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1 (2) LIMITATION OF SUB. (1) SUBORDINATION. Subsection (1) subordinates a security
2 interest only if the security interest:

3 (a) Otherwise would have priority solely under s. 409.322 (1) or 409.324; or

4 (b) Arose solely under s. 402.711 (3) or 411.508 (5).

5 **409.326 Priority of security interests created by new debtor. (1)**

6 SUBORDINATION OF SECURITY INTEREST CREATED BY NEW DEBTOR. Subject to sub. (2), a
7 security interest created by a new debtor which is perfected by a filed financing
8 statement that is effective solely under s. 409.508 in collateral in which a new debtor
9 has or acquires rights is subordinate to a security interest in the same collateral
10 which is perfected other than by a filed financing statement that is effective solely
11 under s. 409.508.

12 (2) PRIORITY UNDER OTHER PROVISIONS; MULTIPLE ORIGINAL DEBTORS. The other
13 provisions of this subchapter determine the priority among conflicting security
14 interests in the same collateral perfected by filed financing statements that are
15 effective solely under s. 409.508. However, if the security agreements to which a new
16 debtor became bound as debtor were not entered into by the same original debtor, the
17 conflicting security interests rank according to priority in time of the new debtor's
18 having become bound.

19 **409.327 Priority of security interests in deposit account.** The following
20 rules govern priority among conflicting security interests in the same deposit
21 account:

22 (1) CONTROL BY SECURED PARTY. A security interest held by a secured party
23 having control of the deposit account under s. 409.104 has priority over a conflicting
24 security interest held by a secured party that does not have control.

BILL

1 (2) PRIORITY IN TIME OF CONTROL. Except as otherwise provided in subs. (3) and
2 (4), security interests perfected by control under s. 409.314 rank according to priority
3 in time of obtaining control.

4 (3) PRIORITY OF BANK REGARDING DEPOSIT ACCOUNT. Except as otherwise provided
5 in sub. (4), a security interest held by the bank with which the deposit account is
6 maintained has priority over a conflicting security interest held by another secured
7 party.

8 (4) PRIORITY OVER BANK REGARDING DEPOSIT ACCOUNT. A security interest
9 perfected by control under s. 409.104 (1) (c) has priority over a security interest held
10 by the bank with which the deposit account is maintained.

11 **409.328 Priority of security interests in investment property.** The
12 following rules govern priority among conflicting security interests in the same
13 investment property:

14 (1) CONTROL BY SECURED PARTY. A security interest held by a secured party
15 having control of investment property under s. 409.106 has priority over a security
16 interest held by a secured party that does not have control of the investment
17 property.

18 (2) PRIORITY IN TIME OF CONTROL. Except as otherwise provided in subs. (3) and
19 (4), conflicting security interests held by secured parties each of which has control
20 under s. 409.106 rank according to priority in time of:

21 (a) If the collateral is a security, obtaining control;

22 (b) If the collateral is a security entitlement carried in a securities account and:

23 1. If the secured party obtained control under s. 408.106 (4) (a), the secured
24 party's becoming the person for which the securities account is maintained;

BILL

1 2. If the secured party obtained control under s. 408.106 (4) (b), the securities
2 intermediary's agreement to comply with the secured party's entitlement orders with
3 respect to security entitlements carried or to be carried in the securities account; or

4 3. If the secured party obtained control through another person under s.
5 408.106 (4) (c), the time on which priority would be based under this subsection if the
6 other person were the secured party; or

7 (c) If the collateral is a commodity contract carried with a commodity
8 intermediary, the satisfaction of the requirement for control specified in s. 409.106
9 (2) (b) with respect to commodity contracts carried or to be carried with the
10 commodity intermediary.

11 **(3) PRIORITY OF SECURITIES INTERMEDIARY REGARDING ENTITLEMENT OR ACCOUNT.**
12 A security interest held by a securities intermediary in a security entitlement or a
13 securities account maintained with the securities intermediary has priority over a
14 conflicting security interest held by another secured party.

15 **(4) PRIORITY OF SECURITIES INTERMEDIARY REGARDING CONTRACT OR ACCOUNT.** A
16 security interest held by a commodity intermediary in a commodity contract or a
17 commodity account maintained with the commodity intermediary has priority over
18 a conflicting security interest held by another secured party.

19 **(5) PRIORITY IN CERTIFICATED SECURITIES.** A security interest in a certificated
20 security in registered form which is perfected by taking delivery under s. 409.313 (1)
21 and not by control under s. 409.314 has priority over a conflicting security interest
22 perfected by a method other than control.

23 **(6) PRIORITY OF CONFLICTING SECURITY INTERESTS; INTERMEDIARIES.** Conflicting
24 security interests created by a broker, securities intermediary, or commodity
25 intermediary which are perfected without control under s. 409.106 rank equally.

BILL

1 (7) PRIORITY OF CONFLICTING SECURITY INTERESTS; OTHERS. In all other cases,
2 priority among conflicting security interests in investment property is governed by
3 ss. 409.322 and 409.323.

4 **409.329 Priority of security interests in letter-of-credit right.** The
5 following rules govern priority among conflicting security interests in the same
6 letter-of-credit right:

7 (1) CONTROL BY SECURED PARTY. A security interest held by a secured party
8 having control of the letter-of-credit right under s. 409.107 has priority to the extent
9 of its control over a conflicting security interest held by a secured party that does not
10 have control.

11 (2) PRIORITY IN TIME OF CONTROL. Security interests perfected by control under
12 s. 409.314 rank according to priority in time of obtaining control.

13 **409.330 Priority of purchaser of chattel paper or instrument.** (1)
14 PURCHASER'S PRIORITY: SECURITY INTEREST CLAIMED MERELY AS PROCEEDS. A purchaser
15 of chattel paper has priority over a security interest in the chattel paper which is
16 claimed merely as proceeds of inventory subject to a security interest if:

17 (a) In good faith and in the ordinary course of the purchaser's business, the
18 purchaser gives new value and takes possession of the chattel paper or obtains
19 control of the chattel paper under s. 409.105; and

20 (b) The chattel paper does not indicate that it has been assigned to an identified
21 assignee other than the purchaser.

22 (2) PURCHASER'S PRIORITY: OTHER SECURITY INTERESTS. A purchaser of chattel
23 paper has priority over a security interest in the chattel paper which is claimed other
24 than merely as proceeds of inventory subject to a security interest if the purchaser
25 gives new value and takes possession of the chattel paper or obtains control of the

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1 chattel paper under s. 409.105 in good faith, in the ordinary course of the purchaser's
2 business, and without knowledge that the purchase violates the rights of the secured
3 party.

4 (3) CHATTEL PAPER PURCHASER'S PRIORITY IN PROCEEDS. Except as otherwise
5 provided in s. 409.327, a purchaser having priority in chattel paper under sub. (1)
6 or (2) also has priority in proceeds of the chattel paper to the extent that:

7 (a) Section 409.322 provides for priority in the proceeds; or

8 (b) The proceeds consist of the specific goods covered by the chattel paper or
9 cash proceeds of the specific goods, even if the purchaser's security interest in the
10 proceeds is unperfected.

11 (4) INSTRUMENT PURCHASER'S PRIORITY. Except as otherwise provided in s.
12 409.331 (1), a purchaser of an instrument has priority over a security interest in the
13 instrument perfected by a method other than possession if the purchaser gives value
14 and takes possession of the instrument in good faith and without knowledge that the
15 purchase violates the rights of the secured party.

16 (5) HOLDER OF PURCHASE-MONEY SECURITY INTEREST GIVES NEW VALUE. For
17 purposes of subs. (1) and (2), the holder of a purchase-money security interest in
18 inventory gives new value for chattel paper constituting proceeds of the inventory.

19 (6) INDICATION OF ASSIGNMENT GIVES KNOWLEDGE. For purposes of subs. (2) and
20 (4), if chattel paper or an instrument indicates that it has been assigned to an
21 identified secured party other than the purchaser, a purchaser of the chattel paper
22 or instrument has knowledge that the purchase violates the rights of the secured
23 party.

24 **409.331 Priority of rights of purchasers of instruments, documents,**
25 **and securities under other chapters; priority of interests in financial assets**

BILL

1 **and security entitlements under ch. 408. (1) RIGHTS UNDER CHS. 403, 407, AND 408**
2 NOT LIMITED. This chapter does not limit the rights of a holder in due course of a
3 negotiable instrument, a holder to which a negotiable document of title has been duly
4 negotiated, or a protected purchaser of a security. These holders or purchasers take
5 priority over an earlier security interest, even if perfected, to the extent provided in
6 chs. 403, 407, and 408.

7 **(2) PROTECTION UNDER CH. 408.** This chapter does not limit the rights of or impose
8 liability on a person to the extent that the person is protected against the assertion
9 of an adverse claim under ch. 408.

10 **(3) FILING NOT NOTICE.** Filing under this chapter does not constitute notice of
11 a claim or defense to the holders, or purchasers, or persons described in subs. (1) and
12 (2).

13 **409.332 Transfer of money; transfer of funds from deposit account. (1)**
14 **TRANSFEEEE OF MONEY.** A transferee of money takes the money free of a security
15 interest unless the transferee acts in collusion with the debtor in violating the rights
16 of the secured party.

17 **(2) TRANSFEEEE OF FUNDS FROM DEPOSIT ACCOUNT.** A transferee of funds from a
18 deposit account takes the funds free of a security interest in the deposit account
19 unless the transferee acts in collusion with the debtor in violating the rights of the
20 secured party.

21 **409.333 Priority of certain liens arising by operation of law. (1)**
22 **POSSESSORY LIEN.** In this section, "possessory lien" means an interest, other than a
23 security interest or an agricultural lien:

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1 (a) Which secures payment or performance of an obligation for services or
2 materials furnished with respect to goods by a person in the ordinary course of the
3 person's business;

4 (b) Which is created by statute or rule of law in favor of the person; and

5 (c) Whose effectiveness depends on the person's possession of the goods.

6 (2) **PRIORITY OF POSSESSORY LIEN.** A possessory lien on goods has priority over
7 a security interest in the goods unless the lien is created by a statute that expressly
8 provides otherwise.

9 **409.334 Priority of security interests in fixtures and crops.** (1) **SECURITY**
10 **INTEREST IN FIXTURES UNDER THIS CHAPTER.** A security interest under this chapter may
11 be created in goods that are fixtures or may continue in goods that become fixtures.
12 A security interest does not exist under this chapter in ordinary building materials
13 incorporated into an improvement on land.

14 (2) **SECURITY INTEREST IN FIXTURES UNDER REAL PROPERTY LAW.** This chapter does
15 not prevent creation of an encumbrance upon fixtures under real property law.

16 (3) **GENERAL RULE: SUBORDINATION OF SECURITY INTEREST IN FIXTURES.** In cases
17 not governed by subs. (4) to (8), a security interest in fixtures is subordinate to a
18 conflicting interest of an encumbrancer or owner of the related real property other
19 than the debtor.

20 (4) **FIXTURES PURCHASE-MONEY PRIORITY.** Except as otherwise provided in sub.
21 (8), a perfected security interest in fixtures has priority over a conflicting interest of
22 an encumbrancer or owner of the real property if the debtor has an interest of record
23 in or is in possession of the real property and:

24 (a) The security interest is a purchase-money security interest;

BILL

1 (b) The interest of the encumbrancer or owner arises before the goods become
2 fixtures; and

3 (c) The security interest is perfected by a fixture filing before the goods become
4 fixtures or within 20 days thereafter.

5 **(5) PRIORITY OF SECURITY INTEREST IN FIXTURES OVER INTERESTS IN REAL PROPERTY.**

6 A perfected security interest in fixtures has priority over a conflicting interest of an
7 encumbrancer or owner of the real property if:

8 (a) The debtor has an interest of record in the real property or is in possession
9 of the real property and the security interest:

10 1. Is perfected by a fixture filing before the interest of the encumbrancer or
11 owner is of record; and

12 2. Has priority over any conflicting interest of a predecessor in title of the
13 encumbrancer or owner;

14 (b) Before the goods become fixtures, the security interest is perfected by any
15 method permitted by this chapter and the fixtures are readily removable:

16 1. Factory or office machines;

17 2. Equipment that is not primarily used or leased for use in the operation of the
18 real property; or

19 3. Replacements of domestic appliances that are consumer goods;

20 (c) The conflicting interest is a lien on the real property obtained by legal or
21 equitable proceedings after the security interest was perfected by any method
22 permitted by this chapter; or

23 (d) The security interest is:

24 1. Created in a manufactured home in a manufactured-home transaction; and

25 2. Perfected pursuant to a statute described in s. 409.311 (1) (b) or (f).

BILL

1 (6) PRIORITY BASED ON CONSENT, DISCLAIMER, OR RIGHT TO REMOVE. A security
2 interest in fixtures, whether or not perfected, has priority over a conflicting interest
3 of an encumbrancer or owner of the real property if:

4 (a) The encumbrancer or owner has, in an authenticated record, consented to
5 the security interest or disclaimed an interest in the goods as fixtures; or

6 (b) The debtor has a right to remove the goods as against the encumbrancer or
7 owner.

8 (7) CONTINUATION OF SUB. (6) PRIORITY. The priority of the security interest under
9 sub. (6) (b) continues for a reasonable time if the debtor's right to remove the goods
10 as against the encumbrancer or owner terminates.

11 (8) PRIORITY OF CONSTRUCTION MORTGAGE. A mortgage is a construction
12 mortgage to the extent that it secures an obligation incurred for the construction of
13 an improvement on land, including the acquisition cost of the land, if a recorded
14 record of the mortgage so indicates. Except as otherwise provided in subs. (5) and
15 (6), a security interest in fixtures is subordinate to a construction mortgage if a record
16 of the mortgage is recorded before the goods become fixtures and the goods become
17 fixtures before the completion of the construction. A mortgage has this priority to
18 the same extent as a construction mortgage to the extent that it is given to refinance
19 a construction mortgage.

20 (9) PRIORITY OF SECURITY INTEREST IN CROPS. A perfected security interest in
21 crops growing on real property has priority over a conflicting interest of an
22 encumbrancer or owner of the real property if the debtor has an interest of record in
23 or is in possession of the real property.

BILL

1 **409.335 Accessions.** (1) CREATION OF SECURITY INTEREST IN ACCESSION. A
2 security interest may be created in an accession and continues in collateral that
3 becomes an accession.

4 (2) PERFECTION OF SECURITY INTEREST. If a security interest is perfected when
5 the collateral becomes an accession, the security interest remains perfected in the
6 collateral.

7 (3) PRIORITY OF SECURITY INTEREST. Except as otherwise provided in sub. (4), the
8 other provisions of this subchapter determine the priority of a security interest in an
9 accession.

10 (4) COMPLIANCE WITH CERTIFICATE-OF-TITLE STATUTE. A security interest in an
11 accession is subordinate to a security interest in the whole which is perfected by
12 compliance with the requirements of a certificate-of-title statute under s. 409.311
13 (2).

14 (5) REMOVAL OF ACCESSION AFTER DEFAULT. After default, subject to subch. VI,
15 a secured party may remove an accession from other goods if the security interest in
16 the accession has priority over the claims of every person having an interest in the
17 whole.

18 (6) REIMBURSEMENT FOLLOWING REMOVAL. A secured party that removes an
19 accession from other goods under sub. (5) shall promptly reimburse any holder of a
20 security interest or other lien on, or owner of, the whole or of the other goods, other
21 than the debtor, for the cost of repair of any physical injury to the whole or the other
22 goods. The secured party need not reimburse the holder or owner for any diminution
23 in value of the whole or the other goods caused by the absence of the accession
24 removed or by any necessity for replacing it. A person entitled to reimbursement

BILL

1 may refuse permission to remove an accession until the secured party gives adequate
2 assurance for the performance of the obligation to reimburse.

3 **409.336 Commingled goods. (1) COMMINGLED GOODS.** In this section,
4 “commingled goods” means goods that are physically united with other goods in such
5 a manner that their identity is lost in a product or mass.

6 **(2) NO SECURITY INTEREST IN COMMINGLED GOODS AS SUCH.** A security interest
7 does not exist in commingled goods as such. However, a security interest may attach
8 to a product or mass that results when goods become commingled goods.

9 **(3) ATTACHMENT OF SECURITY INTEREST TO PRODUCT OR MASS.** If collateral becomes
10 commingled goods, a security interest attaches to the product or mass.

11 **(4) PERFECTION OF SECURITY INTEREST.** If a security interest in collateral is
12 perfected before the collateral becomes commingled goods, the security interest that
13 attaches to the product or mass under sub. (3) is perfected.

14 **(5) PRIORITY OF SECURITY INTEREST.** Except as otherwise provided in sub. (6), the
15 other provisions of this subchapter determine the priority of a security interest that
16 attaches to the product or mass under sub. (3).

17 **(6) CONFLICTING SECURITY INTERESTS IN PRODUCT OR MASS.** If more than one
18 security interest attaches to the product or mass under sub. (3), the following rules
19 determine priority:

20 (a) A security interest that is perfected under sub. (4) has priority over a
21 security interest that is unperfected at the time the collateral becomes commingled
22 goods.

23 (b) If more than one security interest is perfected under sub. (4), the security
24 interests rank equally in proportion to the value of the collateral at the time it
25 became commingled goods.

