office described in s. 409.501 (1) (a), the date [and time] that the initial financing  
8           statement was filed [or recorded] and the information specified in s. 409.502 (2);

9           (b) Indicate that it is a correction statement; and

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

14          End of Alternatives

          \*\*\*\*NOTE: Which alternative should be included in this draft?

15          **(3) RECORD NOT AFFECTED BY CORRECTION STATEMENT.** The filing of a correction  
16          statement does not affect the effectiveness of an initial financing statement or other  
17          filed record.

18          Legislative Note: States whose real-estate filing offices require additional  
19          information in amendments and cannot search their records by both the name of the  
20          debtor and the file number should enact Alternative B to ss. 409.512 (1), 409.518 (2),  
21          409.519 (6) and 409.522 (1).

1           **409.519   Numbering, maintaining and indexing records;**  
2           **communicating information provided in records. (1) FILING OFFICE DUTIES.**

3           For each record filed in a filing office, the filing office shall:

4           (a) Assign a unique number to the filed record;

5           (b) Create a record that bears the number assigned to the filed record and the  
6           date and time of filing;

7           (c) Maintain the filed record for public inspection; and

8           (d) Index the filed record in accordance with subs. (3), (4) and (5).

9           **(2) FILE NUMBER.** A file number [assigned after January 1, 2002,] must include  
10          a digit that:

        \*\*\*\*NOTE: Should the brackets be removed?

11          (a) Is mathematically derived from or related to the other digits of the file  
12          number; and

13          (b) Aids the filing office in determining whether a number communicated as the  
14          file number includes a single-digit or transpositional error.

15          **(3) INDEXING: GENERAL.** Except as otherwise provided in subs. (4) and (5), the  
16          filing office shall:

17          (a) Index an initial financing statement according to the name of the debtor and  
18          index all filed records relating to the initial financing statement in a manner that  
19          associates with one another an initial financing statement and all filed records  
20          relating to the initial financing statement; and

21          (b) Index a record that provides a name of a debtor which was not previously  
22          provided in the financing statement to which the record relates also according to the  
23          name that was not previously provided.

1           (4) INDEXING: REAL-PROPERTY-RELATED FINANCING STATEMENT. If a financing  
2 statement is filed as a fixture filing or covers as-extracted collateral or timber to be  
3 cut, [it must be filed for record and] the filing office shall index it:

4           (a) Under the names of the debtor and of each owner of record shown on the  
5 financing statement as if they were the mortgagors under a mortgage of the real  
6 property described; and

7           (b) To the extent that the law of this state provides for indexing of records of  
8 mortgages under the name of the mortgagee, under the name of the secured party  
9 as if the secured party were the mortgagee thereunder, or, if indexing is by  
10 description, as if the financing statement were a record of a mortgage of the real  
11 property described.

12           (5) INDEXING: REAL-PROPERTY-RELATED ASSIGNMENT. If a financing statement is  
13 filed as a fixture filing or covers as-extracted collateral or timber to be cut, the filing  
14 office shall index an assignment filed under s. 409.514 (1) or an amendment filed  
15 under s. 409.514 (2):

16           (a) Under the name of the assignor as grantor; and

17           (b) To the extent that the law of this state provides for indexing a record of the  
18 assignment of a mortgage under the name of the assignee, under the name of the  
19 assignee.

20           [Alternative A]

21           (6) RETRIEVAL AND ASSOCIATION CAPABILITY. The filing office shall maintain a  
22 capability:

23           (a) To retrieve a record by the name of the debtor and by the file number  
24 assigned to the initial financing statement to which the record relates; and

1 (b) To associate and retrieve with one another an initial financing statement  
2 and each filed record relating to the initial financing statement.

3 [Alternative B]

4 (6) RETRIEVAL AND ASSOCIATION CAPABILITY. The filing office shall maintain a  
5 capability:

6 (a) To retrieve a record by the name of the debtor and:

7 1. If the filing office is described in s. 409.501 (1) (a), by the file number assigned  
8 to the initial financing statement to which the record relates and the date [and time]  
9 that the record was filed [or recorded]; or

10 2. If the filing office is described in s. 409.501 (1) (b), by the file number assigned  
11 to the initial financing statement to which the record relates; and

12 (b) To associate and retrieve with one another an initial financing statement  
13 and each filed record relating to the initial financing statement.

14 [End of Alternatives]

15 (7) REMOVAL OF DEBTOR'S NAME. The filing office may not remove a debtor's name  
16 from the index until one year after the effectiveness of a financing statement naming  
17 the debtor lapses under s. 409.515 with respect to all secured parties of record.

18 (8) TIMELINESS OF FILING OFFICE PERFORMANCE. The filing office shall perform  
19 the acts required by subs. (1) to (5) at the time and in the manner prescribed by  
20 filing-office rule, but not later than 2 business days after the filing office receives the  
21 record in question.

1           [(9) INAPPLICABILITY TO REAL-PROPERTY-RELATED FILING OFFICE. [Subsection]  
2           [Subsections] [(2)] [and] [(8)] [does] [do] not apply to a filing office described in  
3           s. 409.501 (1) (a).]

4           Legislative Notes:

5           1. States whose filing offices currently assign file numbers that include a  
6           verification number, commonly known as a “check digit,” or can implement this  
7           requirement before the effective date of this chapter should omit the bracketed  
8           language in sub. (2).

9           2. In states in which writings will not appear in the real property records and  
10          indices unless actually recorded the bracketed language in sub. (4) should be used.

11          3. States whose real-estate filing offices require additional information in  
12          amendments and cannot search their records by both the name of the debtor and the  
13          file number should enact Alternative B to ss. 409.512 (1), 409.518 (2), 409.519 (6) and  
14          409.522 (1).

15          4. A state that elects not to require real-estate filing offices to comply with  
16          either or both of subs. (2) and (8) may adopt an applicable variation of sub. (9) and  
17          add “Except as otherwise provided in sub. (9),” to the appropriate subsection or  
18          subsections.

\*\*\*\*NOTE: Which alternatives and bracketed material should be included in this draft?

\*\*\*\*NOTE: Current s. 409.402 (1) (b), Wis. stats., has two nonuniform provisions. The second sentence is added “409.402 (1) (b) (2nd sentence) In each county, the register of deeds shall enter evidence of financing statements covering fixtures on all indices kept by the register of deeds regarding the transfer of real estate.”. The last sentence is changed to “An accurate reproduction of the security agreement or the financing statement, certified to be a true copy by the secured party, public officer or notary public, or a carbon copy bearing signatures appearing by carbon impression, may be filed.”. The conversion table gives 9-402 (1) as one of the sources for new 9-502, the others being 9-402 (5) and (6). The subject of the 2nd sentence appears to be covered in this section. Should these nonuniform provisions be included in this draft?

\*\*\*\*NOTE: Current s. 409.403 (3), Wis. stats., has nonuniform amendments that adds “or an optical disk or electronic copy. In other cases a lapsed statement may not be destroyed until after one year after the lapse.” after “photographic copy” .

\*\*\*\*NOTE: Current s. 409.403 (4), Wis. stats., has a nonuniform amendment that adds “or an optical disk or electronic copy” after “photographic copy” . I think the use of the defined term “record” picks up these references to optical or electronic. The conversion table gives 9-403 (3) as the source for new 9-515 and 9-522; and gives 9-403 (4) as the source for new 9-519. The subsection is also nonuniform in other regards. Section 409.403 (4) reads: “Except as provided in sub. (7), a filing officer shall mark each statement with a file number and with the date and hour of filing and shall hold the statement or a microfilm or other photographic copy thereof, or an optical disk or electronic copy thereof, for public inspection. In addition the filing officer shall index the statements according to the name of the debtor and shall note in the index the file number and the address of the debtor given in the statement.”. Should any of these nonuniform provisions be included in this draft?

\*\*\*\*NOTE: Current s. 409.403 (7) is a nonuniform subsection in that it does not include “and any owner of record shown on the financing statement” after “names of the debtor”. The subsection reads: “409.403 (7) When a financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to s. 409.103 (5), or is filed as a fixture filing, the filing officer shall index it under the names of the debtor in the same fashion as if they were the mortgagors in a mortgage of the real estate described, and, to the extent that the law of this state provides for indexing of mortgages under the name of the mortgagee, under the name of the secured party as if the secured party were the mortgagee thereunder, or where indexing is by description in the same fashion as if the financing statement were a mortgage of the real estate described.”. It also deletes the language in brackets: [ it shall be filed for record and”] before “the filing officer”. Should these nonuniform deletions be given effect in this draft?

\*\*\*\*NOTE: Current s. 409.403 (8) is a nonuniform subsection that is added. It reads: “409.403 (8) A separate amendment, continuation statement, termination statement, statement of assignment or statement of release shall be filed for each original financing statement to be affected.” Should this subsection be included in this draft?