BILL

1 **409.337 Priority of security interests in goods covered by certificate**
2 **of title.** If, while a security interest in goods is perfected by any method under the
3 law of another jurisdiction, this state issues a certificate of title that does not show
4 that the goods are subject to the security interest or contain a statement that they
5 may be subject to security interests not shown on the certificate:

6 (1) A buyer of the goods, other than a person in the business of selling goods
7 of that kind, takes free of the security interest if the buyer gives value and receives
8 delivery of the goods after issuance of the certificate and without knowledge of the
9 security interest; and

10 (2) The security interest is subordinate to a conflicting security interest in the
11 goods that attaches, and is perfected under s. 409.311 (2), after issuance of the
12 certificate and without the conflicting secured party's knowledge of the security
13 interest.

14 **409.338 Priority of security interest or agricultural lien perfected by**
15 **filed financing statement providing certain incorrect information.** If a
16 security interest or agricultural lien is perfected by a filed financing statement
17 providing information described in s. 409.516 (2) (e) which is incorrect at the time the
18 financing statement is filed:

19 (1) The security interest or agricultural lien is subordinate to a conflicting
20 perfected security interest in the collateral to the extent that the holder of the
21 conflicting security interest gives value in reasonable reliance upon the incorrect
22 information; and

23 (2) A purchaser, other than a secured party, of the collateral takes free of the
24 security interest or agricultural lien to the extent that, in reasonable reliance upon
25 the incorrect information, the purchaser gives value and, in the case of chattel paper,

BILL

1 documents, goods, instruments, or a security certificate, receives delivery of the
2 collateral.

3 **409.339 Priority subject to subordination.** This chapter does not preclude
4 subordination by agreement by a person entitled to priority.

5 **409.340 Effectiveness of right of recoupment or setoff against deposit**
6 **account. (1) EXERCISE OF RECOUPMENT OR SETOFF.** Except as otherwise provided in
7 sub. (3), a bank with which a deposit account is maintained may exercise any right
8 of recoupment or setoff against a secured party that holds a security interest in the
9 deposit account.

10 **(2) RECOUPMENT OR SETOFF NOT AFFECTED BY SECURITY INTEREST.** Except as
11 otherwise provided in sub. (3), the application of this chapter to a security interest
12 in a deposit account does not affect a right of recoupment or setoff of the secured party
13 as to a deposit account maintained with the secured party.

14 **(3) WHEN SETOFF INEFFECTIVE.** The exercise by a bank of a setoff against a
15 deposit account is ineffective against a secured party that holds a security interest
16 in the deposit account which is perfected by control under s. 409.104 (1) (c), if the
17 setoff is based on a claim against the debtor.

18 **409.341 Bank's rights and duties with respect to deposit account.**
19 Except as otherwise provided in s. 409.340 (3), and unless the bank otherwise agrees
20 in an authenticated record, a bank's rights and duties with respect to a deposit
21 account maintained with the bank are not terminated, suspended, or modified by:

22 **(1)** The creation, attachment, or perfection of a security interest in the deposit
23 account;

24 **(2)** The bank's knowledge of the security interest; or

25 **(3)** The bank's receipt of instructions from the secured party.

BILL

1 **409.342 Bank's right to refuse to enter into or disclose existence of**
2 **control agreement.** This chapter does not require a bank to enter into an
3 agreement of the kind described in s. 409.104 (1) (b), even if its customer so requests
4 or directs. A bank that has entered into such an agreement is not required to confirm
5 the existence of the agreement to another person unless requested to do so by its
6 customer.

SUBCHAPTER IV**RIGHTS OF 3RD PARTIES**

7
8
9 **409.401 Alienability of debtor's rights. (1) OTHER LAW GOVERNS**
10 **ALIENABILITY; EXCEPTIONS.** Except as otherwise provided in sub. (2) and ss. 409.406,
11 409.407, 409.408, and 409.409, whether a debtor's rights in collateral may be
12 voluntarily or involuntarily transferred is governed by law other than this chapter.

13 **(2) AGREEMENT DOES NOT PREVENT TRANSFER.** An agreement between the debtor
14 and secured party which prohibits a transfer of the debtor's rights in collateral or
15 makes the transfer a default does not prevent the transfer from taking effect.

16 **409.402 Secured party not obligated on contract of debtor or in tort.**
17 The existence of a security interest, agricultural lien, or authority given to a debtor
18 to dispose of or use collateral, without more, does not subject a secured party to
19 liability in contract or tort for the debtor's acts or omissions.

20 **409.403 Agreement not to assert defenses against assignee. (1) VALUE.**
21 In this section, "value" has the meaning provided in s. 403.303 (1).

22 **(2) AGREEMENT NOT TO ASSERT CLAIM OR DEFENSE.** Except as otherwise provided
23 in this section, an agreement between an account debtor and an assignor not to assert
24 against an assignee any claim or defense that the account debtor may have against
25 the assignor is enforceable by an assignee that takes an assignment:

BILL

- 1 (a) For value;
- 2 (b) In good faith;
- 3 (c) Without notice of a claim of a property or possessory right to the property
4 assigned; and
- 5 (d) Without notice of a defense or claim in recoupment of the type that may be
6 asserted against a person entitled to enforce a negotiable instrument under s.
7 403.305 (1).
- 8 **(3) WHEN SUB. (2) NOT APPLICABLE.** Subsection (2) does not apply to defenses of
9 a type that may be asserted against a holder in due course of a negotiable instrument
10 under s. 403.305 (2).
- 11 **(4) OMISSION OF REQUIRED STATEMENT IN CONSUMER TRANSACTION.** In a consumer
12 transaction, if a record evidences the account debtor's obligation, law other than this
13 chapter requires that the record include a statement to the effect that the rights of
14 an assignee are subject to claims or defenses that the account debtor could assert
15 against the original obligee, and the record does not include such a statement:
- 16 (a) The record has the same effect as if the record had included such a
17 statement; and
- 18 (b) The account debtor may assert against an assignee those claims and
19 defenses that would have been available if the record had included such a statement.
- 20 **(5) RULE FOR INDIVIDUAL UNDER OTHER LAW.** This section is subject to law other
21 than this chapter which establishes a different rule for an account debtor who is an
22 individual and who incurred the obligation primarily for personal, family, or
23 household purposes.

BILL

1 (6) OTHER LAW NOT DISPLACED. Except as otherwise provided in sub. (4), this
2 section does not displace law other than this chapter which gives effect to an
3 agreement by an account debtor not to assert a claim or defense against an assignee.

4 **409.404 Rights acquired by assignee; claims and defenses against**
5 **assignee. (1) ASSIGNEE'S RIGHTS SUBJECT TO TERMS, CLAIMS, AND DEFENSES; EXCEPTIONS.**

6 Unless an account debtor has made an enforceable agreement not to assert defenses
7 or claims, and subject to subs. (2) to (5), the rights of an assignee are subject to:

8 (a) All terms of the agreement between the account debtor and assignor and
9 any defense or claim in recoupment arising from the transaction that gave rise to the
10 contract; and

11 (b) Any other defense or claim of the account debtor against the assignor which
12 accrues before the account debtor receives a notification of the assignment
13 authenticated by the assignor or the assignee.

14 (2) ACCOUNT DEBTOR'S CLAIM REDUCES AMOUNT OWED TO ASSIGNEE. Subject to sub.
15 (3) and except as otherwise provided in sub. (4), the claim of an account debtor
16 against an assignor may be asserted against an assignee under sub. (1) only to reduce
17 the amount the account debtor owes.

18 (3) RULE FOR INDIVIDUAL UNDER OTHER LAW. This section is subject to law other
19 than this chapter which establishes a different rule for an account debtor who is an
20 individual and who incurred the obligation primarily for personal, family, or
21 household purposes.

22 (4) OMISSION OF REQUIRED STATEMENT IN CONSUMER TRANSACTION. In a consumer
23 transaction, if a record evidences the account debtor's obligation, law other than this
24 chapter requires that the record include a statement to the effect that the account
25 debtor's recovery against an assignee with respect to claims and defenses against the

BILL

1 assignor may not exceed amounts paid by the account debtor under the record, and
2 the record does not include such a statement, the extent to which a claim of an
3 account debtor against the assignor may be asserted against an assignee is
4 determined as if the record had included such a statement.

5 (5) INAPPLICABILITY TO HEALTH CARE INSURANCE RECEIVABLE. This section does not
6 apply to an assignment of a health care insurance receivable.

7 **409.405 Modification of assigned contract. (1) EFFECT OF MODIFICATION ON**
8 **ASSIGNEE.** A modification of or substitution for an assigned contract is effective
9 against an assignee if made in good faith. The assignee acquires corresponding
10 rights under the modified or substituted contract. The assignment may provide that
11 the modification or substitution is a breach of contract by the assignor. This
12 subsection is subject to subs. (2) to (4).

13 (2) APPLICABILITY OF SUB. (1). Subsection (1) applies to the extent that:

14 (a) The right to payment or a part thereof under an assigned contract has not
15 been fully earned by performance; or

16 (b) The right to payment or a part thereof has been fully earned by performance
17 and the account debtor has not received notification of the assignment under s.
18 409.406 (1).

19 (3) RULE FOR INDIVIDUAL UNDER OTHER LAW. This section is subject to law other
20 than this chapter which establishes a different rule for an account debtor who is an
21 individual and who incurred the obligation primarily for personal, family, or
22 household purposes.

23 (4) INAPPLICABILITY TO HEALTH CARE INSURANCE RECEIVABLE. This section does not
24 apply to an assignment of a health care insurance receivable.

BILL

1 **409.406 Discharge of account debtor; notification of assignment;**
2 **identification and proof of assignment; restrictions on assignment of**
3 **accounts, chattel paper, payment intangibles, and promissory notes**
4 **ineffective. (1) DISCHARGE OF ACCOUNT DEBTOR; EFFECT OF NOTIFICATION.** Subject to
5 subs. (2) to (9), an account debtor on an account, chattel paper, or a payment
6 intangible may discharge its obligation by paying the assignor until, but not after,
7 the account debtor receives a notification, authenticated by the assignor or the
8 assignee, that the amount due or to become due has been assigned and that payment
9 is to be made to the assignee. After receipt of the notification, the account debtor may
10 discharge its obligation by paying the assignee and may not discharge the obligation
11 by paying the assignor.

12 **(2) WHEN NOTIFICATION INEFFECTIVE.** Subject to sub. (8), notification is
13 ineffective under sub. (1):

14 (a) If it does not reasonably identify the rights assigned;

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

18 (c) At the option of an account debtor, if the notification notifies the account
19 debtor to make less than the full amount of any installment or other periodic
20 payment to the assignee, even if:

21 1. Only a portion of the account, chattel paper, or payment intangible has been
22 assigned to that assignee;

23 2. A portion has been assigned to another assignee; or

24 3. The account debtor knows that the assignment to that assignee is limited.

BILL

1 **(3) PROOF OF ASSIGNMENT.** Subject to sub. (8), if requested by the account debtor,
2 an assignee shall seasonably furnish reasonable proof that the assignment has been
3 made. Unless the assignee complies, the account debtor may discharge its obligation
4 by paying the assignor, even if the account debtor has received a notification under
5 sub. (1).

6 **(4) TERM RESTRICTING ASSIGNMENT GENERALLY INEFFECTIVE.** Except as otherwise
7 provided in sub. (5) and ss. 409.407 and 411.303, and subject to sub. (8), a term in an
8 agreement between an account debtor and an assignor or in a promissory note is
9 ineffective to the extent that it:

10 (a) Prohibits, restricts, or requires the consent of the account debtor or person
11 obligated on the promissory note to the assignment or transfer of, or the creation,
12 attachment, perfection, or enforcement of a security interest in, the account, chattel
13 paper, payment intangible, or promissory note; or

14 (b) Provides that the assignment or transfer or the creation, attachment,
15 perfection, or enforcement of the security interest may give rise to a default, breach,
16 right of recoupment, claim, defense, termination, right of termination, or remedy
17 under the account, chattel paper, payment intangible, or promissory note.

18 **(5) INAPPLICABILITY OF SUB. (4) TO CERTAIN SALES.** Subsection (4) does not apply
19 to the sale of a payment intangible or promissory note.

20 **(6) LEGAL RESTRICTIONS ON ASSIGNMENT GENERALLY INEFFECTIVE.** Except as
21 otherwise provided in ss. 108.13, 409.407, 411.303, and 565.30 and subject to subs.
22 (8) and (9), a rule of law, statute, or rule that prohibits, restricts, or requires the
23 consent of a government, governmental body or official, or account debtor to the
24 assignment or transfer of, or creation of a security interest in, an account or chattel
25 paper is ineffective to the extent that the rule of law, statute, or rule:

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1 (a) Prohibits, restricts, or requires the consent of the government,
2 governmental body or official, or account debtor to the assignment or transfer of, or
3 the creation, attachment, perfection, or enforcement of a security interest in, the
4 account or chattel paper; or

5 (b) Provides that the assignment or transfer or the creation, attachment,
6 perfection, or enforcement of the security interest may give rise to a default, breach,
7 right of recoupment, claim, defense, termination, right of termination, or remedy
8 under the account or chattel paper.

9 (7) SUBSECTION (2) (C) NOT WAIVABLE. Subject to sub. (8), an account debtor may
10 not waive or vary its option under sub. (2) (c).

11 (8) RULE FOR INDIVIDUAL UNDER OTHER LAW. This section is subject to law other
12 than this chapter which establishes a different rule for an account debtor who is an
13 individual and who incurred the obligation primarily for personal, family, or
14 household purposes.

15 (9) INAPPLICABILITY TO HEALTH-CARE-INSURANCE RECEIVABLE. This section does
16 not apply to an assignment of a health-care-insurance receivable.

17 **409.407 Restrictions on creation or enforcement of security interest in**
18 **leasehold interest or in lessor's residual interest. (1) TERM RESTRICTING**
19 **ASSIGNMENT GENERALLY INEFFECTIVE.** Except as otherwise provided in sub. (2), a term
20 in a lease agreement is ineffective to the extent that it:

21 (a) Prohibits, restricts, or requires the consent of a party to the lease to the
22 assignment or transfer of, or the creation, attachment, perfection, or enforcement of
23 a security interest in, an interest of a party under the lease contract or in the lessor's
24 residual interest in the goods; or

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1 (b) Provides that the assignment or transfer or the creation, attachment,
2 perfection, or enforcement of the security interest may give rise to a default, breach,
3 right of recoupment, claim, defense, termination, right of termination, or remedy
4 under the lease.

5 (2) **EFFECTIVENESS OF CERTAIN TERMS.** Except as otherwise provided in s. 411.303
6 (7), a term described in sub. (1) (b) is effective to the extent that there is:

7 (a) A transfer by the lessee of the lessee's right of possession or use of the goods
8 in violation of the term; or

9 (b) A delegation of a material performance of either party to the lease contract
10 in violation of the term.

11 (3) **SECURITY INTEREST NOT MATERIAL IMPAIRMENT.** The creation, attachment,
12 perfection, or enforcement of a security interest in the lessor's interest under the
13 lease contract or the lessor's residual interest in the goods is not a transfer that
14 materially impairs the lessee's prospect of obtaining return performance or
15 materially changes the duty of or materially increases the burden or risk imposed
16 on the lessee within the purview of s. 411.303 (4) unless, and then only to the extent
17 that, enforcement actually results in a delegation of material performance of the
18 lessor.

19 **409.408 Restrictions on assignment of promissory notes,**
20 **health-care-insurance receivables, and certain general intangibles**
21 **ineffective.** (1) **TERM RESTRICTING ASSIGNMENT GENERALLY INEFFECTIVE.** Except as
22 otherwise provided in sub. (2), a term in a promissory note or in an agreement
23 between an account debtor and a debtor which relates to a health-care-insurance
24 receivable or a general intangible, including a contract, permit, license, or franchise,
25 and which term prohibits, restricts, or requires the consent of the person obligated

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1 on the promissory note or the account debtor to, the assignment or transfer of, or
2 creation, attachment, or perfection of a security interest in, the promissory note,
3 health-care-insurance receivable, or general intangible, is ineffective to the extent
4 that the term:

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

6 or

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

11 (2) APPLICABILITY OF SUB. (1) TO SALES OF CERTAIN RIGHTS TO PAYMENT. Subsection
12 (1) applies to a security interest in a payment intangible or promissory note only if
13 the security interest arises out of a sale of the payment intangible or promissory note.

14 (3) LEGAL RESTRICTIONS ON ASSIGNMENT GENERALLY INEFFECTIVE. A rule of law,
15 statute, or rule that prohibits, restricts, or requires the consent of a government,
16 governmental body or official, person obligated on a promissory note or account
17 debtor to the assignment or transfer of, or creation of a security interest in, a
18 promissory note, health-care-insurance receivable, or general intangible, including
19 a contract, permit, license, or franchise between an account debtor and a debtor, is
20 ineffective to the extent that the rule of law, statute, or rule:

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

22 or

23 (b) Provides that the assignment or transfer or the creation, attachment, or
24 perfection of the security interest may give rise to a default, breach, right of

BILL

1 recoupment, claim, defense, termination, right of termination, or remedy under the
2 promissory note, health-care-insurance receivable, or general intangible.

3 (4) LIMITATION ON INEFFECTIVENESS UNDER SUBS. (1) AND (3). To the extent that a
4 term in a promissory note or in an agreement between an account debtor and a debtor
5 which relates to a health-care-insurance receivable, or general intangible or a rule
6 of law, statute, or rule described in sub. (3) would be effective under law other than
7 this chapter but is ineffective under sub. (1) or (3), the creation, attachment, or
8 perfection of a security interest in the promissory note, health-care-insurance
9 receivable, or general intangible:

10 (a) Is not enforceable against the person obligated on the promissory note or
11 the account debtor;

12 (b) Does not impose a duty or obligation on the person obligated on the
13 promissory note or the account debtor;

14 (c) Does not require the person obligated on the promissory note or the account
15 debtor to recognize the security interest, pay or render performance to the secured
16 party, or accept payment or performance from the secured party;

17 (d) Does not entitle the secured party to use or assign the debtor's rights under
18 the promissory note, health care insurance receivable, or general intangible,
19 including any related information or materials furnished to the debtor in the
20 transaction giving rise to the promissory note, health-care-insurance receivable, or
21 general intangible;

22 (e) Does not entitle the secured party to use, assign, possess, or have access to
23 any trade secrets or confidential information of the person obligated on the
24 promissory note or the account debtor; and

BILL**SECTION 78**

1 (f) Does not entitle the secured party to enforce the security interest in the
2 promissory note, health-care-insurance receivable, or general intangible.

3 **409.409 Restrictions on assignment of letter-of-credit rights**
4 **ineffective. (1) TERM OR LAW RESTRICTING ASSIGNMENT GENERALLY INEFFECTIVE.** A
5 term in a letter of credit or a rule of law, statute, rule, custom, or practice applicable
6 to the letter of credit which prohibits, restricts, or requires the consent of an
7 applicant, issuer, or nominated person to a beneficiary's assignment of or creation of
8 a security interest in a letter-of-credit right is ineffective to the extent that the term
9 or rule of law, statute, rule, custom, or practice:

10 (a) Would impair the creation, attachment, or perfection of a security interest
11 in the letter of credit right; or

12 (b) Provides that the assignment or the creation, attachment, or perfection of
13 the security interest may give rise to a default, breach, right of recoupment, claim,
14 defense, termination, right of termination, or remedy under the letter-of-credit
15 right.

16 **(2) LIMITATION ON INEFFECTIVENESS UNDER SUB. (1).** To the extent that a term in
17 a letter of credit is ineffective under sub. (1) but would be effective under law other
18 than this chapter or a custom or practice applicable to the letter of credit, to the
19 transfer of a right to draw or otherwise demand performance under the letter of
20 credit, or to the assignment of a right to proceeds of the letter of credit, the creation,
21 attachment, or perfection of a security interest in the letter-of-credit right:

22 (a) Is not enforceable against the applicant, issuer, nominated person, or
23 transferee beneficiary;

24 (b) Imposes no duties or obligations on the applicant, issuer, nominated person,
25 or transferee beneficiary; and

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1 (c) Does not require the applicant, issuer, nominated person, or transferee
2 beneficiary to recognize the security interest, pay or render performance to the
3 secured party, or accept payment or other performance from the secured party.

SUBCHAPTER V**FILING**

4
5
6 **409.501 Filing office. (1) FILING OFFICES.** Except as otherwise provided in
7 sub. (2), if the local law of this state governs perfection of a security interest or
8 agricultural lien, the office in which to file a financing statement to perfect the
9 security interest or agricultural lien is:

10 (a) The office designated for the filing or recording of a record of a mortgage on
11 the related real property, if:

- 12 1. The collateral is as-extracted collateral or timber to be cut; or
13 2. The financing statement is filed as a fixture filing and the collateral is goods
14 that are or are to become fixtures; or

15 (b) The office of the department of financial institutions or any office duly
16 authorized by the department, in all other cases, including a case in which the
17 collateral is goods that are or are to become fixtures and the financing statement is
18 not filed as a fixture filing.

19 (2) **FILING OFFICE FOR TRANSMITTING UTILITIES.** The office in which to file a
20 financing statement to perfect a security interest in collateral, including fixtures, of
21 a transmitting utility is the office of the department of financial institutions. The
22 financing statement also constitutes a fixture filing as to the collateral indicated in
23 the financing statement which is or is to become fixtures.

24 **409.502 Contents of financing statement; record of mortgage as**
25 **financing statement; time of filing financing statement. (1) SUFFICIENCY OF**

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1 FINANCING STATEMENT. Subject to sub. (2), a financing statement is sufficient only if
2 it:

3 (a) Provides the name of the debtor;

4 (b) Provides the name of the secured party or a representative of the secured
5 party; and

6 (c) Indicates the collateral covered by the financing statement.

7 (2) REAL-PROPERTY-RELATED FINANCING STATEMENTS. Except as otherwise
8 provided in s. 409.501 (2), to be sufficient, a financing statement that covers
9 as-extracted collateral or timber to be cut, or which is filed as a fixture filing and
10 covers goods that are or are to become fixtures, must satisfy sub. (1) and also:

11 (a) Indicate that it covers this type of collateral;

12 (b) Indicate that it is to be filed for record in the real property records;

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

16 (d) If the debtor does not have an interest of record in the real property, provide
17 the name of a record owner.

18 (3) RECORD OF MORTGAGE AS FINANCING STATEMENT. A record of a mortgage is
19 effective, from the date of recording, as a financing statement filed as a fixture filing
20 or as a financing statement covering as-extracted collateral or timber to be cut only
21 if:

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

23 (b) The goods are or are to become fixtures related to the real property described
24 in the record or the collateral is related to the real property described in the record
25 and is as-extracted collateral or timber to be cut;

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1 (c) The record satisfies the requirements for a financing statement in this
2 section other than an indication that it is to be filed in the real property records; and

3 (d) The record is duly recorded.

4 (4) FILING BEFORE SECURITY AGREEMENT OR ATTACHMENT. A financing statement
5 may be filed before a security agreement is made or a security interest otherwise
6 attaches.

7 **409.503 Name of debtor and secured party. (1) SUFFICIENCY OF DEBTOR'S**
8 **NAME.** A financing statement sufficiently provides the name of the debtor:

9 (a) If the debtor is a registered organization, only if the financing statement
10 provides the name of the debtor indicated on the public record of the debtor's
11 jurisdiction of organization which shows the debtor to have been organized;

12 (b) If the debtor is a decedent's estate, only if the financing statement provides
13 the name of the decedent and indicates that the debtor is an estate;

14 (c) If the debtor is a trust or a trustee acting with respect to property held in
15 trust, only if the financing statement:

16 1. Provides the name specified for the trust in its organic documents or, if no
17 name is specified, provides the name of the settlor and additional information
18 sufficient to distinguish the debtor from other trusts having one or more of the same
19 settlors; and

20 2. Indicates, in the debtor's name or otherwise, that the debtor is a trust or is
21 a trustee acting with respect to property held in trust; and

22 (d) In other cases:

23 1. If the debtor has a name, only if it provides the individual or organizational
24 name of the debtor; and

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1 2. If the debtor does not have a name, only if it provides the names of the
2 partners, members, associates, or other persons comprising the debtor.

3 (2) **ADDITIONAL DEBTOR-RELATED INFORMATION.** A financing statement that
4 provides the name of the debtor in accordance with sub. (1) is not rendered ineffective
5 by the absence of:

6 (a) A trade name or other name of the debtor; or

7 (b) Unless required under sub. (1) (d) 2., names of partners, members,
8 associates, or other persons comprising the debtor.

9 (3) **DEBTOR'S TRADE NAME INSUFFICIENT.** A financing statement that provides
10 only the debtor's trade name does not sufficiently provide the name of the debtor.

11 (4) **REPRESENTATIVE CAPACITY.** Failure to indicate the representative capacity
12 of a secured party or representative of a secured party does not affect the sufficiency
13 of a financing statement.

14 (5) **MULTIPLE DEBTORS AND SECURED PARTIES.** A financing statement may provide
15 the name of more than one debtor and the name of more than one secured party.

16 **409.504 Indication of collateral.** A financing statement sufficiently
17 indicates the collateral that it covers if the financing statement provides:

18 (1) A description of the collateral pursuant to s. 409.108; or

19 (2) An indication that the financing statement covers all assets or all personal
20 property.

21 **409.505 Filing and compliance with other statutes and treaties for**
22 **consignments, leases, other bailments, and other transactions.** (1) **USE OF**
23 **TERMS OTHER THAN DEBTOR AND SECURED PARTY.** A consignor, lessor, or other bailor of
24 goods, a licensor, or a buyer of a payment intangible or promissory note may file a
25 financing statement, or may comply with a statute or treaty described in s. 409.311

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1 (1), using the terms “consignor”, “consignee”, “lessor”, “lessee”, “bailor”, “bailee”,
2 “licensor”, “licensee”, “owner”, “registered owner”, “buyer”, “seller”, or words of
3 similar import, instead of the terms “secured party” and “debtor”.

4 (2) EFFECT OF FINANCING STATEMENT UNDER SUB. (1). This subchapter applies to
5 the filing of a financing statement under sub. (1) and, as appropriate, to compliance
6 that is equivalent to filing a financing statement under s. 409.311 (2), but the filing
7 or compliance is not of itself a factor in determining whether the collateral secures
8 an obligation. If it is determined for another reason that the collateral secures an
9 obligation, a security interest held by the consignor, lessor, bailor, licensor, owner, or
10 buyer which attaches to the collateral is perfected by the filing or compliance

11 **409.506 Effect of errors or omissions.** (1) MINOR ERRORS AND OMISSIONS.
12 A financing statement substantially satisfying the requirements of this subchapter
13 is effective, even if it has minor errors or omissions, unless the errors or omissions
14 make the financing statement seriously misleading.

15 (2) FINANCING STATEMENT SERIOUSLY MISLEADING. Except as otherwise provided
16 in sub. (3), a financing statement that fails sufficiently to provide the name of the
17 debtor in accordance with s. 409.503 (1) is seriously misleading.

18 (3) FINANCING STATEMENT NOT SERIOUSLY MISLEADING. If a search of the records
19 of the filing office under the debtor’s correct name, using the filing office’s standard
20 search logic, if any, would disclose a financing statement that fails sufficiently to
21 provide the name of the debtor in accordance with s. 409.503 (1), the name provided
22 does not make the financing statement seriously misleading.

23 (4) DEBTOR’S CORRECT NAME. For purposes of s. 409.508 (2), the “debtor’s correct
24 name” in sub. (3) means the correct name of the new debtor.

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1 **409.507 Effect of certain events on effectiveness of financing**
2 **statement.** (1) DISPOSITION. A filed financing statement remains effective with
3 respect to collateral that is sold, exchanged, leased, licensed, or otherwise disposed
4 of and in which a security interest or agricultural lien continues, even if the secured
5 party knows of or consents to the disposition.

6 (2) INFORMATION BECOMING SERIOUSLY MISLEADING. Except as otherwise provided
7 in sub. (3) and s. 409.508, a financing statement is not rendered ineffective if, after
8 the financing statement is filed, the information provided in the financing statement
9 becomes seriously misleading under s. 409.506.

10 (3) CHANGE IN DEBTOR'S NAME. If a debtor so changes its name that a filed
11 financing statement becomes seriously misleading under s. 409.506:

12 (a) The financing statement is effective to perfect a security interest in
13 collateral acquired by the debtor before, or within 4 months after, the change; and

14 (b) The financing statement is not effective to perfect a security interest in
15 collateral acquired by the debtor more than 4 months after the change, unless an
16 amendment to the financing statement which renders the financing statement not
17 seriously misleading is filed within 4 months after the change.

18 **409.508 Effectiveness of financing statement if new debtor becomes**
19 **bound by security agreement.** (1) FINANCING STATEMENT NAMING ORIGINAL DEBTOR.
20 Except as otherwise provided in this section, a filed financing statement naming an
21 original debtor is effective to perfect a security interest in collateral in which a new
22 debtor has or acquires rights to the extent that the financing statement would have
23 been effective had the original debtor acquired rights in the collateral.

24 (2) FINANCING STATEMENT BECOMING SERIOUSLY MISLEADING. If the difference
25 between the name of the original debtor and that of the new debtor causes a filed

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1 financing statement that is effective under sub. (1) to be seriously misleading under
2 s. 409.506:

3 (a) The financing statement is effective to perfect a security interest in
4 collateral acquired by the new debtor before, and within 4 months after, the new
5 debtor becomes bound under s. 409.203 (4); and

6 (b) The financing statement is not effective to perfect a security interest in
7 collateral acquired by the new debtor more than 4 months after the new debtor
8 becomes bound under s. 409.203 (4) unless an initial financing statement providing
9 the name of the new debtor is filed before the expiration of that time.

10 (3) WHEN SECTION NOT APPLICABLE. This section does not apply to collateral as
11 to which a filed financing statement remains effective against the new debtor under
12 s. 409.507 (1).

13 **409.509 Persons entitled to file a record.** (1) PERSON ENTITLED TO FILE
14 RECORD. A person may file an initial financing statement, amendment that adds
15 collateral covered by a financing statement, or amendment that adds a debtor to a
16 financing statement only if:

17 (a) The debtor authorizes the filing in an authenticated record or pursuant to
18 sub. (2) or (3); or

19 (b) The person holds an agricultural lien that has become effective at the time
20 of filing and the financing statement covers only collateral in which the person holds
21 an agricultural lien.

22 (2) SECURITY AGREEMENT AS AUTHORIZATION. By authenticating or becoming
23 bound as debtor by a security agreement, a debtor or new debtor authorizes the filing
24 of an initial financing statement, and an amendment, covering:

25 (a) The collateral described in the security agreement; and

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1 (b) Property that becomes collateral under s. 409.315 (1) (b), whether or not the
2 security agreement expressly covers proceeds.

3 (3) ACQUISITION OF COLLATERAL AS AUTHORIZATION. By acquiring collateral in
4 which a security interest or agricultural lien continues under s. 409.315 (1) (a), a
5 debtor authorizes the filing of an initial financing statement, and an amendment,
6 covering the collateral and property that becomes collateral under s. 409.315 (1) (b).

7 (4) PERSON ENTITLED TO FILE CERTAIN AMENDMENTS. A person may file an
8 amendment other than an amendment that adds collateral covered by a financing
9 statement or an amendment that adds a debtor to a financing statement only if:

10 (a) The secured party of record authorizes the filing; or

11 (b) The amendment is a termination statement for a financing statement as to
12 which the secured party of record has failed to file or send a termination statement
13 as required by s. 409.513 (1) or (3), the debtor authorizes the filing, and the
14 termination statement indicates that the debtor authorized it to be filed.

15 (5) MULTIPLE SECURED PARTIES OF RECORD. If there is more than one secured
16 party of record for a financing statement, each secured party of record may authorize
17 the filing of an amendment under sub. (4).

18 **409.510 Effectiveness of filed record.** (1) FILED RECORD EFFECTIVE IF
19 AUTHORIZED. A filed record is effective only to the extent that it was filed by a person
20 that may file it under s. 409.509.

21 (2) AUTHORIZATION BY ONE SECURED PARTY OF RECORD. A record authorized by one
22 secured party of record does not affect the financing statement with respect to
23 another secured party of record.

24 (3) CONTINUATION STATEMENT NOT TIMELY FILED. A continuation statement that
25 is not filed within the 6-month period prescribed by s. 409.515 (4) is ineffective.

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1 **409.511 Secured party of record.** (1) SECURED PARTY OF RECORD. A secured
2 party of record with respect to a financing statement is a person whose name is
3 provided as the name of the secured party or a representative of the secured party
4 in an initial financing statement that has been filed. If an initial financing statement
5 is filed under s. 409.514 (1), the assignee named in the initial financing statement
6 is the secured party of record with respect to the financing statement.

7 (2) AMENDMENT NAMING SECURED PARTY OF RECORD. If an amendment of a
8 financing statement which provides the name of a person as a secured party or a
9 representative of a secured party is filed, the person named in the amendment is a
10 secured party of record. If an amendment is filed under s. 409.514 (2), the assignee
11 named in the amendment is a secured party of record.

12 (3) AMENDMENT DELETING SECURED PARTY OF RECORD. A person remains a secured
13 party of record until the filing of an amendment of the financing statement which
14 deletes the person.

15 **409.512 Amendment of financing statement.** (1) AMENDMENT OF
16 INFORMATION IN FINANCING STATEMENT. Subject to s. 409.509, a person may add or
17 delete collateral covered by, continue or terminate the effectiveness of, or, subject to
18 sub. (5), otherwise amend the information provided in, a financing statement by
19 filing an amendment that:

20 (a) Identifies, by its file number, the initial financing statement to which the
21 amendment relates; and

22 (b) If the amendment relates to an initial financing statement filed or recorded
23 in a filing office described in s. 409.501 (1) (a), provides the date on which the initial
24 financing statement was filed or recorded and the information specified in s. 409.502

25 (2).

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1 (2) PERIOD OF EFFECTIVENESS NOT AFFECTED. Except as otherwise provided in s.
2 409.515, the filing of an amendment does not extend the period of effectiveness of the
3 financing statement.

4 (3) EFFECTIVENESS OF AMENDMENT ADDING COLLATERAL. A financing statement
5 that is amended by an amendment that adds collateral is effective as to the added
6 collateral only from the date of the filing of the amendment.

7 (4) EFFECTIVENESS OF AMENDMENT ADDING DEBTOR. A financing statement that
8 is amended by an amendment that adds a debtor is effective as to the added debtor
9 only from the date of the filing of the amendment.