\*\*\*\*NOTE: The conversion table lists 9-405 (2) as a source for new 9-519. Current s. 409.405 (2), Wis. stats., reads: (2) A secured party may assign of record all or part of his or her rights under a financing statement by the filing in the place where the original financing statement was filed of a separate written statement of assignment signed by the secured party of record and setting forth the name of the secured party of record and the debtor, the file number and the date of filing of the financing statement and the name and address of the assignee and containing a description of the collateral assigned. A copy of the assignment is sufficient as a separate statement if it complies with the preceding sentence. On presentation to the filing officer of such a separate statement, the filing officer shall mark such separate statement with the date and hour of the filing. The officer shall note the assignment on the index of the financing statement, or in the case of a fixture filing, or a filing covering timber to be cut, or covering minerals or the like, including oil and gas, or accounts subject to s. 409.103 (5), the officer shall index the assignment under the name of the assignor as grantor and, to the extent that the law of this state provides for indexing the assignment of a mortgage under the name of the assignee, the officer shall index the assignment of the financing statement under the name of the assignee. The fee for filing, indexing and furnishing filing data about such a separate statement of assignment is \$5 if the statement is on the standard form prescribed by the department and is \$10 if the statement is not on the standard form or if additional pages are attached to the standard form. A register of deeds shall forward \$3 to the department for each statement of assignment filed with the office of the register of deeds. Notwithstanding this subsection, an assignment of record of a security interest



in a fixture contained in a mortgage effective as a fixture filing under s. 409.402 (6) may be made only by an assignment of the mortgage in the manner provided by the law of this state other than chs. 401 to 411.” Should any of the nonuniform provisions be included in this draft?

[new 9-519] 409.403 – ANNOT.

Legislative Council Note, 1973: In sub. (7), the Special Committee deleted the words “and any owner of record shown on the financing statement” which appear after the word “debtor” in the official text. This change is in conformity with changes made in ss. 409.402 (3) 3. and 409.402 (5). See the note to s. 409.402 (3) 3. (Bill 177-S)

1           **409.520 Acceptance and refusal to accept record. (1) MANDATORY REFUSAL**

2 TO ACCEPT RECORD. A filing office shall refuse to accept a record for filing for a reason  
3 set forth in s. 409.516 (2) and may refuse to accept a record for filing only for a reason  
4 set forth in s. 409.516 (2).

5           **(2) COMMUNICATION CONCERNING REFUSAL.** If a filing office refuses to accept a  
6 record for filing, it shall communicate to the person that presented the record the fact  
7 of and reason for the refusal and the date and time the record would have been filed  
8 had the filing office accepted it. The communication must be made at the time and  
9 in the manner prescribed by filing-office rule but [ , in the case of a filing office  
10 described in s. 409.501 (1) (b), ] in no event more than 2 business days after the filing  
11 office receives the record.

\*\*\*NOTE: Should the bracketed material be included in this draft?

12           **(3) WHEN FILED FINANCING STATEMENT EFFECTIVE.** A filed financing statement  
13 satisfying s. 409.502 (1) and (2) is effective, even if the filing office is required to  
14 refuse to accept it for filing under sub. (1). However, s. 409.338 applies to a filed  
15 financing statement providing information described in s. 409.516 (2) (e) which is  
16 incorrect at the time the financing statement is filed.

1 (4) SEPARATE APPLICATION TO MULTIPLE DEBTORS. If a record communicated to a  
 2 filing office provides information that relates to more than one debtor, this  
 3 subchapter applies as to each debtor separately.

4 Legislative Note: A state that elects not to require real-property filing offices  
 5 to comply with sub. (2) should include the bracketed language.

\*\*\*\*NOTE: Should this draft include the bracketed material?

6 **409.521 Uniform form of written financing statement and amendment.**

7 (1) INITIAL FINANCING STATEMENT FORM. A filing office that accepts written records  
 8 may not refuse to accept a written initial financing statement in the following form  
 9 and format except for a reason set forth in s. 409.516 (2):

\*\*\*\*NOTE: Current s. 409.402 (9). Wis. stats., is a nonuniform addition. It reads:  
 “409.402 (9) A financing statement signed by one spouse is signed by the debtor under this  
 section if that spouse acting alone has the right under s. 766.51 to manage and control  
 the collateral, unless a marital property agreement or court decree which is binding on  
 the secured party under s. 766.55 (4m) or 766.56 (2) (c) provides otherwise.”. The  
 conversion table lists 9-402 (1) through (8) as sources for 9-502, 9-503 (a) (4), 9-504,  
 9-506, 9-507, 9-512, and 9-521. Should this subsection be included in this draft?

\*\*\*\*NOTE: Current s. 409.402 (3), Wis. stats., is nonuniform in that Wisconsin  
 deletes item #2, renumbers #3 and #4 to be #2 and #3 and modifies item #2.

“409.402 (3) A form substantially as follows is sufficient to comply with sub. (1):  
 Name of debtor (or assignor) Address Name of secured party (or assignee) Address

409.402 (3) (d)1.

1. This financing statement covers the following types (or items) of property:  
 (Describe)
2. The above goods are to become fixtures on (Legal Description of Real Estate) .... and  
 this financing statement is to be filed in the real estate records.
3. (If products of collateral are claimed) Products of the collateral are also covered.  
 Signature of Debtor (or Assignor) ....  
 Signature of Secured Party (or Assignee) ....  
 (use whichever is applicable)”.

Should any of these changes be included in this draft?

\*\*\*\*NOTE: Current s. 409.402 (3m) is a nonuniform addition. It reads: 409.402 (3m)  
 The department shall prescribe by rule standard forms for filing a financing statement,  
 continuation statement, termination statement, statement of assignment or statement  
 of release. A filing officer may refuse to accept statements not on the required form or  
 not containing information required under sub. (1).”. Should this subsection be included  
 in this draft?



**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME  insert only one debtor name (1a OR 1b)  do not abbreviate OR combine names

1a. ORGANIZATION'S NAME					
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS			CITY	STATE	POSTAL CODE COUNTRY
1d. TAX ID #, SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any	
					<input type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME  insert only one debtor name (2a OR 2b)  do not abbreviate OR combine names

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS			CITY	STATE	POSTAL CODE COUNTRY
2d. TAX ID #, SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any	
					<input type="checkbox"/> NONE

3. SECURED PARTY'S NAME (OR NAME OF TOTAL ASSIGNEE OF ASSIGNOR S/P)  insert only one secured party name (3a OR 3b)

3a. ORGANIZATION'S NAME					
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS			CITY	STATE	POSTAL CODE COUNTRY

4. This FINANCING STATEMENT covers the following collateral:

1

**UCC FINANCING STATEMENT ADDENDUM**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

**9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT**

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S LAST NAME      FIRST NAME      MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME**  insert only one name (11a OR 11b)  do not abbreviate OR combine names

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME      FIRST NAME      MIDDLE NAME      SUFFIX

11c. MAILING ADDRESS      CITY      STATE      POSTAL CODE      COUNTRY

11d. TAX ID #, SSN OR EIN      ADD'L INFO RE ORGANIZATION DEBTOR      11e. TYPE OF ORGANIZATION      11f. JURISDICTION OF ORGANIZATION      11g. ORGANIZATIONAL ID #, if any  NONE

**12.  ADDITIONAL SECURED PARTY'S or  ASSIGNOR S/P'S NAME**  insert only one name (12a OR 12b)

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S LAST NAME      FIRST NAME      MIDDLE NAME      SUFFIX

12c. MAILING ADDRESS      CITY      STATE      POSTAL CODE      COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

17. Check only if applicable and check only one box.

Debtor is a  Trustor  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.

- Debtor is a TRANSMITTING UTILITY
- Filed in connection with a Manufactured Home Transaction  effective 30 years
- Filed in connection with a Public Finance Transaction  effective 30 years

1           **(2) AMENDMENT FORM.** A filing office that accepts written records may not refuse  
2 to accept a written record in the following form and format except for a reason set  
3 forth in s. 409.516 (2):

1

**UCC FINANCING STATEMENT AMENDMENT**

FOLLOWING INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

---

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #

1b. This FINANCING STATEMENT AMENDMENT IS to be filed [for record] (OR recorded) IN the REAL ESTATE RECORDS.

2.  TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3.  CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4.  ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects  Debtor or  Secured Party of record. Check only one of these two boxes. Also check one of the following three boxes and provide appropriate information in item 6a and/or 7.

CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.  DELETE name: Give record name to be deleted in item 6a or 6b.  ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

7c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
------	-------	-------------	---------

7d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any
--------------------------	-----------------------------------	--------------------------	----------------------------------	---------------------------------

NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral  deleted or  added, OR give entire  restated collateral description, OR describe collateral  assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here  and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

10. OPTIONAL FILER REFERENCE DATA

**UCC FINANCING STATEMENT AMENDMENT ADDENDUM**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as item 1a on Amendment form)

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY



1           **409.522 Maintenance and destruction of records.**

2           [Alternative A]

3           (1) POST-LAPSE MAINTENANCE AND RETRIEVAL OF INFORMATION. The filing office  
4 shall maintain a record of the information provided in a filed financing statement for  
5 at least one year after the effectiveness of the financing statement has lapsed under  
6 s. 409.515 with respect to all secured parties of record. The record must be  
7 retrievable by using the name of the debtor and by using the file number assigned  
8 to the initial financing statement to which the record relates.

9           [Alternative B]

10          (1) POST-LAPSE MAINTENANCE AND RETRIEVAL OF INFORMATION. The filing office  
11 shall maintain a record of the information provided in a filed financing statement for  
12 at least one year after the effectiveness of the financing statement has lapsed under  
13 s. 409.515 with respect to all secured parties of record. The record must be  
14 retrievable by using the name of the debtor and:

15           (a) If the record was filed [or recorded] in the filing office described in s. 409.501  
16 (1) (a), by using the file number assigned to the initial financing statement to which  
17 the record relates and the date [and time] that the record was filed [or recorded];  
18 or

19           (b) If the record was filed in the filing office described in s. 409.501 (1) (b), by  
20 using the file number assigned to the initial financing statement to which the record  
21 relates.

22          End of Alternatives

\*\*\*\*NOTE: Should this draft include the bracketed material? Which alternative  
should be included in this draft?

1           **(2) DESTRUCTION OF WRITTEN RECORDS.** Except to the extent that a statute  
2 governing disposition of public records provides otherwise, the filing office  
3 immediately may destroy any written record evidencing a financing statement.  
4 However, if the filing office destroys a written record, it shall maintain another  
5 record of the financing statement which complies with sub. (1).

6           Legislative Note: States whose real-estate filing offices require additional  
7 information in amendments and cannot search their records by both the name of the  
8 debtor and the file number should enact Alternative B to ss. 409.512 (1), 409.518 (2),  
9 409.519 (6) and 409.522 (1).

      \*\*\*\*NOTE: Current s. 409.403 (3), Wis. stats., has nonuniform amendments that  
adds “or an optical disk or electronic copy. In other cases a lapsed statement may not be  
destroyed until after one year after the lapse.” after “photographic copy”. Current s.  
409.403 (4), Wis. stats., has nonuniform amendments that adds “or an optical disk or  
electronic copy” after “photographic copy”. I think the use of the defined term “record”  
picks up these references to optical or electronic. The conversion table gives 9-403 (3) as  
the source for new 9-515 and 9-522; and gives 9-403 (4) as the source for new 9-519.  
Should any of these nonuniform provisions be included in this draft?

10           **409.523 Information from filing office; sale or license of records. (1)**

11           **ACKNOWLEDGMENT OF FILING WRITTEN RECORD.** If a person that files a written record  
12 requests an acknowledgment of the filing, the filing office shall send to the person  
13 an image of the record showing the number assigned to the record pursuant to s.  
14 409.519 (1) (a) and the date and time of the filing of the record. However, if the person  
15 furnishes a copy of the record to the filing office, the filing office may instead:

16           (a) Note upon the copy the number assigned to the record pursuant to s. 409.519  
17 (1) (a) and the date and time of the filing of the record; and

18           (b) Send the copy to the person.

19           **(2) ACKNOWLEDGMENT OF FILING OTHER RECORD.** If a person files a record other  
20 than a written record, the filing office shall communicate to the person an  
21 acknowledgment that provides:

1 (a) The information in the record;

2 (b) The number assigned to the record pursuant to s. 409.519 (1) (a); and

3 (c) The date and time of the filing of the record.

4 (3) COMMUNICATION OF REQUESTED INFORMATION. The filing office shall  
5 communicate or otherwise make available in a record the following information to  
6 any person that requests it:

7 (a) Whether there is on file on a date and time specified by the filing office, but  
8 not a date earlier than 3 business days before the filing office receives the request,  
9 any financing statement that:

10 1. Designates a particular debtor [or, if the request so states, designates a  
11 particular debtor at the address specified in the request];

\*\*\*\*NOTE: Should this draft include the bracketed material?

12 2. Has not lapsed under s. 409.515 with respect to all secured parties of record;  
13 and

14 3. If the request so states, has lapsed under s. 409.515 and a record of which is  
15 maintained by the filing office under s. 409.522 (1);

16 (b) The date and time of filing of each financing statement; and

17 (c) The information provided in each financing statement.

18 (4) MEDIUM FOR COMMUNICATING INFORMATION. In complying with its duty under  
19 sub. (3), the filing office may communicate information in any medium. However, if  
20 requested, the filing office shall communicate information by issuing [its written  
21 certificate] [a record that can be admitted into evidence in the courts of this state  
22 without extrinsic evidence of its authenticity].

\*\*\*NOTE: Should this draft include the bracketed material?

1 (5) TIMELINESS OF FILING OFFICE PERFORMANCE. The filing office shall perform  
2 the acts required by subs. (1) to (4) at the time and in the manner prescribed by  
3 filing-office rule, but not later than 2 business days after the filing office receives the  
4 request.

5 (6) PUBLIC AVAILABILITY OF RECORDS. At least weekly, the [department of  
6 financial institutions] [filing office] shall offer to sell or license to the public on a  
7 nonexclusive basis, in bulk, copies of all records filed in it under this subchapter, in  
8 every medium from time to time available to the filing office.

\*\*\*NOTE: Which alternative should this draft include from the bracketed material?

9 Legislative Notes:

10 1. States whose filing office does not offer the additional service of responding  
11 to search requests limited to a particular address should omit the bracketed  
12 language in sub. (3) (a) 1.

13 2. A state that elects not to require real-estate filing offices to comply with  
14 either or both of subs. (5) and (6) should specify in the appropriate subsection(s) only  
15 the filing office described in s. 409.501 (1) (b).

\*\*\*NOTE: Current s. 409.407 (2), Wis. stats., is nonuniform throughout and current  
s. 409.407 (3), Wis. stats., is nonuniform in that it is entirely additional. They read:  
"409.407 (2) Oral request for information from filing officer; issuance of certificate; fees.

409.407 (2) (a)

(a) Upon the oral request of any person, the filing officer shall disclose orally at the time of the request or as soon thereafter as possible any presently effective statement naming a particular debtor and if there is such a statement, giving the date and hour of filing of each such statement and the names and addresses of each secured party therein. The fee for the information is \$10. Upon the request for a copy of a statement, the filing officer shall furnish copies for a fee of \$1 per page.

409.407 (2) (b)

(b) Upon request of any person, the filing officer shall issue a certificate showing whether there is on file on the date and hour stated therein, any presently effective statement naming a particular debtor and if there is, giving the date and hour of filing of each such statement and the names and addresses of each secured party therein. The fee for such

a certificate is \$10. Upon request the filing officer shall furnish a certificate and copies of any filed statement for a fee of \$1 for each page of the copied statement.

409.407 (2) (c)

(c) For providing any service under par. (a) or (b) in an expeditious manner, the department may charge and collect an expedited service fee of \$25 in addition to any fee required under par. (a) or (b). Only one expedited service fee may be charged for multiple identical certificates if the certificates are requested at the same time and issued at the same time.

409.407 (3)

(3) Liability of filing officer. No filing officer nor any of the filing officer's employes or agents shall be subject to personal liability by reason of any error or omission in the performance of any duty under ch. 409 except in case of misconduct as defined in s. 946.12." The conversion list gives 9-407 as the source for new 9-523. Should any of these nonuniform provisions be included in this draft?

1           **409.524 Delay by filing office.** Delay by the filing office beyond a time limit  
2 prescribed by this subchapter is excused if:

3           (1) The delay is caused by interruption of communication or computer facilities,  
4 war, emergency conditions, failure of equipment or other circumstances beyond  
5 control of the filing office; and

6           (2) The filing office exercises reasonable diligence under the circumstances.

7           **409.525 FEES.** (1) INITIAL FINANCING STATEMENT: GENERAL. Except as otherwise  
8 provided in sub. (5), the fee for filing and indexing a record under this subchapter,  
9 other than an initial financing statement of the kind described in s. 409.502 (3), is  
10 [the amount specified in sub. (3), if applicable, plus]:

\*\*\*\*NOTE: Should this draft include the bracketed material?

11           (a) \$   [X]   if the record is communicated in writing and consists of one  
12 or 2 pages;

13           (b) \$   [2X]   if the record is communicated in writing and consists of  
14 more than 2 pages; and

1 (c) \$ \_\_[1/2X]\_\_ if the record is communicated by another medium authorized  
2 by filing-office rule.