10 (5) CERTAIN AMENDMENTS INEFFECTIVE. An amendment is ineffective to the
11 extent that it:

12 (a) Purports to delete all debtors and fails to provide the name of a debtor to
13 be covered by the financing statement; or

14 (b) Purports to delete all secured parties of record and fails to provide the name
15 of a new secured party of record.

16 **409.513 Termination statement.** (1) CONSUMER GOODS. A secured party
17 shall cause the secured party of record for a financing statement to file a termination
18 statement for the financing statement if the financing statement covers consumer
19 goods and:

20 (a) There is no obligation secured by the collateral covered by the financing
21 statement and no commitment to make an advance, incur an obligation, or otherwise
22 give value; or

23 (b) The debtor did not authorize the filing of the initial financing statement.

24 (2) TIME FOR COMPLIANCE WITH SUB. (1). To comply with sub. (1), a secured party
25 shall cause the secured party of record to file the termination statement:

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1 (a) Within one month after there is no obligation secured by the collateral
2 covered by the financing statement and no commitment to make an advance, incur
3 an obligation, or otherwise give value; or

4 (b) If earlier, within 20 days after the secured party receives an authenticated
5 demand from a debtor.

6 **(3) OTHER COLLATERAL.** In cases not governed by sub. (1), within 20 days after
7 a secured party receives an authenticated demand from a debtor, the secured party
8 shall cause the secured party of record for a financing statement to send to the debtor
9 a termination statement for the financing statement or file the termination
10 statement in the filing office if:

11 (a) Except in the case of a financing statement covering accounts or chattel
12 paper that has been sold or goods that are the subject of a consignment, there is no
13 obligation secured by the collateral covered by the financing statement and no
14 commitment to make an advance, incur an obligation, or otherwise give value;

15 (b) The financing statement covers accounts or chattel paper that has been sold
16 but as to which the account debtor or other person obligated has discharged its
17 obligation;

18 (c) The financing statement covers goods that were the subject of a consignment
19 to the debtor but are not in the debtor's possession; or

20 (d) The debtor did not authorize the filing of the initial financing statement.

21 **(4) EFFECT OF FILING TERMINATION STATEMENT.** Except as otherwise provided in
22 s. 409.510, upon the filing of a termination statement with the filing office, the
23 financing statement to which the termination statement relates ceases to be
24 effective. Except as otherwise provided in s. 409.510, for the purposes of ss. 409.519
25 (7), 409.522 (1), and 409.523 (3), the filing with the filing office of a termination

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1 statement relating to a financing statement that indicates that the debtor is a
2 transmitting utility also causes the effectiveness of the financing statement to lapse.

3 **409.514 Assignment of powers of secured party of record. (1)**

4 ASSIGNMENT REFLECTED ON INITIAL FINANCING STATEMENT. Except as otherwise
5 provided in sub. (3), an initial financing statement may reflect an assignment of all
6 of the secured party's power to authorize an amendment to the financing statement
7 by providing the name and mailing address of the assignee as the name and address
8 of the secured party.

9 (2) ASSIGNMENT OF FILED FINANCING STATEMENT. Except as otherwise provided
10 in sub. (3), a secured party of record may assign of record all or part of its power to
11 authorize an amendment to a financing statement by filing in the filing office an
12 amendment of the financing statement which:

13 (a) Identifies, by its file number, the initial financing statement to which it
14 relates;

15 (b) Provides the name of the assignor; and

16 (c) Provides the name and mailing address of the assignee.

17 (3) ASSIGNMENT OF RECORD OF MORTGAGE. An assignment of record of a security
18 interest in a fixture covered by a record of a mortgage which is effective as a financing
19 statement filed as a fixture filing under s. 409.502 (3) may be made only by an
20 assignment of record of the mortgage in the manner provided by law of this state
21 other than chs. 401 to 411.

22 **409.515 Duration and effectiveness of financing statement; effect of**
23 **lapsed financing statement. (1) FIVE-YEAR EFFECTIVENESS.** Except as otherwise
24 provided in subs. (2), (5), (6), and (7), a filed financing statement is effective for a
25 period of 5 years after the date of filing.

BILL

1 (2) PUBLIC-FINANCE OR MANUFACTURED-HOME TRANSACTION. Except as otherwise
2 provided in subs. (5), (6), and (7), an initial financing statement filed in connection
3 with a public-finance transaction or manufactured-home transaction is effective for
4 a period of 30 years after the date of filing if it indicates that it is filed in connection
5 with a public-finance transaction or manufactured-home transaction.

6 (3) LAPSE AND CONTINUATION OF FINANCING STATEMENT. The effectiveness of a filed
7 financing statement lapses on the expiration of the period of its effectiveness unless
8 before the lapse a continuation statement is filed pursuant to sub. (4). Upon lapse,
9 a financing statement ceases to be effective and any security interest or agricultural
10 lien that was perfected by the financing statement becomes unperfected, unless the
11 security interest is perfected otherwise. If the security interest or agricultural lien
12 becomes unperfected upon lapse, it is deemed never to have been perfected as against
13 a purchaser of the collateral for value.

14 (4) WHEN CONTINUATION STATEMENT MAY BE FILED. A continuation statement may
15 be filed only within 6 months before the expiration of the 5-year period specified in
16 sub. (1) or the 30-year period specified in sub. (2), whichever is applicable.

17 (5) EFFECT OF FILING CONTINUATION STATEMENT. Except as otherwise provided in
18 s. 409.510, upon timely filing of a continuation statement, the effectiveness of the
19 initial financing statement continues for a period of 5 years commencing on the day
20 on which the financing statement would have become ineffective in the absence of
21 the filing. Upon the expiration of the 5-year period, the financing statement lapses
22 in the same manner as provided in sub. (3), unless, before the lapse, another
23 continuation statement is filed pursuant to sub. (4). Succeeding continuation
24 statements may be filed in the same manner to continue the effectiveness of the
25 initial financing statement.

BILL**SECTION 78**

1 **(6) TRANSMITTING UTILITY FINANCING STATEMENT.** If a debtor is a transmitting
2 utility and a filed financing statement so indicates, the financing statement is
3 effective until a termination statement is filed.

4 **(7) RECORD OF MORTGAGE AS FINANCING STATEMENT.** A record of a mortgage that
5 is effective as a financing statement filed as a fixture filing under s. 409.502 (3)
6 remains effective as a financing statement filed as a fixture filing until the mortgage
7 is released or satisfied of record or its effectiveness otherwise terminates as to the
8 real property.

9 **409.516 What constitutes filing; effectiveness of filing. (1) WHAT**
10 **CONSTITUTES FILING.** Except as otherwise provided in sub. (2), communication of a
11 record to a filing office and tender of the filing fee or acceptance of the record by the
12 filing office constitutes filing.

13 **(2) REFUSAL TO ACCEPT RECORD; FILING DOES NOT OCCUR.** Filing does not occur
14 with respect to a record that a filing office refuses to accept because:

15 (a) The record is not communicated by a method or medium of communication
16 authorized by the filing office;

17 (b) An amount equal to or greater than the applicable filing fee is not tendered;

18 (c) The filing office is unable to index the record because:

19 1. In the case of an initial financing statement, the record does not provide a
20 name for the debtor;

21 2. In the case of an amendment or correction statement, the record:

22 a. Does not identify the initial financing statement as required by s. 409.512
23 or 409.518, as applicable; or

24 b. Identifies an initial financing statement whose effectiveness has lapsed
25 under s. 409.515;

BILL

1 3. In the case of an initial financing statement that provides the name of a
2 debtor identified as an individual or an amendment that provides a name of a debtor
3 identified as an individual which was not previously provided in the financing
4 statement to which the record relates, the record does not identify the debtor's last
5 name; or

6 4. In the case of a record filed or recorded in the filing office described in s.
7 409.501 (1) (a), the record does not provide a sufficient description of the real
8 property to which it relates;

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

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

15 1. Provide a mailing address for the debtor;
16 2. Indicate whether the debtor is an individual or an organization; or
17 3. If the financing statement indicates that the debtor is an organization,
18 provide:

19 a. A type of organization for the debtor;
20 b. A jurisdiction of organization for the debtor; or
21 c. An organizational identification number for the debtor or indicate that the
22 debtor has none;

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

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1 (g) In the case of a continuation statement, the record is not filed within the
2 6-month period prescribed by s. 409.515 (4).

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

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

6 (b) A record that does not indicate that it is an amendment or identify an initial
7 financing statement to which it relates, as required by s. 409.512, 409.514, or
8 409.518, is an initial financing statement.

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

14 **409.517 Effect of indexing errors.** The failure of the filing office to index a
15 record correctly does not affect the effectiveness of the filed record.

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

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

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

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

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1 2. If the correction statement relates to a record filed or recorded in a filing
2 office described in s. 409.501 (1) (a), the date on which the initial financing statement
3 was filed or recorded and the information specified in s. 409.502 (2);

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

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

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

12 **409.519 Numbering, maintaining, and indexing records;**
13 **communicating information provided in records. (1) FILING-OFFICE DUTIES.**

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

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

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

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

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

20 **(2) FILE NUMBER.** A file number assigned after January 1, 2002, must include
21 a digit that:

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

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

BILL

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

3 (a) Index an initial financing statement according to the name of the debtor and
4 index all filed records relating to the initial financing statement in a manner that
5 associates with one another an initial financing statement and all filed records
6 relating to the initial financing statement; and

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

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

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

16 (b) To the extent that the law of this state provides for indexing of records of
17 mortgages under the name of the mortgagee, under the name of the secured party
18 as if the secured party were the mortgagee thereunder, or, if indexing is by
19 description, as if the financing statement were a record of a mortgage of the real
20 property described.

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

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

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1 (b) To the extent that the law of this state provides for indexing a record of the
2 assignment of a mortgage under the name of the assignee, under the name of the
3 assignee.

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

17 (8) TIMELINESS OF FILING-OFFICE PERFORMANCE. The filing office shall perform
18 the acts required by subs. (1) to (5) at the time and in the manner prescribed by
19 filing-office rule, but not later than:

20 (a) Five business days after the filing office receives the record in question for
21 acts performed before July 1, 2003; and

22 (b) Two business days after the filing office receives the record in question for
23 acts performed on or after July 1, 2003.

24 **409.520 Acceptance and refusal to accept record. (1) MANDATORY REFUSAL**
25 **TO ACCEPT RECORD.** A filing office shall refuse to accept a record for filing for a reason

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1 set forth in s. 409.516 (2) and may refuse to accept a record for filing only for a reason
2 set forth in s. 409.516 (2). The presence or absence of a social security number on a
3 form of record providing for the insertion of a social security number as such shall
4 not affect the decision of the filing office to accept or refuse the record for filing.

5 (2) COMMUNICATION CONCERNING REFUSAL. If a filing office refuses to accept a
6 record for filing, the filing office shall communicate to the person that presented the
7 record the fact of and reason for the refusal and the date and time the record would
8 have been filed had the filing office accepted the record. The communication must
9 be made at the time and in the manner prescribed by filing-office rule but, in no event
10 more than:

11 (a) Five business days after the filing office receives the record for records
12 received before July 1, 2003; and

13 (b) Two business days after the filing office receives the record for records
14 received on or after July 1, 2003.

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

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

409.521 Uniform form of written financing statement and amendment.

23 (1) INITIAL FINANCING STATEMENT FORM. A filing office that accepts written records
24

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1 may not refuse to accept a written initial financing statement in the following form
2 and format except for a reason set forth in s. 409.516 (2):

BILL



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:

5. ALTERNATIVE DESIGNATION [if applicable]:	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [OPTIONAL FEE]		<input type="checkbox"/> All Debtors		<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2
8. OPTIONAL FILER REFERENCE DATA						

NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

* An Individual's social security number is not required to be placed on the form in Wisconsin. (See instructions.)

BILL

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		
				<input type="checkbox"/> 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:

16. Additional collateral description:

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

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

Debtor is a Trust or 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

* An Individual's social security number is not required to be placed on the form in Wisconsin. (See instructions.)

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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):

BILL

UCC FINANCING STATEMENT AMENDMENT

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

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 items 6 and/or 7.

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

6. **CURRENT RECORD INFORMATION:**

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
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7d. TAX ID #: SSN OR EIN *	ADDL INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any
				<input type="checkbox"/> 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**

NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 07/29/98)

* An Individual's social security number is not required to be placed on the form in Wisconsin. (See instructions.)

BILL

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

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1 **409.522 Maintenance and destruction of records. (1) POSTLAPSE**
2 MAINTENANCE AND RETRIEVAL OF INFORMATION. The filing office shall maintain a record
3 of the information provided in a filed financing statement for at least one year after
4 the effectiveness of the financing statement has lapsed under s. 409.515 with respect
5 to all secured parties of record. The record must be retrievable by using the name
6 of the debtor and:

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

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

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

18 **409.523 Information from filing office; sale or license of records. (1)**
19 **ACKNOWLEDGMENT OF FILING WRITTEN RECORD.** If a person that files a written record
20 requests an acknowledgment of the filing, the filing office shall send to the person
21 an image of the record showing the number assigned to the record pursuant to s.
22 409.519 (1) (a) and the date and time of the filing of the record. However, if the person
23 furnishes a copy of the record to the filing office, the filing office may instead:

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

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1 (b) Send the copy to the person.

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

5 (a) The information in the record;

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

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

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

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

14 1. Designates a particular debtor or, if the request so states, designates a
15 particular debtor at the address specified in the request;

16 2. Has not lapsed under s. 409.515 with respect to all secured parties of record;
17 or

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

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

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

22 (4) MEDIUM FOR COMMUNICATING INFORMATION. In complying with its duty under
23 sub. (3), the filing office may communicate information in any medium. However, if
24 requested, the filing office shall communicate information by issuing a record that

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1 can be admitted into evidence in the courts of this state without extrinsic evidence
2 of its authenticity.

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

6 (a) Five business days after the filing office receives the request for requests
7 received before July 1, 2003; and

8 (b) Two business days after the filing office receives the request for requests
9 received on or after July 1, 2003.

10 (6) **PUBLIC AVAILABILITY OF RECORDS.** At least weekly, the department of financial
11 institutions shall offer to sell or license to the public on a nonexclusive basis, in bulk,
12 copies of all records filed in it under this subchapter, in every medium from time to
13 time available to the department of financial institutions.

14 (7) **LIABILITY OF FILING OFFICER.** No filing officer nor any of the filing officer's
15 employees or agents shall be subject to personal liability by reason of any error or
16 omission in the performance of any duty under this chapter except in case of
17 misconduct as defined in s. 946.12.

18 **409.524 Delay by filing office.** Delay by the filing office beyond a time limit
19 prescribed by this subchapter is excused if:

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

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

24 **409.525 Fees. (1) INITIAL FINANCING STATEMENT OR OTHER RECORD.** Except as
25 otherwise provided in this section, the fee for filing and indexing a record under this

BILL

1 subchapter and the portion of the fee that an office duly authorized by the
2 department under s. 409.501 (1) (b) may retain shall be prescribed by filing-office
3 rule.

4 **(1m) NO FEE FOR FILING TERMINATION STATEMENT.** There is no fee for the filing
5 of a termination statement.

6 **(2) BASIS FOR RULE.** The rule under sub. (1) must set the fees for filing and
7 indexing a record under this subchapter on the following basis:

8 (a) If the record presented for filing is communicated to the filing office in
9 writing and consists of more than 2 pages, the fee for filing and indexing the record
10 must be at least twice the amount of the fee for a record communicated in writing that
11 consists of 1 or 2 pages; and

12 (b) If the record is communicated by another medium authorized by
13 filing-office rule, the fee for filing and indexing the record must be no more than 50%
14 of the amount of the fee for a record communicated in writing that consists of 1 or 2
15 pages.

16 **(3) NUMBER OF NAMES.** The number of names required to be indexed does not
17 affect the amount of the fee under this section.

18 **(4) RESPONSE TO INFORMATION REQUEST.** Except as otherwise provided in this
19 section, the fee for responding to a request for information from the filing office,
20 including for communicating whether there is on file any financing statement
21 naming a particular debtor, and the portion of the fee that an office duly authorized
22 by the department under s. 409.501 (1) (b) may retain shall be prescribed by
23 filing-office rule. The fee for responding to a request communicated in writing must
24 be not less than twice the amount of the fee for responding to a request communicated
25 by another medium authorized by filing-office rule. This subsection does not require

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1 that a fee be charged for remote access searching of the filing-office data base. The
2 rule promulgated pursuant to this subsection need not specify a fee for remote access
3 searching of the filing-office data base.

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 **409.526 Filing-office rules.** (1) PROMULGATION OF FILING-OFFICE RULES. The
10 secretary of financial institutions shall promulgate filing-office rules to implement
11 this chapter. The filing-office rules must be:

12 (a) Consistent with this chapter; and

13 (b) Promulgated in accordance with ch. 227.

14 (2) HARMONIZATION OF RULES. To keep the filing-office rules and practices of the
15 filing office in harmony with the rules and practices of filing offices in other
16 jurisdictions that enact substantially this subchapter, and to keep the technology
17 used by the filing office compatible with the technology used by filing offices in other
18 jurisdictions that enact substantially this subchapter, the secretary of financial
19 institutions, so far as is consistent with the purposes, policies, and provisions of this
20 chapter, in promulgating filing-office rules, shall:

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

23 (b) Consult the most recent version of the Model Rules promulgated by the
24 International Association of Corporate Administrators or any successor
25 organization; and

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

3 **409.527 Duty to report.** The department of financial institutions shall
4 include in its report under s. 15.04 (1) (d) a report on the operation of the filing office.
5 The report must contain a statement of the extent to which:

6 (1) **HARMONIZATION OF RULES: FILING OFFICES IN OTHER JURISDICTIONS.** The
7 filing-office rules are not in harmony with the rules of filing offices in other
8 jurisdictions that enact substantially this subchapter and the reasons for these
9 variations; and

10 (2) **HARMONIZATION OF RULES: MODEL RULES.** The filing-office rules are not in
11 harmony with the most recent version of the Model Rules promulgated by the
12 International Association of Corporate Administrators, or any successor
13 organization, and the reasons for these variations.

14 **409.528 Statewide lien system.** (1) **ESTABLISHMENT AND MAINTENANCE.** The
15 department shall establish and maintain and the office of each register of deeds in
16 this state shall establish services necessary to support a statewide lien system under
17 this subchapter.

18 (2) **USE.** Except as otherwise provided in this chapter, each filing officer shall
19 enter all information filed under this subchapter into the statewide lien system
20 under sub. (1).

21 **SUBCHAPTER VI**

22 **DEFAULT**

23 **409.601 Rights after default; judicial enforcement; consignor or buyer**
24 **of accounts, chattel paper, payment intangibles, or promissory notes. (1)**

25 **RIGHTS OF SECURED PARTY AFTER DEFAULT.** After default, a secured party has the rights

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1 provided in this subchapter and, except as otherwise provided in s. 409.602, those
2 provided by agreement of the parties. A secured party:

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

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

7 (2) RIGHTS AND DUTIES OF SECURED PARTY IN POSSESSION OR CONTROL. A secured
8 party in possession of collateral or control of collateral under s. 409.104, 409.105,
9 409.106, or 409.107 has the rights and duties provided in s. 409.207.

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

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

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

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

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

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

23 (6) EXECUTION SALE. A sale pursuant to an execution is a foreclosure of the
24 security interest or agricultural lien by judicial procedure within the meaning of this

BILL

1 section. A secured party may purchase at the sale and thereafter hold the collateral
2 free of any other requirements of this chapter.

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

7 **409.602 Waiver and variance of rights and duties.** Except as otherwise
8 provided in s. 409.624, to the extent that they give rights to a debtor or obligor and
9 impose duties on a secured party, the debtor or obligor may not waive or vary the
10 rules stated in the following listed sections:

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

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

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

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

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

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

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

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

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

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

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

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

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

14 **409.603 Agreement on standards concerning rights and duties. (1)**
15 **AGREED STANDARDS.** The parties may determine by agreement the standards
16 measuring the fulfillment of the rights of a debtor or obligor and the duties of a
17 secured party under a rule stated in s. 409.602 if the standards are not manifestly
18 unreasonable.

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

21 **409.604 Procedure if security agreement covers real property or**
22 **fixtures. (1) ENFORCEMENT: PERSONAL AND REAL PROPERTY.** If a security agreement
23 covers both personal and real property, a secured party may proceed:

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

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

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

6 (a) Under this subchapter; or

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

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

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

21 **409.605 Unknown debtor or secondary obligor.** A secured party does not
22 owe a duty based on its status as secured party:

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

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

25 (b) The identity of the person; and

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

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

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

5 (b) The identity of the person.

6 **409.606 Time of default for agricultural lien.** For purposes of this
7 subchapter, a default occurs in connection with an agricultural lien at the time the
8 secured party becomes entitled to enforce the lien in accordance with the statute
9 under which it was created.

10 **409.607 Collection and enforcement by secured party.** (1) COLLECTION
11 AND ENFORCEMENT GENERALLY. If so agreed, and in any event after default, a secured
12 party:

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

15 (b) May take any proceeds to which the secured party is entitled under s.
16 409.315;

17 (c) May enforce the obligations of an account debtor or other person obligated
18 on collateral and exercise the rights of the debtor with respect to the obligation of the
19 account debtor or other person obligated on collateral to make payment or otherwise
20 render performance to the debtor, and with respect to any property that secures the
21 obligations of the account debtor or other person obligated on the collateral;

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

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

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

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

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

11 1. A default has occurred; and

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

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

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

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

19 **(4) EXPENSES OF COLLECTION AND ENFORCEMENT.** A secured party may deduct
20 from the collections made pursuant to sub. (3) reasonable expenses of collection and
21 enforcement, including reasonable attorney fees and legal expenses incurred by the
22 secured party.

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

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

5 (a) A secured party shall apply or pay over for application the cash proceeds of
6 collection or enforcement under s. 409.607 in the following order to:

7 1. The reasonable expenses of collection and enforcement and, to the extent
8 provided for by agreement and not prohibited by law, reasonable attorney fees and
9 legal expenses incurred by the secured party;

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

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

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

20 (c) A secured party need not apply or pay over for application noncash proceeds
21 of collection and enforcement under s. 409.607 unless the failure to do so would be
22 commercially unreasonable. A secured party that applies or pays over for application
23 noncash proceeds shall do so in a commercially reasonable manner.

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

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1 (2) 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, the debtor is not entitled to any surplus, and the obligor is not
4 liable for any deficiency.

5 **409.609 Secured party's right to take possession after default.** (1)
6 POSSESSION; RENDERING EQUIPMENT UNUSABLE; DISPOSITION ON DEBTOR'S PREMISES. After
7 default, a secured party:

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

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

11 (2) JUDICIAL AND NONJUDICIAL PROCESS. A secured party may proceed under sub.
12 (1):

13 (a) Pursuant to judicial process; or

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

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

19 **409.610 Disposition of collateral after default.** (1) DISPOSITION AFTER
20 DEFAULT. After default, a secured party may sell, lease, license, or otherwise dispose
21 of any or all of the collateral in its present condition or following any commercially
22 reasonable preparation or processing.

23 (2) COMMERCIALY REASONABLE DISPOSITION. Every aspect of a disposition of
24 collateral, including the method, manner, time, place, and other terms, must be
25 commercially reasonable. If commercially reasonable, a secured party may dispose

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1 of collateral by public or private proceedings, by one or more contracts, as a unit or
2 in parcels, and at any time and place and on any terms.

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

4 (a) At a public disposition; or

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

8 **(4) WARRANTIES ON DISPOSITION.** A contract for sale, lease, license, or other
9 disposition includes the warranties relating to title, possession, quiet enjoyment,
10 and the like which by operation of law accompany a voluntary disposition of property
11 of the kind subject to the contract.

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

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

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

19 **(6) RECORD SUFFICIENT TO DISCLAIM WARRANTIES.** A record is sufficient to disclaim
20 warranties under sub. (5) if it indicates “There is no warranty relating to title,
21 possession, quiet enjoyment, or the like in this disposition” or uses words of similar
22 import.

23 **409.611 Notification before disposition of collateral. (1) NOTIFICATION**
24 **DATE.** In this section, “notification date” means the earlier of the date on which:

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

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

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

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

9 (a) The debtor;

10 (b) Any secondary obligor; and

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

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

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

18 a. Identified the collateral;

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

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

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

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1 (4) SUBSECTION (2) INAPPLICABLE: PERISHABLE COLLATERAL; RECOGNIZED MARKET.

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

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

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

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

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

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

15 **409.612 Timeliness of notification before disposition of collateral. (1)**

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

18 (2) TEN-DAY PERIOD SUFFICIENT IN NONCONSUMER TRANSACTION. In a transaction
19 other than a consumer transaction, a notification of disposition sent after default and
20 10 days or more before the earliest time of disposition set forth in the notification is
21 sent within a reasonable time before the disposition.

22 **409.613 Contents and form of notification before disposition of**
23 **collateral: general.** Except in a consumer-goods transaction, the following rules
24 apply:

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

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

3 [*For a public disposition*]:

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

6 Day and Date:

7 Time:

8 Place:

9 [*For a private disposition*]:

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

12 You are entitled to an accounting of the unpaid indebtedness secured by the
13 property that we intend to sell [or lease or license, as *applicable*] [for a charge of \$
14]. You may request an accounting by calling us at [*telephone number*].

15 **409.614 Contents and form of notification before disposition of**
16 **collateral: consumer-goods transaction.** In a consumer-goods transaction, the
17 following rules apply:

18 (1) NOTIFICATION OF DISPOSITION. A notification of disposition must provide the
19 following information:

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

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

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

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

3 (2) SUBSTANTIAL COMPLIANCE. A particular phrasing of the notification is not
4 required.

5 (3) NOTIFICATION: FORM SUFFICIENT. The following form of notification, when
6 completed, provides sufficient information:

7 [Name and address of secured party]

8 [Date]

9 **NOTICE OF OUR PLAN**

10 **TO SELL PROPERTY**

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

12 Subject: [*Identification of transaction*]

13 We have your [*describe collateral*], because you broke promises in our
14 agreement.

15 [*For a public disposition*]:

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

18 Date:

19 Time:

20 Place:

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

22 [*For a private disposition*]:

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

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

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

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

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

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

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

[End of Form]

19 (4) NOTIFICATION: OTHER INFORMATION. A notification in the form of sub. (3) is
20 sufficient, even if additional information appears at the end of the form.

21 (5) NOTIFICATION: ERRORS. A notification in the form of sub. (3) is sufficient, even
22 if it includes errors in information not required by sub. (1), unless the error is
23 misleading with respect to rights arising under this chapter.

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1 (6) NOTIFICATION: NOT IN FORM. If a notification under this section is not in the
2 form of sub. (3), law other than this chapter determines the effect of including
3 information not required by sub. (1).

4 **409.615 Application of proceeds of disposition; liability for deficiency**
5 **and right to surplus. (1) APPLICATION OF PROCEEDS.** A secured party shall apply
6 or pay over for application the cash proceeds of disposition under s. 409.610 in the
7 following order to:

8 (a) The reasonable expenses of retaking, holding, preparing for disposition,
9 processing, and disposing of, and, to the extent provided for by agreement and not
10 prohibited by law, reasonable attorney fees and legal expenses incurred by the
11 secured party;

12 (b) The satisfaction of obligations secured by the security interest or
13 agricultural lien under which the disposition is made;

14 (c) The satisfaction of obligations secured by any subordinate security interest
15 in or other subordinate lien on the collateral if:

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

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

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

BILL

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

5 **(3) APPLICATION OF NONCASH PROCEEDS.** A secured party need not apply or pay
6 over for application noncash proceeds of disposition under s. 409.610 unless the
7 failure to do so would be commercially unreasonable. A secured party that applies
8 or pays over for application noncash proceeds shall do so in a commercially
9 reasonable manner.

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

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

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

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

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

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

22 **(6) CALCULATION OF SURPLUS OR DEFICIENCY IN DISPOSITION TO PERSON RELATED TO**
23 **SECURED PARTY.** The surplus or deficiency following a disposition is calculated based
24 on the amount of proceeds that would have been realized in a disposition complying

BILL

1 with this subchapter to a transferee other than the secured party, a person related
2 to the secured party or a secondary obligor if:

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

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

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

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

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

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

18 **409.616 Explanation of calculation of surplus or deficiency. (1)**

19 DEFINITIONS. In this section:

20 (a) "Explanation" means a writing that:

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

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

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

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

6 (b) "Request" means a record:

7 1. Authenticated by a debtor or consumer obligor;

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

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

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

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

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

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

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

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

24 (a) The aggregate amount of obligations secured by the security interest under
25 which the disposition was made, and, if the amount reflects a rebate of unearned

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1 interest or credit service charge, an indication of that fact, calculated as of a specified
2 date:

3 1. If the secured party takes or receives possession of the collateral after
4 default, not more than 35 days before the secured party takes or receives possession;
5 or

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

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

10 (c) The aggregate amount of the obligations after deducting the amount of
11 proceeds;

12 (d) The amount, in the aggregate or by type, and types of expenses, including
13 expenses of retaking, holding, preparing for disposition, processing, and disposing
14 of the collateral, and attorney fees secured by the collateral which are known to the
15 secured party and relate to the current disposition;

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

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

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

23 (5) **CHARGES FOR RESPONSES.** A debtor or consumer obligor is entitled without
24 charge to one response to a request under this section during any 6-month period in
25 which the secured party did not send to the debtor or consumer obligor an

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1 explanation pursuant to sub. (2) (a). The secured party may require payment of a
2 charge not exceeding \$25 for each additional response.

3 **409.617 Rights of transferee of collateral. (1) EFFECTS OF DISPOSITION.** A
4 secured party's disposition of collateral after default:

- 5 (a) Transfers to a transferee for value all of the debtor's rights in the collateral;
6 (b) Discharges the security interest under which the disposition is made; and
7 (c) Discharges any subordinate security interest or other subordinate lien other
8 than liens held by this state or a local governmental unit, as defined in s. 19.42 (7u).

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

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

- 14 (a) The debtor's rights in the collateral;
15 (b) The security interest or agricultural lien under which the disposition is
16 made; and
17 (c) Any other security interest or other lien.

18 **409.618 Rights and duties of certain secondary obligors. (1) RIGHTS AND**
19 **DUTIES OF SECONDARY OBLIGOR.** A secondary obligor acquires the rights and becomes
20 obligated to perform the duties of the secured party after the secondary obligor:

- 21 (a) Receives an assignment of a secured obligation from the secured party;
22 (b) Receives a transfer of collateral from the secured party and agrees to accept
23 the rights and assume the duties of the secured party; or
24 (c) Is subrogated to the rights of a secured party with respect to collateral.

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

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

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

5 **409.619 Transfer of record or legal title. (1) TRANSFER STATEMENT.** In this
6 section, “transfer statement” means a record authenticated by a secured party
7 stating:

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

10 (b) That the secured party has exercised its postdefault remedies with respect
11 to the collateral;

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

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

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

21 (a) Accept the transfer statement;

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

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

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

5 **409.620 Acceptance of collateral in full or partial satisfaction of**
6 **obligation; compulsory disposition of collateral. (1) CONDITIONS TO**
7 **ACCEPTANCE IN SATISFACTION.** Except as otherwise provided in sub. (7), a secured party
8 may accept collateral in full or partial satisfaction of the obligation it secures only
9 if:

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

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

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

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

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

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

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

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

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

BILL

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

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

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

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

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

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

15 **(4) EFFECTIVENESS OF NOTIFICATION.** To be effective under sub. (1) (b), a
16 notification of objection must be received by the secured party:

17 (a) In the case of a person to which the proposal was sent pursuant to s. 409.621,
18 within 20 days after notification was sent to that person; and

19 (b) In other cases:

20 1. Within 20 days after the last notification was sent pursuant to s. 409.621;

21 or

22 2. If a notification was not sent, before the debtor consents to the acceptance
23 under sub. (3).

BILL

1 (5) MANDATORY DISPOSITION OF CONSUMER GOODS. A secured party that has taken
2 possession of collateral shall dispose of the collateral pursuant to s. 409.610 within
3 the time specified in sub. (6) if:

4 (a) Sixty percent of the cash price has been paid in the case of a
5 purchase–money security interest in consumer goods; or

6 (b) Sixty percent of the principal amount of the obligation secured has been paid
7 in the case of a nonpurchase–money security interest in consumer goods.

8 (6) COMPLIANCE WITH MANDATORY DISPOSITION REQUIREMENT. To comply with sub.
9 (5), the secured party shall dispose of the collateral:

10 (a) Within 90 days after taking possession; or

11 (b) Within any longer period to which the debtor and all secondary obligors
12 have agreed in an agreement to that effect entered into and authenticated after
13 default.

14 (7) NO PARTIAL SATISFACTION IN CONSUMER TRANSACTION. In a consumer
15 transaction, a secured party may not accept collateral in partial satisfaction of the
16 obligation it secures.

17 **409.621 Notification of proposal to accept collateral.** (1) PERSONS TO
18 WHICH PROPOSAL TO BE SENT. A secured party that desires to accept collateral in full
19 or partial satisfaction of the obligation it secures shall send its proposal to:

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

23 (b) Any other secured party or lienholder that, 10 days before the debtor
24 consented to the acceptance, held a security interest in or other lien on the collateral
25 perfected by the filing of a financing statement that:

BILL

- 1 1. Identified the collateral;
- 2 2. Was indexed under the debtor's name as of that date; and
- 3 3. Was filed in the office or offices in which to file a financing statement against
- 4 the debtor covering the collateral as of that date; and

5 (c) Any other secured party that, 10 days before the debtor consented to the
6 acceptance, held a security interest in the collateral perfected by compliance with a
7 statute, regulation, or treaty described in s. 409.311 (1).

8 **(2) PROPOSAL TO BE SENT TO SECONDARY OBLIGOR IN PARTIAL SATISFACTION.** A
9 secured party that desires to accept collateral in partial satisfaction of the obligation
10 it secures shall send its proposal to any secondary obligor in addition to the persons
11 described in sub. (1).

12 **409.622 Effect of acceptance of collateral. (1) EFFECT OF ACCEPTANCE.** A
13 secured party's acceptance of collateral in full or partial satisfaction of the obligation
14 it secures:

- 15 (a) Discharges the obligation to the extent consented to by the debtor;
- 16 (b) Transfers to the secured party all of a debtor's rights in the collateral;
- 17 (c) Discharges the security interest or agricultural lien that is the subject of the
- 18 debtor's consent and any subordinate security interest or other subordinate lien; and
- 19 (d) Terminates any other subordinate interest.