3 (2) INITIAL FINANCING STATEMENT: S. 409.502 (3). Except as otherwise provided in  
4 sub. (5), the fee for filing and indexing an initial financing statement of the kind  
5 described in s. 409.502 (3) is [the amount specified in sub. (3), if applicable, plus]:

\*\*\*\*NOTE: Should this draft include the bracketed material?

6 (a) \$ \_\_\_\_ if the financing statement indicates that it is filed in connection with  
7 a public-finance transaction; and

8 (b) \$ \_\_\_\_ if the financing statement indicates that it is filed in connection with  
9 a manufactured-home transaction.

10 [Alternative A]

11 (3) NUMBER OF NAMES. The number of names required to be indexed does not  
12 affect the amount of the fee in subs. (1) and (2).

13 [Alternative B]

14 (3) NUMBER OF NAMES. Except as otherwise provided in sub. (5), if a record is  
15 communicated in writing, the fee for each name more than 2 required to be indexed  
16 is \$ \_\_\_\_\_.

17 [End of Alternatives]

\*\*\*\*NOTE: Which alternative should this draft include?

18 (4) RESPONSE TO INFORMATION REQUEST. The fee for responding to a request for  
19 information from the filing office, including for [issuing a certificate showing]  
20 [communicating] whether there is on file any financing statement naming a  
21 particular debtor, is:

\*\*\*\*NOTE: Which of the alternatives in the bracketed material should be included in this draft?

1 (a) \$ \_\_\_\_ if the request is communicated in writing; and

2 (b) \$ \_\_\_\_ if the request is communicated by another medium authorized by  
3 filing-office rule.

4 (5) RECORD OF MORTGAGE. This section does not require a fee with respect to a  
5 record of a mortgage which is effective as a financing statement filed as a fixture  
6 filing or as a financing statement covering as-extracted collateral or timber to be cut  
7 under s. 409.502 (3). However, the recording and satisfaction fees that otherwise  
8 would be applicable to the record of the mortgage apply.

9 Legislative Notes:

10 1. To preserve uniformity, a state that places the provisions of this section  
11 together with statutes setting fees for other services should do so without  
12 modification.

13 2. A state should enact sub. (3), Alternative A, and omit the bracketed language  
14 in subs. (1) and (2) unless its indexing system entails a substantial additional cost  
15 when indexing additional names.

\*\*\*\*NOTE: Current s. 409.403 (5), Wis. stats., is a nonuniform provision. The conversion table gives 9-403 (4) as the source for new 9-525. Current s. 409.403 (5), Wis. stats., reads: 409.403 (5)

409.403 (5) (a)

(a) Fees for filing with the office of the register of deeds.

409.403 (5) (a)1.

1. The fee for filing and indexing and for stamping a copy furnished by the secured party to show the date and place of filing for an original financing statement is \$8 if the statement is on the standard form prescribed by the department and is \$16 if the statement is not on the standard form or if additional pages are attached to the standard form. The fee for filing an original financing statement subject to s. 409.402 (5) is \$10 if the statement is on the standard form and is \$20 if the statement is not on the standard form or if additional pages are attached to the standard form.

409.403 (5) (a)1m.

1m. There is no fee for processing the termination statement.

409.403 (5) (a)2.

2. The fee for filing and indexing and for stamping a copy furnished by the secured party to show the date and place of filing for an amendment or a continuation statement is \$5 if the amendment or statement is on the standard form prescribed by the department and is \$10 if the amendment or statement is not on the standard form or if additional pages are attached to the standard form.

409.403 (5) (a)3.

3. A register of deeds shall forward \$3 to the department for each original financing statement filed with the office of the register of deeds under subd. 1. and for each amendment and each continuation statement filed with the office of the register of deeds under subd. 2.

409.403 (5) (b)

(b) Fees for filing with the department of financial institutions.

409.403 (5) (b)1.

1. The fee for filing and indexing and for stamping a copy furnished by the secured party to show the date and place of filing for an original financing statement is \$8 if the statement is on the standard form prescribed by the department and is \$16 if the statement is not on the standard form or if additional pages are attached to the standard form.

409.403 (5) (b)1m.

1m. There is no fee for processing the termination statement.

409.403 (5) (b)2.

2. The fee for filing and indexing and for stamping a copy furnished by the secured party to show the date and place of filing for an amendment or a continuation statement is \$5 if the amendment or statement is on the standard form prescribed by the department and is \$10 if the amendment or statement is not on the standard form or if additional pages are attached to the standard form.”.

I assume that we need the help of the department of financial institutions in properly establishing the fees.

- 1        **409.526 Filing office rules.** (1) ADOPTION OF FILING-OFFICE RULES. The  
 2 secretary of financial institutions shall promulgate filing-office rules to implement  
 3 this chapter. The filing-office rules must be:
- 4            (a) Consistent with this chapter; and  
 5            (b) Promulgated in accordance with ch. 227.
- 6        (2) HARMONIZATION OF RULES. To keep the filing-office rules and practices of the  
 7 filing office in harmony with the rules and practices of filing offices in other  
 8 jurisdictions that enact substantially this subchapter, and to keep the technology  
 9 used by the filing office compatible with the technology used by filing offices in other  
 10 jurisdictions that enact substantially this subchapter, the secretary of financial



1 institutions, so far as is consistent with the purposes, policies and provisions of this  
2 chapter, in promulgating filing-office rules, shall:

3 (a) Consult with filing offices in other jurisdictions that enact substantially this  
4 subchapter;

5 (b) Consult the most recent version of the Model Rules promulgated by the  
6 International Association of Corporate Administrators or any successor  
7 organization; and

8 (c) Take into consideration the rules and practices of, and the technology used  
9 by, filing offices in other jurisdictions that enact substantially this subchapter.

10 **409.527 Duty to report.** The department of financial institutions shall  
11 include in its report under s. 15.04 (1) (d) a report on the operation of the filing office.  
12 The report must contain a statement of the extent to which:

13 (1) The filing-office rules are not in harmony with the rules of filing offices in  
14 other jurisdictions that enact substantially this subchapter and the reasons for these  
15 variations; and

16 (2) The filing-office rules are not in harmony with the most recent version of  
17 the Model Rules promulgated by the International Association of Corporate  
18 Administrators, or any successor organization, and the reasons for these variations.

\*\*\*\*\*NOTE: Wisconsin has added two sections to this subject matter. Should they be  
included in this draft? They are: "409.409

409.409 Storage of records. Whenever in this chapter a filing officer is required to mark,  
index or file any financing statement, termination statement, continuation statement,  
statement of assignment or statement of release, the officer may destroy the original  
statement after a microfilm or other photographic copy or an optical disk or electronic  
copy has been prepared and filed for retention." and "409.410

409.410 Statewide lien system.

409.410 (1)

(1) The department and the office of each register of deeds in this state shall establish and  
maintain at least one computer terminal allowing the direct entry into permanent  
computer storage and the direct retrieval from permanent computer storage of  
information under sub. (2).

## 409.410 (2)

(2) Beginning 30 days after notification by the department, each filing officer shall enter all information contained in all financing statements, amendments, termination statements, continuation statements, statements of assignment and statements of release submitted for filing, indexing or marking under ss. 409.401 to 409.408, including the date and time of filing these statements or amendments, into permanent computer storage by means of a computer terminal established and maintained under sub. (1).

## 409.410 (3)

(3) The department shall establish and maintain computer and any other services necessary to support the uniform commercial code statewide lien system under this section but may not maintain a central filing system, as defined in 7 USC 1631 (c) (2), for farm products, as defined in 7 USC 1631 (c) (5)."

## SUBCHAPTER VI

## DEFAULT

**409.601 Rights after default; judicial enforcement; consignor or buyer of accounts, chattel paper, payment intangibles or promissory notes. (1)**

RIGHTS OF SECURED PARTY AFTER DEFAULT. After default, a secured party has the rights provided in this subchapter and, except as otherwise provided in s. 409.602, those provided by agreement of the parties. A secured party:

(a) May reduce a claim to judgment, foreclose or otherwise enforce the claim, security interest or agricultural lien by any available judicial procedure; and

(b) If the collateral is documents, may proceed either as to the documents or as to the goods they cover.

(2) RIGHTS AND DUTIES OF SECURED PARTY IN POSSESSION OR CONTROL. A secured party in possession of collateral or control of collateral under s. 409.104, 409.105, 409.106 or 409.107 has the rights and duties provided in s. 409.207.

(3) RIGHTS CUMULATIVE; SIMULTANEOUS EXERCISE. The rights under subs. (1) and (2) are cumulative and may be exercised simultaneously.