20 **(2) DISCHARGE OF SUBORDINATE INTEREST NOTWITHSTANDING NONCOMPLIANCE.** A
21 subordinate interest is discharged or terminated under sub. (1), even if the secured
22 party fails to comply with this chapter.

23 **409.623 Right to redeem collateral. (1) PERSONS THAT MAY REDEEM.** A
24 debtor, any secondary obligor, or any other secured party or lienholder may redeem
25 collateral.

BILL

1 **(2) REQUIREMENTS FOR REDEMPTION.** To redeem collateral, a person shall tender:

2 (a) Fulfillment of all obligations secured by the collateral; and

3 (b) The reasonable expenses and attorney fees described in s. 409.615 (1) (a).

4 **(3) WHEN REDEMPTION MAY OCCUR.** A redemption may occur at any time before
5 a secured party:

6 (a) Has collected collateral under s. 409.607;

7 (b) Has disposed of collateral or entered into a contract for its disposition under
8 s. 409.610; or

9 (c) Has accepted collateral in full or partial satisfaction of the obligation it
10 secures under s. 409.622.

11 **409.624 Waiver. (1) WAIVER OF DISPOSITION NOTIFICATION.** A debtor or
12 secondary obligor may waive the right to notification of disposition of collateral
13 under s. 409.611 only by an agreement to that effect entered into and authenticated
14 after default.

15 **(2) WAIVER OF MANDATORY DISPOSITION.** A debtor may waive the right to require
16 disposition of collateral under s. 409.620 (5) only by an agreement to that effect
17 entered into and authenticated after default.

18 **(3) WAIVER OF REDEMPTION RIGHT.** Except in a consumer-goods transaction, a
19 debtor or secondary obligor may waive the right to redeem collateral under s. 409.623
20 only by an agreement to that effect entered into and authenticated after default.

21 **409.625 Remedies for secured party's failure to comply with chapter.**

22 **(1) JUDICIAL ORDERS CONCERNING NONCOMPLIANCE.** If it is established that a secured
23 party is not proceeding in accordance with this chapter, a court may order or restrain
24 collection, enforcement, or disposition of collateral on appropriate terms and
25 conditions.

BILL

1 **(2) DAMAGES FOR NONCOMPLIANCE.** Subject to subs. (3) and (4), a person is liable
2 for damages in the amount of any loss caused by a failure to comply with this chapter.
3 Loss caused by a failure to comply may include loss resulting from the debtor's
4 inability to obtain, or increased costs of, alternative financing.

5 **(3) PERSONS ENTITLED TO RECOVER DAMAGES; STATUTORY DAMAGES IN**
6 **CONSUMER-GOODS TRANSACTION.** Except as otherwise provided in s. 409.628:

7 (a) A person that, at the time of the failure, was a debtor, was an obligor, or held
8 a security interest in or other lien on the collateral may recover damages under sub.
9 (2) for its loss; and

10 (b) If the collateral is consumer goods, a person that was a debtor or a secondary
11 obligor at the time a secured party failed to comply with this subchapter may recover
12 for that failure in any event an amount not less than the credit service charge plus
13 10% of the principal amount of the obligation or the time-price differential plus 10%
14 of the cash price.

15 **(4) RECOVERY WHEN DEFICIENCY ELIMINATED OR REDUCED.** A debtor whose
16 deficiency is eliminated under s. 409.626 may recover damages for the loss of any
17 surplus. However, a debtor or secondary obligor whose deficiency is eliminated or
18 reduced under s. 409.626 may not otherwise recover under sub. (2) for noncompliance
19 with the provisions of this subchapter relating to collection, enforcement,
20 disposition, or acceptance.

21 **(7) LIMITATION OF SECURITY INTEREST: NONCOMPLIANCE WITH S. 409.210.** If a secured
22 party fails to comply with a request regarding a list of collateral or a statement of
23 account under s. 409.210, the secured party may claim a security interest only as
24 shown in the list or statement included in the request as against a person that is
25 reasonably misled by the failure.

BILL

1 **409.626 Action in which deficiency or surplus is in issue. (1) APPLICABLE**
2 RULES IF AMOUNT OF DEFICIENCY OR SURPLUS IN ISSUE. In an action arising from a
3 transaction, other than a consumer transaction, in which the amount of a deficiency
4 or surplus is in issue, the following rules apply:

5 (a) A secured party need not prove compliance with the provisions of this
6 subchapter relating to collection, enforcement, disposition, or acceptance unless the
7 debtor or a secondary obligor places the secured party's compliance in issue.

8 (b) If the secured party's compliance is placed in issue, the secured party has
9 the burden of establishing that the collection, enforcement, disposition, or
10 acceptance was conducted in accordance with this subchapter.

11 (c) Except as otherwise provided in s. 409.628, if a secured party fails to prove
12 that the collection, enforcement, disposition, or acceptance was conducted in
13 accordance with the provisions of this subchapter relating to collection, enforcement,
14 disposition, or acceptance, the liability of a debtor or a secondary obligor for a
15 deficiency is limited to an amount by which the sum of the secured obligation,
16 expenses, and attorney fees exceeds the greater of:

- 17 1. The proceeds of the collection, enforcement, disposition, or acceptance; or
- 18 2. The amount of proceeds that would have been realized had the noncomplying
19 secured party proceeded in accordance with the provisions of this subchapter
20 relating to collection, enforcement, disposition, or acceptance.

21 (d) For purposes of par. (c) 2., the amount of proceeds that would have been
22 realized is equal to the sum of the secured obligation, expenses, and attorney fees
23 unless the secured party proves that the amount is less than that sum.

24 (e) If a deficiency or surplus is calculated under s. 409.615 (6), the debtor or
25 obligor has the burden of establishing that the amount of proceeds of the disposition

BILL

1 is significantly below the range of prices that a complying disposition to a person
2 other than the secured party, a person related to the secured party, or a secondary
3 obligor would have brought.

4 (2) NONCONSUMER TRANSACTIONS; NO INFERENCE. The limitation of the rules in
5 sub. (1) to transactions other than consumer transactions is intended to leave to the
6 court the determination of the proper rules in consumer transactions. The court may
7 not infer from that limitation the nature of the proper rule in consumer transactions
8 and may continue to apply established approaches.

9 **409.627 Determination of whether conduct was commercially**
10 **reasonable.** (1) GREATER AMOUNT OBTAINABLE UNDER OTHER CIRCUMSTANCES; NO
11 PRECLUSION OF COMMERCIAL REASONABLENESS. The fact that a greater amount could
12 have been obtained by a collection, enforcement, disposition, or acceptance at a
13 different time or in a different method from that selected by the secured party is not
14 of itself sufficient to preclude the secured party from establishing that the collection,
15 enforcement, disposition, or acceptance was made in a commercially reasonable
16 manner.

17 (2) DISPOSITIONS THAT ARE COMMERCIALY REASONABLE. A disposition of collateral
18 is made in a commercially reasonable manner if the disposition is made:

19 (a) In the usual manner on any recognized market;

20 (b) At the price current in any recognized market at the time of the disposition;

21 or

22 (c) Otherwise in conformity with reasonable commercial practices among
23 dealers in the type of property that was the subject of the disposition.

24 (3) APPROVAL BY COURT OR ON BEHALF OF CREDITORS. A collection, enforcement,
25 disposition, or acceptance is commercially reasonable if it has been approved:

BILL

- 1 (a) In a judicial proceeding;
- 2 (b) By a bona fide creditors' committee;
- 3 (c) By a representative of creditors; or
- 4 (d) By an assignee for the benefit of creditors.

5 **(4) APPROVAL UNDER SUB. (3) NOT NECESSARY; ABSENCE OF APPROVAL HAS NO EFFECT.**

6 Approval under sub. (3) need not be obtained, and lack of approval does not mean
7 that the collection, enforcement, disposition, or acceptance is not commercially
8 reasonable.

9 **409.628 Nonliability and limitation on liability of secured party;**
10 **liability of secondary obligor. (1) LIMITATION OF LIABILITY OF SECURED PARTY FOR**
11 **NONCOMPLIANCE WITH CHAPTER.** Unless a secured party knows that a person is a debtor
12 or obligor, knows the identity of the person, and knows how to communicate with the
13 person:

14 (a) The secured party is not liable to the person, or to a secured party or
15 lienholder that has filed a financing statement against the person, for failure to
16 comply with this chapter; and

17 (b) The secured party's failure to comply with this chapter does not affect the
18 liability of the person for a deficiency.

19 **(2) LIMITATION OF LIABILITY BASED ON STATUS AS SECURED PARTY.** A secured party
20 is not liable because of its status as secured party:

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

- 22 1. That the person is a debtor or obligor;
- 23 2. The identity of the person; and
- 24 3. How to communicate with the person; or

BILL

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

- 3 1. That the person is a debtor; and
- 4 2. The identity of the person.

5 (3) LIMITATION OF LIABILITY IF REASONABLE BELIEF THAT TRANSACTION NOT A
6 CONSUMER-GOODS TRANSACTION OR CONSUMER TRANSACTION. A secured party is not
7 liable to any person, and a person's liability for a deficiency is not affected, because
8 of any act or omission arising out of the secured party's reasonable belief that a
9 transaction is not a consumer-goods transaction or a consumer transaction or that
10 goods are not consumer goods, if the secured party's belief is based on its reasonable
11 reliance on:

12 (a) A debtor's representation concerning the purpose for which collateral was
13 to be used, acquired, or held; or

14 (b) An obligor's representation concerning the purpose for which a secured
15 obligation was incurred.

16 (4) LIMITATION OF LIABILITY FOR STATUTORY DAMAGES. A secured party is not liable
17 to any person under s. 409.625 (3) (b) for its failure to comply with s. 409.616.

18 (5) LIMITATION OF MULTIPLE LIABILITY FOR STATUTORY DAMAGES. A secured party
19 is not liable under s. 409.625 (3) (b) more than once with respect to any one secured
20 obligation.

SUBCHAPTER VII**TRANSITION**

23 **409.702 Savings clause. (1) PREEFFECTIVE-DATE TRANSACTIONS OR LIENS.**

24 Except as otherwise provided in this subchapter, 2001 Wisconsin Act (this act)
25 applies to a transaction or lien within its scope, even if the transaction or lien was

BILL

1 entered into or created before the effective date of this subsection [revisor inserts
2 date].

3 (2) CONTINUING VALIDITY. Except as otherwise provided in sub. (3) and ss.
4 409.703 to 409.709:

5 (a) Transactions and liens that were not governed by ch. 409, 1999 stats., were
6 validly entered into or created before the effective date of this paragraph [revisor
7 inserts date], and would be subject to 2001 Wisconsin Act (this act) if they had
8 been entered into or created on or after the effective date of this paragraph [revisor
9 inserts date], and the rights, duties, and interests flowing from those transactions
10 and liens remain valid on and after the effective date of this paragraph [revisor
11 inserts date]; and

12 (b) The transactions and liens may be terminated, completed, consummated,
13 and enforced as required or permitted by 2001 Wisconsin Act (this act) or by the
14 law that otherwise would apply if this paragraph had not taken effect.

15 (3) PREEFFECTIVE-DATE PROCEEDINGS. 2001 Wisconsin Act (this act) does not
16 affect an action, case, or proceeding commenced before the effective date of this
17 subsection [revisor inserts date].

18 **409.703 Security interest perfected before effective date. (1)**

19 CONTINUING PRIORITY OVER LIEN CREDITOR: PERFECTION REQUIREMENTS SATISFIED. A
20 security interest that is enforceable immediately before the effective date of this
21 subsection [revisor inserts date], and would have priority over the rights of a
22 person that becomes a lien creditor at that time is a perfected security interest under
23 2001 Wisconsin Act (this act) if, on the effective date of this subsection [revisor
24 inserts date], the applicable requirements for enforceability and perfection under
25 2001 Wisconsin Act (this act) are satisfied without further action.

BILL

1 (2) CONTINUING PRIORITY OVER LIEN CREDITOR: PERFECTION REQUIREMENTS NOT
2 SATISFIED. Except as otherwise provided in s. 409.705, if, immediately before the
3 effective date of this subsection [revisor inserts date], a security interest is
4 enforceable and would have priority over the rights of a person that becomes a lien
5 creditor at that time, but the applicable requirements for enforceability or perfection
6 under 2001 Wisconsin Act (this act) are not satisfied as of the effective date of this
7 subsection [revisor inserts date], the security interest:

8 (a) Is a perfected security interest until one year after the effective date of this
9 paragraph [revisor inserts date];

10 (b) Remains enforceable on and after one year after the effective date of this
11 paragraph [revisor inserts date], only if the security interest becomes enforceable
12 under s. 409.203 before one year after the effective date of this paragraph [revisor
13 inserts date]; and

14 (c) Remains perfected on and after one year after the effective date of this
15 paragraph [revisor inserts date], only if the applicable requirements for perfection
16 under 2001 Wisconsin Act (this act) are satisfied before one year after the effective
17 date of this paragraph [revisor inserts date].

18 **409.704 Security interest unperfected before effective date.** A security
19 interest that is enforceable immediately before the effective date of this section
20 [revisor inserts date], but which would be subordinate to the rights of a person that
21 becomes a lien creditor at that time:

22 (1) Remains an enforceable security interest for one year after the effective
23 date of this subsection [revisor inserts date];

24 (2) Remains enforceable on and after one year after the effective date of this
25 subsection [revisor inserts date], if the security interest becomes enforceable

BILL

1 under s. 409.203 on the effective date of this subsection [revisor inserts date], or
2 within one year thereafter; and

3 **(3) Becomes perfected:**

4 1. Without further action, on the effective date of this subdivision [revisor
5 inserts date], if the applicable requirements for perfection under 2001 Wisconsin Act
6 (this act) are satisfied before or at that time; or

7 2. When the applicable requirements for perfection are satisfied if the
8 requirements are satisfied after that time.

9 **409.705 Effectiveness of action taken before effective date. (1)**

10 ~~PREEFFECTIVE-DATE ACTION; ONE-YEAR PERFECTION PERIOD UNLESS REPERFECTED.~~ If
11 action, other than the filing of a financing statement, is taken before the effective
12 date of this subsection [revisor inserts date], and the action would have resulted
13 in priority of a security interest over the rights of a person that becomes a lien
14 creditor had the security interest become enforceable before the effective date of this
15 subsection [revisor inserts date], the action is effective to perfect a security
16 interest that attaches under 2001 Wisconsin Act (this act) before the effective date
17 of this subsection [revisor inserts date]. An attached security interest becomes
18 unperfected one year after the effective date of this subsection [revisor inserts
19 date], unless the security interest becomes a perfected security interest under 2001
20 Wisconsin Act (this act) before one year after the effective date of this subsection
21 [revisor inserts date].

22 **(2) PREEFFECTIVE-DATE FILING.** The filing of a financing statement before the
23 effective date of this subsection [revisor inserts date], is effective to perfect a
24 security interest to the extent that the filing would satisfy the applicable
25 requirements for perfection under 2001 Wisconsin Act (this act).

BILL**(3) PREEFFECTIVE-DATE FILING IN JURISDICTION FORMERLY GOVERNING PERFECTION.**

2001 Wisconsin Act (this act) does not render ineffective an effective financing statement that, before the effective date of this subsection [revisor inserts date], is filed and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in s. 409.103, 1999 stats. However, except as otherwise provided in subs. (4) and (5) and s. 409.706, the financing statement ceases to be effective at the earlier of:

(a) The time the financing statement would have ceased to be effective under the law of the jurisdiction in which it is filed; or

(b) June 30, 2006.

(4) CONTINUATION STATEMENT. The filing of a continuation statement on or after the effective date of this subsection [revisor inserts date], does not continue the effectiveness of the financing statement filed before the effective date of this subsection [revisor inserts date]. However, upon the timely filing of a continuation statement on or after the effective date of this subsection [revisor inserts date], and in accordance with the law of the jurisdiction governing perfection as provided in subch. III, the effectiveness of a financing statement filed in the same office in that jurisdiction before the effective date of this subsection [revisor inserts date], continues for the period provided by the law of that jurisdiction.

(5) APPLICATION OF SUB. (3) (B) TO TRANSMITTING UTILITY FINANCING STATEMENT.

Subsection (3) (b) applies to a financing statement that, before the effective date of this subsection [revisor inserts date], is filed against a transmitting utility and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in s. 409.103, 1999 stats., only to the extent that subch. III provides that the law of a jurisdiction other than the jurisdiction in which

BILL

1 the financing statement is filed governs perfection of a security interest in collateral
2 covered by the financing statement.

3 (6) APPLICATION OF SUBCH. V. A financing statement that includes a financing
4 statement filed before the effective date of this subsection [revisor inserts date],
5 and a continuation statement filed on or after the effective date of this subsection
6 [revisor inserts date], is effective only to the extent that it satisfies the requirements
7 of subch. V for an initial financing statement.

8 **409.706 When initial financing statement suffices to continue**
9 **effectiveness of financing statement. (1) INITIAL FINANCING STATEMENT IN LIEU**
10 **OF CONTINUATION STATEMENT.** The filing of an initial financing statement in the office
11 specified in s. 409.501 continues the effectiveness of a financing statement filed
12 before the effective date of this subsection [revisor inserts date], if:

13 (a) The filing of an initial financing statement in that office would be effective
14 to perfect a security interest under 2001 Wisconsin Act (this act);

15 (b) The preeffective-date financing statement was filed in an office in another
16 state or another office in this state; and

17 (c) The initial financing statement satisfies sub. (3).

18 (2) PERIOD OF CONTINUED EFFECTIVENESS. The filing of an initial financing
19 statement under sub. (1) continues the effectiveness of the preeffective-date
20 financing statement:

21 (a) If the initial financing statement is filed before the effective date of this
22 paragraph [revisor inserts date], for the period provided in s. 409.403, 1999 stats.,
23 with respect to a financing statement; and

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1 (b) If the initial financing statement is filed on or after the effective date of this
2 paragraph [revisor inserts date], for the period provided in s. 409.515 with respect
3 to an initial financing statement.

4 (3) REQUIREMENTS FOR INITIAL FINANCING STATEMENT UNDER SUB. (1). To be
5 effective for purposes of sub. (1), an initial financing statement must:

6 (a) Satisfy the requirements of subch. V for an initial financing statement;

7 (b) Identify the preeffective–date financing statement by indicating the office
8 in which the financing statement was filed and providing the dates of filing and file
9 numbers, if any, of the financing statement and of the most recent continuation
10 statement filed with respect to the financing statement; and

11 (c) Indicate that the preeffective–date financing statement remains effective.

12 **409.707 Amendment of preeffective–date financing statement. (1)**
13 **PREEFFECTIVE–DATE FINANCING STATEMENT.** In this section, “preeffective–date
14 financing statement” means a financing statement filed before the effective date of
15 this subsection [revisor inserts date].

16 (2) **APPLICABLE LAW.** On or after the effective date of this subsection [revisor
17 inserts date], a person may add or delete collateral covered by, continue or terminate
18 the effectiveness of, or otherwise amend the information provided in, a
19 preeffective–date financing statement only in accordance with the law of the
20 jurisdiction governing perfection as provided in subch. III. However, the
21 effectiveness of a preeffective–date financing statement also may be terminated in
22 accordance with the law of the jurisdiction in which the financing statement is filed.

23 (3) **METHOD OF AMENDING: GENERAL RULE.** Except as otherwise provided in sub.
24 (4), if the law of this state governs perfection of a security interest, the information

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1 in a preeffective-date financing statement may be amended on or after the effective
2 date of this subsection [revisor inserts date], only if:

3 (a) The preeffective-date financing statement and an amendment are filed in
4 the office specified in s. 409.501;

5 (b) An amendment is filed in the office specified in s. 409.501 concurrently with,
6 or after the filing in that office of, an initial financing statement that satisfies s.
7 409.706 (3); or

8 (c) An initial financing statement that provides the information as amended
9 and satisfies s. 409.706 (3) is filed in the office specified in s. 409.501.

10 (4) METHOD OF AMENDING: CONTINUATION. If the law of this state governs
11 perfection of a security interest, the effectiveness of a preeffective-date financing
12 statement may be continued only under s. 409.705 (4) and (6) or 409.706.

13 (5) METHOD OF AMENDING: ADDITIONAL TERMINATION RULE. Whether or not the law
14 of this state governs perfection of a security interest, the effectiveness of a
15 preeffective-date financing statement filed in this state may be terminated on or
16 after the effective date of this subsection [revisor inserts date], by filing a
17 termination statement in the office in which the preeffective-date financing
18 statement is filed, unless an initial financing statement that satisfies s. 409.706 (3)
19 has been filed in the office specified by the law of the jurisdiction governing perfection
20 as provided in subch. III as the office in which to file a financing statement.

21 **409.708 Persons entitled to file initial financing statement or**
22 **continuation statement.** A person may file an initial financing statement or a
23 continuation statement under this subchapter if:

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

25 (2) The filing is necessary under this subchapter:

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1 (a) To continue the effectiveness of a financing statement filed before the
2 effective date of this paragraph [revisor inserts date]; or

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

4 **409.709 Priority. (1) LAW GOVERNING PRIORITY.** 2001 Wisconsin Act (this
5 act) determines the priority of conflicting claims to collateral. However, if the
6 relative priorities of the claims were established before the effective date of this
7 subsection [revisor inserts date], ch. 409, 1999 stats., determines priority.

8 **(2) PRIORITY IF SECURITY INTEREST BECOMES ENFORCEABLE UNDER S. 409.203.** For
9 purposes of s. 409.322 (1), the priority of a security interest that becomes enforceable
10 under s. 409.203 dates from the effective date of this subsection [revisor inserts
11 date], if the security interest is perfected under 2001 Wisconsin Act (this act) by
12 the filing of a financing statement before the effective date of this subsection
13 [revisor inserts date], which would not have been effective to perfect the security
14 interest under ch. 409, 1999 stats. This subsection does not apply to conflicting
15 security interests each of which is perfected by the filing of such a financing
16 statement.

17 **409.710 Special transitional provision for maintaining and searching**
18 **local filing office records. (1) DEFINITIONS.** In this section:

19 (a) "Former-ch.-409 records":

20 1. Means:

21 a. Financing statements and other records that have been filed in a local filing
22 office before July 1, 2001, and that are, or upon processing and indexing will be,
23 reflected in the index maintained, as of June 30, 2001, by the local filing office for
24 financing statements and other records filed in the local filing office before July 1,
25 2001; and

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- 1 b. The index as of June 30, 2001.
- 2 2. Does not include records presented to a local filing office for filing after June
- 3 30, 2001, whether or not the records relate to financing statements filed in the local
- 4 filing office before July 1, 2001.

5 (b) “Local filing office” means a filing office, other than the department of

6 financial institutions, that is designated as the proper place to file a financing

7 statement under s. 409.401 (1), 1999 stats., with respect to a record that covers a type

8 of collateral as to which the filing office is designated in that subsection as the proper

9 place to file.

10 (2) PROHIBITION OF FILING AFTER JUNE 30, 2001. A local filing office shall not accept

11 for filing a record presented after June 30, 2001, whether or not the record relates

12 to a financing statement filed in the local filing office before July 1, 2001.

13 (3) MAINTENANCE OF RECORDS. Until July 1, 2008, each local filing office must

14 maintain all former-ch.-409 records in accordance with ch. 409, 1999 stats. A

15 former-ch.-409 record that is not reflected on the index maintained at June 30, 2001,

16 by the local filing office must be processed and indexed, and reflected on the index

17 as of June 30, 2001, as soon as practicable but in any event no later than July 30,

18 2001.

19 (4) INFORMATION REQUESTS. Until at least June 30, 2008, each local filing office

20 must respond to requests for information with respect to former-ch.-409 records

21 relating to a debtor and issue certificates, in accordance with ch. 409, 1999 stats. The

22 fees charged for responding to requests for information relating to a debtor and

23 issuing certificates with respect to former-ch.-409 records must be the fees in effect

24 under ch. 409, 1999 stats., on June 30, 2001, unless a different fee is later set by the

25 local filing office. However, the different fee must not exceed the amount set by

BILL

1 filing-office rule for responding to a request for information relating to a debtor or
2 for issuing a certificate. This subsection does not require that a fee be charged for
3 remote access searching of the filing-office data base. The rule promulgated
4 pursuant to this subsection need not specify a fee for remote access searching of the
5 filing-office data base.

6 (5) DESTRUCTION OF RECORDS. After June 30, 2008, each local filing office may
7 remove and destroy, in accordance with any then-applicable record retention law of
8 this state, all former-ch.-409 records, including the related index.

9 (6) EXCLUSION. This section does not apply, with respect to financing
10 statements and other records, to a filing office in which mortgages or records of
11 mortgages on real property are required to be filed or recorded, if:

12 (a) The collateral is timber to be cut or as-extracted collateral; or

13 (b) The record is or relates to a financing statement filed as a fixture filing and
14 the collateral is goods that are or are to become fixtures.

15 SECTION 79. 411.103 (3) (a) of the statutes is amended to read:

16 411.103 (3) (a) "Account" — s. ~~409.106~~ 409.102 (1) (ag).

17 SECTION 80. 411.103 (3) (d) of the statutes is amended to read:

18 411.103 (3) (d) "Chattel paper" — s. ~~409.105 (1) (b)~~ 409.102 (1) (cm).

19 SECTION 81. 411.103 (3) (e) of the statutes is amended to read:

20 411.103 (3) (e) "Consumer goods" — s. ~~409.109 (1)~~ 409.102 (1) (fm).

21 SECTION 82. 411.103 (3) (f) of the statutes is amended to read:

22 411.103 (3) (f) "Document" — s. ~~409.105 (1) (f)~~ 409.102 (1) (hg).

23 SECTION 83. 411.103 (3) (h) of the statutes is amended to read:

24 411.103 (3) (h) "General intangibles intangible" — s. ~~409.106~~ 409.102 (1) (kg).

25 SECTION 84. 411.103 (3) (j) of the statutes is amended to read:

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1 411.103 (3) (j) “Instrument” — s. ~~409.105 (1) (i)~~ 409.102 (1) (Lm).

2 **SECTION 85.** 411.103 (3) (L) of the statutes is amended to read:

3 411.103 (3) (L) “Mortgage” — s. ~~409.105 (1) (j)~~ 409.102 (1) (nm).

4 **SECTION 86.** 411.103 (3) (m) of the statutes is amended to read:

5 411.103 (3) (m) “Pursuant to commitment” — s. ~~409.105 (1) (k)~~ 409.102 (1) (qs).

6 **SECTION 87.** 411.303 (1) and (2) of the statutes are amended to read:

7 411.303 (1) In this section, “creation of a security interest” includes the sale of
8 a lease contract that is subject to ch. 409 under s. ~~409.102 (1) (b)~~ 409.109 (1) (c).

9 (2) Except as provided in ~~subs. sub. (3) and (4)~~ s. 409.407, a provision in a lease
10 agreement that prohibits the voluntary or involuntary transfer, including a transfer
11 by sale, sublease, creation or enforcement of a security interest, or attachment, levy,
12 or other judicial process, of an interest of a party under the lease contract or of the
13 lessor’s residual interest in the goods, or that makes such a transfer an event of
14 default, gives rise to the rights and remedies provided in sub. ~~(5)~~ (4), but a transfer
15 that is prohibited or is an event of default under the lease agreement is otherwise
16 effective.

17 **SECTION 88.** 411.303 (3) of the statutes is repealed.

18 **SECTION 89.** 411.303 (4) of the statutes is renumbered 411.303 (3) and amended
19 to read:

20 411.303 (3) A provision in a lease agreement that prohibits a transfer of a right
21 to damages for default with respect to the whole lease contract or of a right to
22 payment arising out of the transferor’s due performance of the transferor’s entire
23 obligation, or that makes such a transfer an event of default, is not enforceable, and
24 such a transfer is not a transfer that materially impairs the prospect of obtaining
25 return performance by, materially changes the duty of, or materially increases the

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1 burden or risk imposed on, the other party to the lease contract within the purview
2 of sub. ~~(5)~~ (4).

3 **SECTION 90.** 411.303 (5) of the statutes is renumbered 411.303 (4), and 411.303
4 (4) (intro.), as renumbered, is amended to read:

5 411.303 (4) (intro.) Subject to subs. sub. (3) and (4) s. 409.407:

6 **SECTION 91.** 411.303 (6), (7) and (8) of the statutes are renumbered 411.303 (5),
7 (6) and (7).

8 **SECTION 92.** 411.307 (2) (intro.) and (a) of the statutes are consolidated,
9 renumbered 411.307 (2) and amended to read:

10 411.307 (2) Except as provided in ~~subs. sub. (3) and (4)~~ and ss. 411.306 and
11 411.308, a creditor of a lessor takes subject to the lease contract unless ~~any of the~~
12 ~~following occurs:~~ ~~(a) The~~ the creditor holds a lien that attached to the goods before
13 the lease contract became enforceable.

14 **SECTION 93.** 411.307 (2) (b) and (c) of the statutes are repealed.

15 **SECTION 94.** 411.307 (3) of the statutes is repealed and recreated to read:

16 411.307 (3) Except as otherwise provided in ss. 409.317, 409.321, and 409.323,
17 a lessee takes a leasehold interest subject to a security interest held by a creditor of
18 the lessor.

19 **SECTION 95.** 411.307 (4) of the statutes is repealed.

20 **SECTION 96.** 411.309 (1) (c) of the statutes is amended to read:

21 411.309 (1) (c) “Fixture filing” means a filing, in the office where a record of a
22 mortgage on real estate would be filed or recorded, of a financing statement covering
23 goods that are or are to become fixtures and conforming to the requirements of s.
24 409.402 (5) 409.502 (1) and (2).

25 **SECTION 97.** 421.301 (21) of the statutes is amended to read:

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1 421.301 (21) “Goods” has the meaning given in s. 409.102 (1) (ks) and includes
2 goods (~~s. 409.105~~) not in existence at the time the transaction is entered into and
3 goods which are or are to become fixtures.

4 **SECTION 98.** 422.413 (2r) (intro.) of the statutes is amended to read:

5 422.413 (2r) (intro.) Notwithstanding s. ~~409.504~~ 409.615 (1), the proceeds of
6 any disposition of collateral referred to in sub. (2g) shall be applied in the following
7 order to:

8 **SECTION 99.** 422.413 (2r) (f) of the statutes is amended to read:

9 422.413 (2r) (f) The satisfaction of indebtedness secured by any subordinate
10 security interest in the collateral, subject to the restrictions set forth in s. ~~409.504~~
11 409.615 (1) (c) and (2).

12 **SECTION 100.** 425.105 (4) of the statutes is amended to read:

13 425.105 (4) With respect to consumer credit transactions in which the creditor
14 has a security interest in, and possession of, instruments or documents (~~s. 409.105~~),
15 as each is defined in s. 409.102 (1), which threaten to decline speedily in value, this
16 section does not restrict the creditor’s rights to dispose of such property pursuant to
17 ~~s. 409.504~~ subch. VI of ch. 409 and the terms of the creditor’s security agreement.

18 **SECTION 101.** 425.203 (3) (intro.) of the statutes is amended to read:

19 425.203 (3) (intro.) Following recovery of collateral pursuant to a judgment
20 under sub. (2), the merchant may either retain the collateral in full satisfaction of
21 the customer’s obligation pursuant to ~~s. 409.505~~ ss. 409.620 to 409.624, in which
22 event the merchant shall satisfy the judgment obtained pursuant to sub. (2); or shall
23 dispose of the collateral pursuant to ~~s. 409.504~~ subch. VI of ch. 409, in which event:

24 **SECTION 102.** 425.204 (2) of the statutes is amended to read:

BILL**SECTION 102**

1 425.204 (2) The rights and obligations of the merchant and customer with
2 respect to collateral voluntarily surrendered as defined in this section shall be
3 governed by ~~ss. 409.504 to 409.507~~ subch. VI of ch. 409, and are not subject to this
4 subchapter.

5 **SECTION 103.** 425.207 (2) of the statutes is amended to read:

6 425.207 (2) A merchant who reasonably believes that a customer has
7 abandoned collateral or goods subject to a consumer lease may take possession of
8 such collateral or leased goods and preserve it. However, the customer may recover
9 such collateral or leased goods upon request unless at the time of request the
10 customer has surrendered the collateral or leased goods, or judgment for the
11 merchant has been entered in a proceeding for recovery of collateral or leased goods
12 under s. 425.205 or in a judgment described in s. 425.203 (2). A merchant taking
13 possession of collateral or leased goods pursuant to this section shall promptly send
14 notification to the customer's last-known address of such action and of the
15 customer's right to recover such collateral or leased goods under this section. If the
16 collateral or leased goods are recovered by the customer pursuant to this section, it
17 shall be returned to the customer at the location where the merchant took possession
18 of such collateral or leased goods pursuant to this section or, at the option of the
19 merchant, at such other location designated by the customer; and any expense
20 incurred by the merchant in taking possession of, holding and returning the
21 collateral or leased goods to the customer shall be borne by the merchant. If after
22 taking possession of collateral or leased goods pursuant to this subsection, the
23 merchant perfects the right to possession through a surrender by the customer or a
24 judgment under s. 425.203 (2) or 425.205, the customer is liable for the expenses set
25 forth in s. ~~409.504~~ 409.615 (1). In determining such expenses, leased goods shall be

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1 considered collateral under s. ~~409.504~~ 409.615 (1). However, a customer is not liable
2 for expenses of holding the collateral or leased goods from the time the merchant
3 takes possession until the merchant perfects the right to possession in the manner
4 provided in this subsection.

5 **SECTION 104.** 425.208 (6) of the statutes is amended to read:

6 425.208 (6) The creditor shall not dispose of the collateral or enter into a
7 contract for the disposition of the collateral, until the expiration of the period for
8 redemption provided in this section, unless the collateral is perishable or threatens
9 to decline speedily in value. Upon the expiration of such period any disposition of the
10 collateral shall be subject to ss. ~~409.504, 409.505 and 409.506~~ subch. VI of ch. 409,
11 except that the customer may be liable for a deficiency only to the extent provided
12 in ss. 425.209 and 425.210.