1           (4) RIGHTS OF DEBTOR AND OBLIGOR. Except as otherwise provided in sub. (7) and  
2 s. 409.605, after default, a debtor and an obligor have the rights provided in this  
3 subchapter and by agreement of the parties.

4           (5) LIEN OF LEVY AFTER JUDGMENT. If a secured party has reduced its claim to  
5 judgment, the lien of any levy that may be made upon the collateral by virtue of an  
6 execution based upon the judgment relates back to the earliest of:

7           (a) The date of perfection of the security interest or agricultural lien in the  
8 collateral;

9           (b) The date of filing a financing statement covering the collateral; or

10          (c) Any date specified in a statute under which the agricultural lien was created.

11          (6) EXECUTION SALE. A sale pursuant to an execution is a foreclosure of the  
12 security interest or agricultural lien by judicial procedure within the meaning of this  
13 section. A secured party may purchase at the sale and thereafter hold the collateral  
14 free of any other requirements of this chapter.

15          (7) CONSIGNOR OR BUYER OF CERTAIN RIGHTS TO PAYMENT. Except as otherwise  
16 provided in s. 409.607 (3), this subchapter imposes no duties upon a secured party  
17 that is a consignor or is a buyer of accounts, chattel paper, payment intangibles or  
18 promissory notes.

19           **409.602 Waiver and variance of rights and duties.** Except as otherwise  
20 provided in s. 409.624, to the extent that they give rights to a debtor or obligor and  
21 impose duties on a secured party, the debtor or obligor may not waive or vary the  
22 rules stated in the following listed sections:

23           (1) Section 409.207 (2) (d) 3., which deals with use and operation of the  
24 collateral by the secured party;

1           (2) Section 409.210, which deals with requests for an accounting and requests  
2 concerning a list of collateral and statement of account;

3           (3) Section 409.607 (3), which deals with collection and enforcement of  
4 collateral;

5           (4) Sections 409.608 (1) and 409.615 (3) to the extent that they deal with  
6 application or payment of noncash proceeds of collection, enforcement or disposition;

7           (5) Sections 409.608 (1) and 409.615 (4) to the extent that they require  
8 accounting for or payment of surplus proceeds of collateral;

9           (6) Section 409.609 to the extent that it imposes upon a secured party that takes  
10 possession of collateral without judicial process the duty to do so without breach of  
11 the peace;

12           (7) Sections 409.610 (2), 409.611, 409.613 and 409.614, which deal with  
13 disposition of collateral;

14           (8) Section 409.615 (6), which deals with calculation of a deficiency or surplus  
15 when a disposition is made to the secured party, a person related to the secured party  
16 or a secondary obligor;

17           (9) Section 409.616, which deals with explanation of the calculation of a surplus  
18 or deficiency;

19           (10) Sections 409.620, 409.621 and 409.622, which deal with acceptance of  
20 collateral in satisfaction of obligation;

21           (11) Section 409.623, which deals with redemption of collateral;

22           (12) Section 409.624, which deals with permissible waivers; and

23           (13) Sections 409.625 and 409.626, which deal with the secured party's liability  
24 for failure to comply with this chapter.

1           **409.603 Agreement on standards concerning rights and duties. (1)**

2           **AGREED STANDARDS.** The parties may determine by agreement the standards  
3           measuring the fulfillment of the rights of a debtor or obligor and the duties of a  
4           secured party under a rule stated in s. 409.602 if the standards are not manifestly  
5           unreasonable.

6           **(2) AGREED STANDARDS INAPPLICABLE TO BREACH OF PEACE.** Subsection (1) does not  
7           apply to the duty under s. 409.609 to refrain from breaching the peace.

8           **409.604 Procedure if security agreement covers real property or**  
9           **fixtures. (1) ENFORCEMENT: PERSONAL AND REAL PROPERTY.** If a security agreement  
10          covers both personal and real property, a secured party may proceed:

11          (a) Under this subchapter as to the personal property without prejudicing any  
12          rights with respect to the real property; or

13          (b) As to both the personal property and the real property in accordance with  
14          the rights with respect to the real property, in which case the other provisions of this  
15          subchapter do not apply.

16          **(2) ENFORCEMENT: FIXTURES.** Subject to sub. (3), if a security agreement covers  
17          goods that are or become fixtures, a secured party may proceed:

18          (a) Under this subchapter; or

19          (b) In accordance with the rights with respect to real property, in which case the  
20          other provisions of this subchapter do not apply.

21          **(3) REMOVAL OF FIXTURES.** Subject to the other provisions of this subchapter, if  
22          a secured party holding a security interest in fixtures has priority over all owners and  
23          encumbrancers of the real property, the secured party, after default, may remove the  
24          collateral from the real property.

1           (4) INJURY CAUSED BY REMOVAL. A secured party that removes collateral shall  
2 promptly reimburse any encumbrancer or owner of the real property, other than the  
3 debtor, for the cost of repair of any physical injury caused by the removal. The  
4 secured party need not reimburse the encumbrancer or owner for any diminution in  
5 value of the real property caused by the absence of the goods removed or by any  
6 necessity of replacing them. A person entitled to reimbursement may refuse  
7 permission to remove until the secured party gives adequate assurance for the  
8 performance of the obligation to reimburse.

9           **409.605 Unknown debtor or secondary obligor.** A secured party does not  
10 owe a duty based on its status as secured party:

11           (1) To a person that is a debtor or obligor, unless the secured party knows:

12           (a) That the person is a debtor or obligor;

13           (b) The identity of the person; and

14           (c) How to communicate with the person; or

15           (2) To a secured party or lienholder that has filed a financing statement against  
16 a person, unless the secured party knows:

17           (a) That the person is a debtor; and

18           (b) The identity of the person.

19           **409.606 Time of default for agricultural lien.** For purposes of this  
20 subchapter, a default occurs in connection with an agricultural lien at the time the  
21 secured party becomes entitled to enforce the lien in accordance with the statute  
22 under which it was created.

23           **409.607 Collection and enforcement by secured party.** (1) COLLECTION  
24 AND ENFORCEMENT GENERALLY. If so agreed, and in any event after default, a secured  
25 party:

1 (a) May notify an account debtor or other person obligated on collateral to make  
2 payment or otherwise render performance to or for the benefit of the secured party;

3 (b) May take any proceeds to which the secured party is entitled under s.  
4 409.315;

5 (c) May enforce the obligations of an account debtor or other person obligated  
6 on collateral and exercise the rights of the debtor with respect to the obligation of the  
7 account debtor or other person obligated on collateral to make payment or otherwise  
8 render performance to the debtor, and with respect to any property that secures the  
9 obligations of the account debtor or other person obligated on the collateral;

10 (d) If it holds a security interest in a deposit account perfected by control under  
11 s. 409.104 (1) (a), may apply the balance of the deposit account to the obligation  
12 secured by the deposit account; and

13 (e) If it holds a security interest in a deposit account perfected by control under  
14 s. 409.104 (1) (b) or (c), may instruct the bank to pay the balance of the deposit  
15 account to or for the benefit of the secured party.

16 (2) NONJUDICIAL ENFORCEMENT OF MORTGAGE. If necessary to enable a secured  
17 party to exercise under sub. (1) (c) the right of a debtor to enforce a mortgage  
18 nonjudicially, the secured party may record in the office in which a record of the  
19 mortgage is recorded:

20 (a) A copy of the security agreement that creates or provides for a security  
21 interest in the obligation secured by the mortgage; and

22 (b) The secured party's sworn affidavit in recordable form stating that:

23 1. A default has occurred; and

24 2. The secured party is entitled to enforce the mortgage nonjudicially.

1           **(3) COMMERCIALY REASONABLE COLLECTION AND ENFORCEMENT.** A secured party  
2 shall proceed in a commercially reasonable manner if the secured party:

3           (a) Undertakes to collect from or enforce an obligation of an account debtor or  
4 other person obligated on collateral; and

5           (b) Is entitled to charge back uncollected collateral or otherwise to full or limited  
6 recourse against the debtor or a secondary obligor.

7           **(4) EXPENSES OF COLLECTION AND ENFORCEMENT.** A secured party may deduct  
8 from the collections made pursuant to sub. (3) reasonable expenses of collection and  
9 enforcement, including reasonable attorney's fees and legal expenses incurred by the  
10 secured party.

11           **(5) DUTIES TO SECURED PARTY NOT AFFECTED.** This section does not determine  
12 whether an account debtor, bank or other person obligated on collateral owes a duty  
13 to a secured party.