13 **SECTION 105.** 779.48 (2) of the statutes is amended to read:

14 779.48 (2) Every person given a lien by ss. 779.41 and 779.43 (3) may in case
15 the claim remains unpaid for 2 months after the debt is incurred, and a person given
16 a lien under s. 779.47 (2) may if the claim remains unpaid 90 days after the lien is
17 perfected, enforce such lien by sale of the property substantially in conformity with
18 ~~ss. 409.501 to 409.507~~ subch. VI of ch. 409 and the lien claimant shall have the rights
19 and duties of a secured party thereunder. When such sections are applied to the
20 enforcement of such lien the word debtor or equivalent when used therein shall be
21 deemed to refer to the owner of the property and any other person having an interest
22 shown by instrument filed as required by law or shown in the records of the
23 department of transportation, and the word indebtedness or equivalent shall include
24 all claims upon which such lien is based.

25 **SECTION 106.** 779.89 of the statutes is amended to read:

BILL**SECTION 106**

1 **779.89 Attachment and preservation.** All prepaid maintenance liens
2 attach at the time of the first prepayment and shall be preserved from the time the
3 lien attaches. It is not necessary to file or record any notice of the lien in order to
4 preserve or perfect the lien although a customer may file this lien in the manner
5 prescribed for perfecting liens under subch. III of ch. 409 regarding debtors who are
6 located in this state.

7 **SECTION 107.** 779.91 (2) of the statutes is amended to read:

8 779.91 (2) Upon discharge of a prepaid maintenance lien, any customer who
9 filed the lien as permitted in s. 779.89 is subject to the requirements of s. ~~409.404~~
10 409.513.

11 **SECTION 108.** 779.97 (4) (a) 1. of the statutes is amended to read:

12 779.97 (4) (a) 1. With the department of financial institutions, the filing officer
13 shall cause the notice to be ~~marked, held and indexed~~ dealt with in accordance with
14 s. ~~409.403 (4)~~ 409.519 as if the notice were a financing statement within the meaning
15 of chs. 401 to 411; or

16 **SECTION 109.** 779.97 (4) (b) 1. of the statutes is amended to read:

17 779.97 (4) (b) 1. If a refile of a notice of lien is presented to the department
18 of financial institutions for filing, the filing officer shall cause the refiled notice of
19 federal lien to be ~~marked, held and indexed~~ dealt with in accordance with s. ~~409.403~~
20 409.519 as if the refile were a continuation statement within the meaning of chs.
21 401 to 411, except that the time period in par. (d) shall apply instead of the time period
22 in s. ~~409.403 (2) and (3)~~ 409.515.

23 **SECTION 110.** 779.97 (4) (b) 2. of the statutes is amended to read:

24 779.97 (4) (b) 2. If a certificate of release is presented to the department of
25 financial institutions for filing, the filing officer shall cause the certificate to be

BILL

1 ~~marked, held and indexed~~ dealt with in accordance with s. ~~409.404~~ 409.513 as if the
2 certificate were a termination statement within the meaning of chs. 401 to 411, and
3 the filing officer may remove the notice of federal lien and any related refiling of a
4 notice of lien, certificate of nonattachment, discharge or subordination from the files
5 at any time after receipt of the certificate of release, but the department of financial
6 institutions shall keep the certificate of release or a microfilm or other photographic
7 record or optical disk or electronic record of the certificate of release in a file, separate
8 from those containing currently effective notices of liens, for a period of 30 years after
9 the date of filing of the certificate of release.

10 **SECTION 111.** 779.97 (4) (b) 3. of the statutes is amended to read:

11 779.97 (4) (b) 3. If a certificate of discharge is presented to the department of
12 financial institutions for filing, the filing officer shall cause the certificate to be
13 ~~marked, held and indexed~~ dealt with as if the certificate were a ~~release of collateral~~
14 an amendment that deletes collateral within the meaning of chs. 401 to 411.

15 **SECTION 112.** 779.97 (4) (b) 4. of the statutes is amended to read:

16 779.97 (4) (b) 4. If a certificate of nonattachment or subordination of any lien
17 is presented to the department of financial institutions for filing, the filing officer
18 shall cause the certificate to be ~~marked, held and indexed~~ dealt with as if the
19 certificate were an amendment that deletes collateral within the meaning of chs. 401
20 to 411.

21 **SECTION 113.** 779.97 (4) (d) of the statutes is amended to read:

22 779.97 (4) (d) Unless a refiling of a notice of lien is presented to a filing officer
23 for filing within 11 years and 60 days after the date on which a notice of lien or the
24 latest refiling of a notice of that lien is filed with that officer, the filing officer may
25 remove the notice of federal lien and any related refiling of a notice of lien, certificate

BILL**SECTION 113**

1 of nonattachment, discharge or subordination from the files. Any refileing of a notice
2 of lien presented to a filing officer after such removal shall be marked, held and
3 indexed dealt with as though the document were a notice of federal lien instead of
4 a refileing of a notice of lien.

5 **SECTION 114.** 779.97 (4) (e) of the statutes is amended to read:

6 779.97 (4) (e) Upon request of any person, the filing officer shall issue a
7 certificate showing whether there is on file, on the date and hour stated therein, any
8 notice of federal lien or any related refileing of a notice of lien, certificate of
9 nonattachment, discharge or subordination filed on or after February 1, 1968,
10 naming a particular person, and if a notice or certificate is on file, giving the date and
11 hour of filing of each notice or certificate. ~~The fee for a certificate is \$2. Upon request~~
12 ~~the filing officer shall furnish a copy of any notice of federal lien or notice or certificate~~
13 ~~affecting a federal lien for a fee of 50 cents per page~~ If the filing officer is the
14 department of financial institutions, the filing officer shall include the information
15 concerning the notice of federal lien, or notice or certificate affecting a federal lien,
16 in the information communicated or otherwise made available in response to a
17 request under s. 409.523 (3), and the fee charged shall be that charged in accordance
18 with s. 409.525.

19 **SECTION 115.** 815.18 (2) (i) of the statutes is amended to read:

20 815.18 (2) (i) "Farm products" has the meaning given under s. ~~409.109 (3)~~
21 409.102 (1) (im).

22 **SECTION 116.** 815.18 (2) (j) of the statutes is amended to read:

23 815.18 (2) (j) "Inventory" has the meaning given under s. ~~409.109 (4)~~ 409.102
24 (1) (Ls).

25 **SECTION 117.** 818.02 (4) of the statutes is amended to read:

BILL

1 818.02 (4) Subsections (1) and (3) do not apply to any security agreement under
2 which the plaintiff claims a purchase money security interest, as defined in ~~ch. 409~~
3 s. 409.103.

4 **SECTION 118.** 893.36 (3) (b) of the statutes is amended to read:

5 893.36 (3) (b) "Collateral" has the meaning provided by s. ~~409.105 (1) (e)~~
6 409.102 (1) (cs).

7 **SECTION 119.** 893.36 (3) (c) of the statutes is amended to read:

8 893.36 (3) (c) "Debtor" has the meaning provided by s. ~~409.105 (1) (d)~~ 409.102
9 (1) (gs).

10 **SECTION 120.** 893.36 (3) (e) of the statutes is amended to read:

11 893.36 (3) (e) "Secured party" has the meaning provided by s. ~~409.105 (1) (L)~~
12 409.102 (1) (rs).

13 **SECTION 121.** 893.36 (3) (f) of the statutes is amended to read:

14 893.36 (3) (f) "Security agreement" has the meaning provided by s. ~~409.105 (1)~~
15 ~~(m)~~ 409.102 (1) (s).

16 **SECTION 121m. Appropriation changes.**

17 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation
18 to the department of financial institutions under section 20.144 (1) (g) of the statutes,
19 as affected by the acts of 2001, the dollar amount is increased by \$442,600 for fiscal
20 year 2000-01 for the administration of chapter 409 of the statutes, including to
21 increase the authorized FTE project positions for the department by 3.0 PR program
22 assistant positions for the period ending on June 30, 2002.

23 **SECTION 122g. Effective dates.** This act takes effect on July 1, 2001, or on
24 the day after publication, whichever is later, except as follows:

BILL

SECTION 122g

1 (1) SECTION 121m (1) of this act takes effect on the day after publication.

2 (END)

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obligation incurred with respect to other inventory in which the secured party holds or held a purchase-money security interest; and

(c) Also to the extent that the security interest secures a purchase-money obligation incurred with respect to software in which the secured party holds or held a purchase-money security interest.

(3) PURCHASE-MONEY SECURITY INTEREST IN SOFTWARE. A security interest in software is a purchase-money security interest to the extent that the security interest also secures a purchase-money obligation incurred with respect to goods in which the secured party holds or held a purchase-money security interest if:

(a) The debtor acquired its interest in the software in an integrated transaction in which it acquired an interest in the goods; and

(b) The debtor acquired its interest in the software for the principal purpose of using the software in the goods.

(4) CONSIGNOR'S INVENTORY PURCHASE-MONEY SECURITY INTEREST. The security interest of a consignor in goods that are the subject of a consignment is a purchase-money security interest in inventory.

(5) APPLICATION OF PAYMENT IN NONCONSUMER-GOODS TRANSACTION. In a transaction other than a consumer-goods transaction, if the extent to which a security interest is a purchase-money security interest depends on the application of a payment to a particular obligation, the payment must be applied:

(a) In accordance with any reasonable method of application to which the parties agree;

(b) In the absence of the parties' agreement to a reasonable method, in accordance with any intention of the obligor manifested at or before the time of payment; or

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(c) In the absence of an agreement to a reasonable method and a timely manifestation of the obligor's intention, in the following order:

1. To obligations that are not secured; and
2. If more than one obligation is secured, to obligations secured by purchase-money security interests in the order in which those obligations were incurred.

msc 48-5

(6) NO LOSS OF STATUS OF PURCHASE-MONEY SECURITY INTEREST IN NONCONSUMER-GOODS TRANSACTION. In a transaction other than a consumer-goods transaction, a purchase-money security interest does not lose its status as such, even if:

- (a) The purchase-money collateral also secures an obligation that is not a purchase-money obligation;
- (b) Collateral that is not purchase-money collateral also secures the purchase-money obligation; or
- (c) The purchase-money obligation has been renewed, refinanced, consolidated, or restructured.

(7) BURDEN OF PROOF IN NONCONSUMER-GOODS TRANSACTION. In a transaction other than a consumer-goods transaction, a secured party claiming a purchase-money security interest has the burden of establishing the extent to which the security interest is a purchase-money security interest.

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(8) NONCONSUMER-GOODS TRANSACTIONS; NO INFERENCE. The limitation of the rules in subs. (5) to (7) to transactions other than consumer-goods transactions is intended to leave to the court the determination of the proper rules in consumer-goods transactions. The court may not infer from that limitation the



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nature of the proper rule in consumer-goods transactions and may continue to apply established approaches.

409.104 Control of deposit account. (1) REQUIREMENTS FOR CONTROL. A secured party has control of a deposit account if:

- (a) The secured party is the bank with which the deposit account is maintained;
 - (b) The debtor, secured party, and bank have agreed in an authenticated record that the bank will comply with instructions originated by the secured party directing disposition of the funds in the deposit account without further consent by the debtor;
- or

- (c) The secured party becomes the bank's customer with respect to the deposit account.

(2) DEBTOR'S RIGHT TO DIRECT DISPOSITION. A secured party that has satisfied sub. (1) has control, even if the debtor retains the right to direct the disposition of funds from the deposit account.

409.105 Control of electronic chattel paper. A secured party has control of electronic chattel paper if the record or records comprising the chattel paper are created, stored, and assigned in such a manner that:

- (1) A single authoritative copy of the record or records exists which is unique, identifiable and, except as otherwise provided in subs. (4) to (6), unalterable;

- (2) The authoritative copy identifies the secured party as the assignee of the record or records;

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

- (4) Copies or revisions that add or change an identified assignee of the authoritative copy can be made only with the participation of the secured party;

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2331/Idn
PJD:kmg:ch

March 26, 2001

50082/1

Chg 92 ds

2001 AB-111
is

This draft is 2001 AB-111 plus assembly amendments 2, 3, and 4 thereto. It is 1999 LRB-1446/P11 updated to reflect changes to the statutes made in the latter part of the 1999-2000 legislative session and the forms in ss. 409.521 and 409.613 checked for accuracy.

In reformatting Article 9-Secured Transactions to the repeal and recreation of ch. 409, Wis. Stats., and the conforming amendments to other articles to changes to *chs.* 401 to 411, the following conversions were made: Uniform Commercial Code-chs. 401 to 411; article-chapter; part-subchapter; subpart title-deleted it; Section 9-101 to s. 409.101 up through Section 9-710 to s. 409.710; act-chs. 401 to 411 (except in subchapter 7, this act-1999 Wisconsin Act (this act)); article 2A-ch. 411; article 1, etc., up to article 9-ch. 401, etc., up to ch. 409; section 9-403 (b) (4) and most other subsections and paragraphs-s. 409.403 (2) (d) and many other subsections and paragraphs; Section-s.; Sections-ss.; Subsection-sub.; Subsections-subs.; Paragraph-par.; Paragraphs-pars.; Subdivision-subd.; Subdivisions-subs.; regulation (only when referring to state regulations) rule; cross-references (to a series) through-to; lowercased Governor, Legislature, and State; changed percent to %, indorse to endorse, adopt to promulgate (when referring to rules), one, etc., up to ten to 1 up to 10, "when act takes effect" to "the effective date of this subsection, etc., [revisor inserts date]," and attorney's fees to attorneys fees; deleted the hyphen in health-care, set-off, pre-effective, and non-consumer; initial capped the first word in every statutory unit, including paragraphs and subdivisions and lower units; bolded subsection numbers and retyped, bolded, and lowercased section titles, except for the first word; retained optional subsection titles in ch. 409; and inserted spaces in cross-references between the subsection and paragraph, between the paragraph and subdivision, and between the subdivision and lower unit. Inserted into the draft in s. 409.102 (1) were the definitions from Revised UCC Article 5 that are cross-referenced in Revised Article 9. The references to those cross-references are deleted from the listing in s. 409.102 (2). WISCONSIN HAS YET TO ENACT REVISED ARTICLE 5 (CH. 405, WIS. STATS.). IF REVISED ARTICLE 5 IS ENACTED 2ND, IT NEEDS TO REPEAL THESE AND INSTEAD REINSERT THEM IN S. 409.102 (2) OF REVISED ARTICLE 9. IF REVISED ARTICLE 9 IS ENACTED 2ND, IT NEEDS TO BE AMENDED TO DO THE SAME. Changed references in ch. 409 to sections of Revised Article 5 over to references to ch. 405. Inserted into the draft and amended were all statutory units of the current statutes (other than in current ch. 409) that contain cross-references to any statutory unit in current ch. 409.

The new chapter 409 of the statutes reflects choices from the bracketed options in the new Article 9. In addition, the new chapter 409 of the statutes has several nonuniform changes:

1. s. 409.203 (4) (b) is added to carry over the thrust of current s. 409.203 (2) regarding the signature of one spouse relating to marital property;
2. s. 409.311 (1) (bm) is added to carry over current s. 409.302 (3) (bm) regarding boat titling like car titling;
3. s. 409.311 (1) (d) is added to carry over current s. 409.302 (3) (d) regarding certain central filing provisions;
4. s. 409.311 (1) (e) is added to carry over current ss. 16.76 (4) and 409.302 (3) (e) regarding master leases by the state;
5. s. 409.311 (1) (f) is added to carry over current s. 409.302 (3) (f) regarding manufactured home titling like car titling;
6. s. 409.406 (6) is changed to add a cross-reference to current s. 565.30 to continue the applicability of s. 565.30 regarding lottery prizes;
7. ss. 409.519 (8), 409.520 (2), and 409.523 (5) are changed to give the department of financial institutions a five-day rather than a two-day period (but only for the two years after the effective date of the act) to comply with the requirements in those statutes;
8. s. 409.523 (7) is added to carry over current s. 409.407 (3) regarding personal liability of filing officers;
9. ss. 409.525 and 409.710 (4) are changed to require the department of financial institutions to set fees by rule rather than having fees set by statute;
10. s. 409.527 is changed to require that a biennial report be included in the department's currently required biennial report, rather than to require that an annual report be sent separately to the legislature; and
11. s. 409.528 is added to carry over the requirement for a statewide lien registration computer system by recreating current s. 409.410 as modified to fit the new chapter.
12. Assembly Amendment 2 to 2001 AB-111 exempts from the chapter assignments of a claim or right to receive worker's compensation; adds a note to the filing forms that insertion of a social security number is optional; and provides the Department of Financial Institutions spending authority to administer the chapter.
13. Assembly Amendment 3 to 2001 AB-111 creates a security interest called a production-money security agreement. A production-money security interest allows the debtor to obtain new value in order to produce crops, and gives the creditor's security interest priority in those crops to the extent that the value is used to produce the crops.
14. Assembly Amendment 4 to 2001 AB-111 ~~eliminates several distinctions between nonconsumer goods and consumer goods; eliminates the filing fee for filing termination~~

statements; and eliminates a \$500, statutorily prescribed, damage penalty for certain violations of the chapter.

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DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBs0082/1dn
PJD:lmg:ch

March 30, 2001

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Barman, Mike

From: Barman, Mike
Sent: Friday, May 04, 2001 8:05 AM
To: Sen.Huelsman; Manley, Scott
Cc: Dykman, Peter
Subject: LRBs0082/1 (attached - per PJD)

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