14           **409.608 Application of proceeds of collection or enforcement; liability**  
15 **for deficiency and right to surplus. (1) APPLICATION OF PROCEEDS, SURPLUS AND**  
16 **DEFICIENCY IF OBLIGATION SECURED.** If a security interest or agricultural lien secures  
17 payment or performance of an obligation, the following rules apply:

18           (a) A secured party shall apply or pay over for application the cash proceeds of  
19 collection or enforcement under this section in the following order to:

20           1. The reasonable expenses of collection and enforcement and, to the extent  
21 provided for by agreement and not prohibited by law, reasonable attorney's fees and  
22 legal expenses incurred by the secured party;

23           2. The satisfaction of obligations secured by the security interest or agricultural  
24 lien under which the collection or enforcement is made; and



1           3. The satisfaction of obligations secured by any subordinate security interest  
2 in or other lien on the collateral subject to the security interest or agricultural lien  
3 under which the collection or enforcement is made if the secured party receives an  
4 authenticated demand for proceeds before distribution of the proceeds is completed.

5           (b) If requested by a secured party, a holder of a subordinate security interest  
6 or other lien shall furnish reasonable proof of the interest or lien within a reasonable  
7 time. Unless the holder complies, the secured party need not comply with the  
8 holder's demand under par. (a) 3.

9           (c) A secured party need not apply or pay over for application noncash proceeds  
10 of collection and enforcement under this section unless the failure to do so would be  
11 commercially unreasonable. A secured party that applies or pays over for application  
12 noncash proceeds shall do so in a commercially reasonable manner.

13           (d) A secured party shall account to and pay a debtor for any surplus, and the  
14 obligor is liable for any deficiency.

15           (2) NO SURPLUS OR DEFICIENCY IN SALES OF CERTAIN RIGHTS TO PAYMENT. If the  
16 underlying transaction is a sale of accounts, chattel paper, payment intangibles or  
17 promissory notes, the debtor is not entitled to any surplus, and the obligor is not  
18 liable for any deficiency.

19           **409.609 Secured party's right to take possession after default. (1)**  
20 POSSESSION; RENDERING EQUIPMENT UNUSABLE; DISPOSITION ON DEBTOR'S PREMISES. After  
21 default, a secured party:

22           (a) May take possession of the collateral; and

23           (b) Without removal, may render equipment unusable and dispose of collateral  
24 on a debtor's premises under s. 409.610.

1           **(2) JUDICIAL AND NONJUDICIAL PROCESS.** A secured party may proceed under sub.

2           **(1):**

3           (a) Pursuant to judicial process; or

4           (b) Without judicial process, if it proceeds without breach of the peace.

5           **(3) ASSEMBLY OF COLLATERAL.** If so agreed, and in any event after default, a  
6 secured party may require the debtor to assemble the collateral and make it  
7 available to the secured party at a place to be designated by the secured party which  
8 is reasonably convenient to both parties.

9           **409.610 Disposition of collateral after default. (1) DISPOSITION AFTER**  
10 **DEFAULT.** After default, a secured party may sell, lease, license or otherwise dispose  
11 of any or all of the collateral in its present condition or following any commercially  
12 reasonable preparation or processing.

13           **(2) COMMERCIALY REASONABLE DISPOSITION.** Every aspect of a disposition of  
14 collateral, including the method, manner, time, place and other terms, must be  
15 commercially reasonable. If commercially reasonable, a secured party may dispose  
16 of collateral by public or private proceedings, by one or more contracts, as a unit or  
17 in parcels, and at any time and place and on any terms.

18           **(3) PURCHASE BY SECURED PARTY.** A secured party may purchase collateral:

19           (a) At a public disposition; or

20           (b) At a private disposition only if the collateral is of a kind that is customarily  
21 sold on a recognized market or the subject of widely distributed standard price  
22 quotations.

23           **(4) WARRANTIES ON DISPOSITION.** A contract for sale, lease, license or other  
24 disposition includes the warranties relating to title, possession, quiet enjoyment and

1 the like which by operation of law accompany a voluntary disposition of property of  
2 the kind subject to the contract.

3 (5) DISCLAIMER OF WARRANTIES. A secured party may disclaim or modify  
4 warranties under sub. (4):

5 (a) In a manner that would be effective to disclaim or modify the warranties in  
6 a voluntary disposition of property of the kind subject to the contract of disposition;  
7 or

8 (b) By communicating to the purchaser a record evidencing the contract for  
9 disposition and including an express disclaimer or modification of the warranties.

10 (6) RECORD SUFFICIENT TO DISCLAIM WARRANTIES. A record is sufficient to disclaim  
11 warranties under sub. (5) if it indicates "There is no warranty relating to title,  
12 possession, quiet enjoyment or the like in this disposition" or uses words of similar  
13 import.

\*\*\*\*NOTE: Current s. 409.504 (3) is a nonuniform provision. Wisconsin adds the third sentence and deletes the 4th and 5th sentences. The conversion list gives that subsection as the source for new 9-610, 9-611 and 9-624. Should this draft include the nonuniform provisions in that subsection? The subsection reads: "409.504 (3) Disposition of the collateral may be by public or private proceedings and may be made by way of one or more contracts. Sale or other disposition may be as a unit or in parcels and at any time and place and on any terms but every aspect of the disposition including the method, manner, time, place and terms must be commercially reasonable. Unless collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, reasonable notification of the time and place of any public sale or reasonable notification of the time after which any private sale or other intended disposition is to be made shall be sent by the secured party to the debtor, if the debtor has not signed after default a statement renouncing or modifying the debtor's right to notification of sale and except in the case of consumer goods to any other person who has a security interest in the collateral and who has duly filed a financing statement indexed in the name of the debtor in this state. The secured party may buy at any public sale and if the collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations the secured party may buy at private sale."

[ new 9-610 9-611 9-624] 409.504 – ANNOT.

Legislative Council Note, 1973: The official text amended sub. (3) to require the secured party to notify only persons, other than the debtor, who had notified the secured party in writing of their claim of an interest in the collateral to be sold at public or private sale. Presently, notification must be given to every person who has duly filed a financing statement indexed in the name of the debtor and every person known by the secured party

to have an interest in the collateral; this requirement necessitates a complete record search in case of any sale. The official text also expressly provides the debtor with the right to default. The Special Committee rejected the substantial lessening of the notification requirement and decided to retain present language with the exception of the addition of the right to renounce notice and the deletion of the requirement of giving notice to persons “known” by the secured party to have a security interest in the collateral. (Bill 177-S)

1           **409.611 Notification before disposition of collateral. (1) NOTIFICATION**

2           DATE. In this section, “notification date” means the earlier of the date on which:

3           (a) A secured party sends to the debtor and any secondary obligor an  
4           authenticated notification of disposition; or

5           (b) The debtor and any secondary obligor waive the right to notification.

6           **(2) NOTIFICATION OF DISPOSITION REQUIRED.** Except as otherwise provided in sub.  
7           (4), a secured party that disposes of collateral under s. 409.610 shall send to the  
8           persons specified in sub. (3) a reasonable authenticated notification of disposition.

9           **(3) PERSONS TO BE NOTIFIED.** To comply with sub. (2), the secured party shall  
10          send an authenticated notification of disposition to:

11          (a) The debtor;

12          (b) Any secondary obligor; and

13          (c) If the collateral is other than consumer goods:

14           1. Any other person from which the secured party has received, before the  
15           notification date, an authenticated notification of a claim of an interest in the  
16           collateral;

\*\*\*\*NOTE: New s. 409.611 (3) (c)1. (present 9-504 (3) 5th sentence) is not included  
in s. 409.504 (3), Wis. stats. Should it be deleted from here?

\*\*\*\*NOTE: Current s. 409.504 (3) is a nonuniform provision. Wisconsin adds the  
third sentence and deletes the 4th and 5th sentences. The conversion list gives that  
subsection as the source for new 9-610, 9-611 and 9-624. Should this draft include the  
nonuniform provisions in that subsection? The subsection reads: “409.504 (3) Disposition  
of the collateral may be by public or private proceedings and may be made by way of one  
or more contracts. Sale or other disposition may be as a unit or in parcels and at any time  
and place and on any terms but every aspect of the disposition including the method,  
manner, time, place and terms must be commercially reasonable. Unless collateral is  
perishable or threatens to decline speedily in value or is of a type customarily sold on a

recognized market, reasonable notification of the time and place of any public sale or reasonable notification of the time after which any private sale or other intended disposition is to be made shall be sent by the secured party to the debtor, if the debtor has not signed after default a statement renouncing or modifying the debtor's right to notification of sale and except in the case of consumer goods to any other person who has a security interest in the collateral and who has duly filed a financing statement indexed in the name of the debtor in this state. The secured party may buy at any public sale and if the collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations the secured party may buy at private sale."

[ new 9-610 9-611 9-624] 409.504 – ANNOT.

Legislative Council Note, 1973: The official text amended sub. (3) to require the secured party to notify only persons, other than the debtor, who had notified the secured party in writing of their claim of an interest in the collateral to be sold at public or private sale. Presently, notification must be given to every person who has duly filed a financing statement indexed in the name of the debtor and every person known by the secured party to have an interest in the collateral; this requirement necessitates a complete record search in case of any sale. The official text also expressly provides the debtor with the right to default. The Special Committee rejected the substantial lessening of the notification requirement and decided to retain present language with the exception of the addition of the right to renounce notice and the deletion of the requirement of giving notice to persons "known" by the secured party to have a security interest in the collateral. (Bill 177-S)

1           2. Any other secured party or lienholder that, 10 days before the notification  
2 date, held a security interest in or other lien on the collateral perfected by the filing  
3 of a financing statement that:

4           a. Identified the collateral;

5           b. Was indexed under the debtor's name as of that date; and

6           c. Was filed in the office in which to file a financing statement against the debtor  
7 covering the collateral as of that date; and

8           3. Any other secured party that, 10 days before the notification date, held a  
9 security interest in the collateral perfected by compliance with a statute, regulation  
10 or treaty described in s. 409.311 (1).

11           (4) SUB. (2) INAPPLICABLE: PERISHABLE COLLATERAL; RECOGNIZED MARKET.

12           Subsection (2) does not apply if the collateral is perishable or threatens to decline  
13 speedily in value or is of a type customarily sold on a recognized market.

1           **(5) COMPLIANCE WITH SUB. (3) (C) 2.** A secured party complies with the  
2 requirement for notification prescribed by sub. (3) (c) 2. if:

3           (a) Not later than 20 days or earlier than 30 days before the notification date,  
4 the secured party requests, in a commercially reasonable manner, information  
5 concerning financing statements indexed under the debtor's name in the office  
6 indicated in sub. (3) (c) 2.; and

7           (b) Before the notification date, the secured party:

8           1. Did not receive a response to the request for information; or

9           2. Received a response to the request for information and sent an authenticated  
10 notification of disposition to each secured party or other lienholder named in that  
11 response whose financing statement covered the collateral.

12           **409.612 Timeliness of notification before disposition of collateral. (1)**

13           REASONABLE TIME IS QUESTION OF FACT. Except as otherwise provided in sub. (2),  
14 whether a notification is sent within a reasonable time is a question of fact.

15           **(2) TEN-DAY PERIOD SUFFICIENT IN NON-CONSUMER TRANSACTION.** In a transaction  
16 other than a consumer transaction, a notification of disposition sent after default and  
17 10 days or more before the earliest time of disposition set forth in the notification is  
18 sent within a reasonable time before the disposition.

19           **409.613 Contents and form of notification before disposition of**  
20 **collateral: general.** Except in a consumer-goods transaction, the following rules  
21 apply:

22           **(1) The contents of a notification of disposition are sufficient if the notification:**

23           (a) Describes the debtor and the secured party;

24           (b) Describes the collateral that is the subject of the intended disposition;

25           (c) States the method of intended disposition;

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

3 (e) States the time and place of a public sale or the time after which any other  
4 disposition is to be made.

5 (2) Whether the contents of a notification that lacks any of the information  
6 specified in sub. (1) are nevertheless sufficient is a question of fact.

7 (3) The contents of a notification providing substantially the information  
8 specified in sub. (1) are sufficient, even if the notification includes:

9 (a) Information not specified by sub. (1); or

10 (b) Minor errors that are not seriously misleading.

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

12 (5) The following form of notification and the form appearing in s. 409.614 (3),  
13 when completed, each provides sufficient information:

14 **NOTIFICATION OF DISPOSITION OF COLLATERAL**

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

16 From: *[Name, address, and telephone number of secured party]*

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

18 *[For a public disposition:]*

19 We will sell [or lease or license, as *applicable*] the *[describe collateral]* [to  
20 the highest qualified bidder] in public as follows:

21 Day and Date:

22 Time:

23 Place:

24 *[For a private disposition:]*

1 We will sell [or lease or license, *as applicable*] the [describe collateral]  
2 privately sometime after [day and date] .

3 You are entitled to an accounting of the unpaid indebtedness secured by the  
4 property that we intend to sell [or lease or license, *as applicable*]

5 [for a charge of \$ ]. You may request an accounting by calling us at  
6 [telephone number]

7 [End of Form]

8 **409.614 Contents and form of notification before disposition of**  
9 **collateral: consumer-goods transaction.** In a consumer-goods transaction, the  
10 following rules apply:

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

12 (a) The information specified in s. 409.613 (1);

13 (b) A description of any liability for a deficiency of the person to which the  
14 notification is sent;

15 (c) A telephone number from which the amount that must be paid to the secured  
16 party to redeem the collateral under s. 409.623 is available; and

17 (d) A telephone number or mailing address from which additional information  
18 concerning the disposition and the obligation secured is available.

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

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

22 [Name and address of secured party]

23 [Date]

24 **NOTICE OF OUR PLAN TO SELL PROPERTY**

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



1 Subject: [Identification of Transaction]

2 We have your [describe collateral] , because you broke promises in our  
3 agreement.

4 [For a public disposition:]

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

7 Date:

8 Time:

9 Place:

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

11 [For a private disposition:]

12 We will sell [describe collateral] at private sale sometime after [date]

. A sale could include a lease or license.

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

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

20 If you want us to explain to you in writing how we have figured the amount that  
21 you owe us, you may call us at [telephone number] [or write us at [secured  
22 party's address] ] and request a written explanation. [We will charge you \$ for  
23 the explanation if we sent you another written explanation of the amount you owe  
24 us within the last 6 months.]



1           1. The secured party receives from the holder of the subordinate security  
2 interest or other lien an authenticated demand for proceeds before distribution of the  
3 proceeds is completed; and

4           2. In a case in which a consignor has an interest in the collateral, the  
5 subordinate security interest or other lien is senior to the interest of the consignor;  
6 and

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

10           (2) PROOF OF SUBORDINATE INTEREST. If requested by a secured party, a holder  
11 of a subordinate security interest or other lien shall furnish reasonable proof of the  
12 interest or lien within a reasonable time. Unless the holder does so, the secured party  
13 need not comply with the holder's demand under sub. (1) (c).

14           (3) APPLICATION OF NONCASH PROCEEDS. A secured party need not apply or pay  
15 over for application noncash proceeds of disposition under this section unless the  
16 failure to do so would be commercially unreasonable. A secured party that applies  
17 or pays over for application noncash proceeds shall do so in a commercially  
18 reasonable manner.

19           (4) SURPLUS OR DEFICIENCY IF OBLIGATION SECURED. If the security interest under  
20 which a disposition is made secures payment or performance of an obligation, after  
21 making the payments and applications required by sub. (1) and permitted by sub. (3):

22           (a) Unless sub. (1) (d) requires the secured party to apply or pay over cash  
23 proceeds to a consignor, the secured party shall account to and pay a debtor for any  
24 surplus; and

25           (b) The obligor is liable for any deficiency.

1           **(5) NO SURPLUS OR DEFICIENCY IN SALES OF CERTAIN RIGHTS TO PAYMENT.** If the  
2 underlying transaction is a sale of accounts, chattel paper, payment intangibles or  
3 promissory notes:

4           (a) The debtor is not entitled to any surplus; and

5           (b) The obligor is not liable for any deficiency.

6           **(6) CALCULATION OF SURPLUS OR DEFICIENCY IN DISPOSITION TO PERSON RELATED TO**  
7 **SECURED PARTY.** The surplus or deficiency following a disposition is calculated based  
8 on the amount of proceeds that would have been realized in a disposition complying  
9 with this subchapter to a transferee other than the secured party, a person related  
10 to the secured party or a secondary obligor if:

11           (a) The transferee in the disposition is the secured party, a person related to the  
12 secured party or a secondary obligor; and

13           (b) The amount of proceeds of the disposition is significantly below the range  
14 of proceeds that a complying disposition to a person other than the secured party, a  
15 person related to the secured party or a secondary obligor would have brought.

16           **(7) CASH PROCEEDS RECEIVED BY JUNIOR SECURED PARTY.** A secured party that  
17 receives cash proceeds of a disposition in good faith and without knowledge that the  
18 receipt violates the rights of the holder of a security interest or other lien that is not  
19 subordinate to the security interest or agricultural lien under which the disposition  
20 is made:

21           (a) Takes the cash proceeds free of the security interest or other lien;

22           (b) Is not obligated to apply the proceeds of the disposition to the satisfaction  
23 of obligations secured by the security interest or other lien; and

24           (c) Is not obligated to account to or pay the holder of the security interest or  
25 other lien for any surplus.

1           **409.616 Explanation of calculation of surplus or deficiency. (1)**

2           DEFINITIONS. In this section:

3           (a) “Explanation” means a writing that:

4           1. States the amount of the surplus or deficiency;

5           2. Provides an explanation in accordance with sub. (3) of how the secured party  
6           calculated the surplus or deficiency;

7           3. States, if applicable, that future debits, credits, charges, including additional  
8           credit service charges or interest, rebates and expenses may affect the amount of the  
9           surplus or deficiency; and

10          4. Provides a telephone number or mailing address from which additional  
11          information concerning the transaction is available.

12          (b) “Request” means a record:

13          1. Authenticated by a debtor or consumer obligor;

14          2. Requesting that the recipient provide an explanation; and

15          3. Sent after disposition of the collateral under s. 409.610.

16          (2) EXPLANATION OF CALCULATION. In a consumer-goods transaction in which  
17          the debtor is entitled to a surplus or a consumer obligor is liable for a deficiency under  
18          s. 409.615, the secured party shall:

19          (a) Send an explanation to the debtor or consumer obligor, as applicable, after  
20          the disposition and:

21          1. Before or when the secured party accounts to the debtor and pays any surplus  
22          or first makes written demand on the consumer obligor after the disposition for  
23          payment of the deficiency; and

24          2. Within 14 days after receipt of a request; or

1 (b) In the case of a consumer obligor who is liable for a deficiency, within 14 days  
2 after receipt of a request, send to the consumer obligor a record waiving the secured  
3 party's right to a deficiency.

4 (3) REQUIRED INFORMATION. To comply with sub. (1) (a) 2., a writing must provide  
5 the following information in the following order:

6 (a) The aggregate amount of obligations secured by the security interest under  
7 which the disposition was made, and, if the amount reflects a rebate of unearned  
8 interest or credit service charge, an indication of that fact, calculated as of a specified  
9 date:

10 1. If the secured party takes or receives possession of the collateral after  
11 default, not more than 35 days before the secured party takes or receives possession;  
12 or

13 2. If the secured party takes or receives possession of the collateral before  
14 default or does not take possession of the collateral, not more than 35 days before the  
15 disposition;

16 (b) The amount of proceeds of the disposition;

17 (c) The aggregate amount of the obligations after deducting the amount of  
18 proceeds;

19 (d) The amount, in the aggregate or by type, and types of expenses, including  
20 expenses of retaking, holding, preparing for disposition, processing and disposing of  
21 the collateral and attorney's fees secured by the collateral which are known to the  
22 secured party and relate to the current disposition;

23 (e) The amount, in the aggregate or by type, and types of credits, including  
24 rebates of interest or credit service charges, to which the obligor is known to be  
25 entitled and which are not reflected in the amount in par. (a); and

1 (f) The amount of the surplus or deficiency.

2 (4) SUBSTANTIAL COMPLIANCE. A particular phrasing of the explanation is not  
3 required. An explanation complying substantially with the requirements of sub. (1)  
4 is sufficient, even if it includes minor errors that are not seriously misleading.

5 (5) CHARGES FOR RESPONSES. A debtor or consumer obligor is entitled without  
6 charge to one response to a request under this section during any 6-month period in  
7 which the secured party did not send to the debtor or consumer obligor an  
8 explanation pursuant to sub. (2) (a). The secured party may require payment of a  
9 charge not exceeding \$25 for each additional response.

10 **409.617 Rights of transferee of collateral. (1) EFFECTS OF DISPOSITION.** A  
11 secured party's disposition of collateral after default:

12 (a) Transfers to a transferee for value all of the debtor's rights in the collateral;

13 (b) Discharges the security interest under which the disposition is made; and

14 (c) Discharges any subordinate security interest or other subordinate lien

15 [other than liens created under [cite acts or statutes providing for liens, if any, that  
16 are not to be discharged]].

\*\*\*\*NOTE: Which statutes creating liens should be included in this draft?

17 (2) RIGHTS OF GOOD-FAITH TRANSFEREE. A transferee that acts in good faith takes  
18 free of the rights and interests described in sub. (1), even if the secured party fails  
19 to comply with this chapter or the requirements of any judicial proceeding.

20 (3) RIGHTS OF OTHER TRANSFEREE. If a transferee does not take free of the rights  
21 and interests described in sub. (1), the transferee takes the collateral subject to:

22 (a) The debtor's rights in the collateral;

1 (b) The security interest or agricultural lien under which the disposition is  
2 made; and

3 (c) Any other security interest or other lien.

4 **409.618 Rights and duties of certain secondary obligors. (1) RIGHTS AND**  
5 **DUTIES OF SECONDARY OBLIGOR.** A secondary obligor acquires the rights and becomes  
6 obligated to perform the duties of the secured party after the secondary obligor:

7 (a) Receives an assignment of a secured obligation from the secured party;

8 (b) Receives a transfer of collateral from the secured party and agrees to accept  
9 the rights and assume the duties of the secured party; or

10 (c) Is subrogated to the rights of a secured party with respect to collateral.

11 **(2) EFFECT OF ASSIGNMENT, TRANSFER OR SUBROGATION.** An assignment, transfer  
12 or subrogation described in sub. (1):

13 (a) Is not a disposition of collateral under s. 409.610; and

14 (b) Relieves the secured party of further duties under this chapter.

15 **409.619 Transfer of record or legal title. (1) TRANSFER STATEMENT.** In this  
16 section, “transfer statement” means a record authenticated by a secured party  
17 stating:

18 (a) That the debtor has defaulted in connection with an obligation secured by  
19 specified collateral;

20 (b) That the secured party has exercised its post-default remedies with respect  
21 to the collateral;

22 (c) That, by reason of the exercise, a transferee has acquired the rights of the  
23 debtor in the collateral; and

24 (d) The name and mailing address of the secured party, debtor and transferee.



1           **(2) EFFECT OF TRANSFER STATEMENT.** A transfer statement entitles the transferee  
2 to the transfer of record of all rights of the debtor in the collateral specified in the  
3 statement in any official filing, recording, registration or certificate-of-title system  
4 covering the collateral. If a transfer statement is presented with the applicable fee  
5 and request form to the official or office responsible for maintaining the system, the  
6 official or office shall:

7           (a) Accept the transfer statement;

8           (b) Promptly amend its records to reflect the transfer; and

9           (c) If applicable, issue a new appropriate certificate of title in the name of the  
10 transferee.

11           **(3) TRANSFER NOT A DISPOSITION; NO RELIEF OF SECURED PARTY'S DUTIES.** A transfer  
12 of the record or legal title to collateral to a secured party under sub. (2) or otherwise  
13 is not of itself a disposition of collateral under this chapter and does not of itself  
14 relieve the secured party of its duties under this chapter.

15           **409.620 Acceptance of collateral in full or partial satisfaction of**  
16 **obligation; compulsory disposition of collateral. (1) CONDITIONS TO**  
17 **ACCEPTANCE IN SATISFACTION.** Except as otherwise provided in sub. (7), a secured party  
18 may accept collateral in full or partial satisfaction of the obligation it secures only  
19 if:

20           (a) The debtor consents to the acceptance under sub. (3);

21           (b) The secured party does not receive, within the time set forth in sub. (4), a  
22 notification of objection to the proposal authenticated by:

23           1. A person to which the secured party was required to send a proposal under  
24 s. 409.621; or

1           2. Any other person, other than the debtor, holding an interest in the collateral  
2 subordinate to the security interest that is the subject of the proposal;

3           (c) If the collateral is consumer goods, the collateral is not in the possession of  
4 the debtor when the debtor consents to the acceptance; and

5           (d) Subsection (5) does not require the secured party to dispose of the collateral  
6 or the debtor waives the requirement pursuant to s. 409.624.

7           **(2) PURPORTED ACCEPTANCE INEFFECTIVE.** A purported or apparent acceptance  
8 of collateral under this section is ineffective unless:

9           (a) The secured party consents to the acceptance in an authenticated record or  
10 sends a proposal to the debtor; and

11           (b) The conditions of sub. (1) are met.

12           **(3) DEBTOR'S CONSENT.** For purposes of this section:

13           (a) A debtor consents to an acceptance of collateral in partial satisfaction of the  
14 obligation it secures only if the debtor agrees to the terms of the acceptance in a  
15 record authenticated after default; and

16           (b) A debtor consents to an acceptance of collateral in full satisfaction of the  
17 obligation it secures only if the debtor agrees to the terms of the acceptance in a  
18 record authenticated after default or the secured party:

19           1. Sends to the debtor after default a proposal that is unconditional or subject  
20 only to a condition that collateral not in the possession of the secured party be  
21 preserved or maintained;

22           2. In the proposal, proposes to accept collateral in full satisfaction of the  
23 obligation it secures; and

24           3. Does not receive a notification of objection authenticated by the debtor within  
25 20 days after the proposal is sent.