

2024 Regular Session

SENATE BILL NO. 110

BY SENATOR PRESSLY (On Recommendation of the Louisiana State Law Institute)

COMMERCIAL REGULATIONS. Provides for certain assets and transactions subject to the Uniform Commercial Code. (8/1/24)

1 AN ACT

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

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

4 3-105(a), 3-401, 3-604(a), 4A-103(a)(1)(introductory paragraph), 4A-201, 4A-202(b)

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

6 208(b)(2), 4A-210(a), 4A-211(a) and (d), 4A-305(b) through (d), 5-104, 5-116(a) and

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

8 8-106(d)(3), 8-303(b), 9-102(a)(2),(3), (4)(A), (7), (11), (31), (42), (47), (61), (66),

9 (75), and (79) and (b), 9-104(a)(2) and (3), 9-105, 9-107.1, 9-107.2, 9-203(b)(3)(A),

10 (C), and (D), 9-204(b)(introductory paragraph), 9-207(c)(introductory paragraph),

11 9-208(b)(introductory paragraph), (1), and (3) through (7), 9-209(b), 9-210(a)(2)

12 through (4), (b), (c), (d)(introductory paragraph), and (e)(introductory paragraph),

13 9-301(introductory paragraph) and (3)(introductory paragraph), 9-304(a), 9-

14 305(a)(introductory paragraph), 9-310(b)(8), 9-312(a) and (e), 9-313(a), (c), and (d),

15 9-314(a) through (c), 9-316(a)(introductory paragraph) and (f)(introductory

16 paragraph), 9-317(b) and (d), 9-323(d)(introductory paragraph) and (f)(introductory

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

1 paragraph) and (2), 9-330(a), (b), and (f), 9-331(a) and (b), 9-332, 9-334(f)(1), 9-
 2 341(introductory paragraph), 9-404(a)(introductory paragraph) and (2), 9-406(a),
 3 (b)(introductory paragraph), (c), (d)(introductory paragraph), and (g), 9-408(g), 9-
 4 412(a), 9-509(a)(1) and (b)(introductory paragraph), 9-513(b)(introductory
 5 paragraph) and (2) and (c)(introductory paragraph), 9-601(b), 9-605, 9-608(a)(1)(C),
 6 9-611(a)(1), (b), (c)(introductory paragraph) and (3)(A), and (e)(introductory
 7 paragraph) and (2)(B), 9-613, 9-614, 9-615(a)(3)(A) and (4), 9-
 8 616(a)(1)(introductory paragraph) and (B) and (2)(A), (b)(1)(A), and (c)(introductory
 9 paragraph), 9-619(a)(introductory paragraph), 9-620(a)(2)(introductory paragraph),
 10 (b)(1), (c)(1) and (2)(introductory paragraph) and (C), and (f)(introductory
 11 paragraph) and (2), 9-621(a)(1), 9-624, 9-628(a)(introductory paragraph) and
 12 (b)(introductory paragraph), and 9-629(a)(1) and (2), and to enact R.S. 10:1-
 13 201(b)(16.1), 1-301(g)(9), 5-116(c), (d), (e), (f), and (g), 7-106(c) through (i), 8-
 14 103(h), 8-106(h) and (i), 8-110(g), 9-102(a)(7.1), (7.2), (27.1), (27.2), and (54.1), 9-
 15 104(a)(4), 9-107.3, 9-107.4, 9-203(b)(3)(E), 9-204(b.1), 9-208(b)(8), 9-305(a)(5), 9-
 16 306.1, 9-306.2, 9-310(b)(8.1), 9-314.1, 9-317(f) through (i), 9-326.1, 9-406(l), 9-
 17 408(h), 9-628(f), Chapter 12 of Title 10 of the Louisiana Revised Statutes of 1950,
 18 to be comprised of R.S. 10:12-101 through 12-107, and Chapter 13 of Title 10 of the
 19 Louisiana Revised Statutes of 1950, to be comprised of R.S. 10:13-101 through 13-
 20 306, relative to transactions involving existing and new classes of assets; to provide
 21 for new types of digital assets; to provide for security interests in digital assets; to
 22 provide for tethered digital assets; to provide take-free rules for digital assets; to
 23 provide relative to governing law for digital assets; to provide relative to chattel
 24 paper; to provide relative to hybrid transactions; to provide for the negotiability of
 25 certain instruments; to provide for updates in terminology; to provide for transition
 26 rules; to provide for technical corrections; and to provide for related matters.

27 Be it enacted by the Legislature of Louisiana:

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

1 105(a), 3-401, 3-604(a), 4A-103(a)(1)(introductory paragraph), 4A-201, 4A-202(b) and (c),
2 4A-203(a)(1), 4A-207(b)(2) and (c)(introductory paragraph) and (2), 4A-208(b)(2), 4A-
3 210(a), 4A-211(a) and (d), 4A-305(b) through (d), 5-104, 5-116(a) and (b), 7-102(a)(11), 7-
4 106(b)(introductory paragraph) and (4), 8-102(a)(6)(i) and (b), 8-106(d)(3), 8-303(b), 9-
5 102(a)(2),(3), (4)(A), (7), (11), (31), (42), (47), (61), (66), (75), and (79) and (b), 9-104(a)(2)
6 and (3), 9-105, 9-107.1, 9-107.2, 9-203(b)(3)(A), (C), and (D), 9-204(b)(introductory
7 paragraph), 9-207(c)(introductory paragraph), 9-208(b)(introductory paragraph), (1), and (3)
8 through (7), 9-209(b), 9-210(a)(2) through (4), (b), (c), (d)(introductory paragraph), and
9 (e)(introductory paragraph), 9-301(introductory paragraph) and (3)(introductory paragraph),
10 9-304(a), 9-305(a)(introductory paragraph), 9-310(b)(8), 9-312(a) and (e), 9-313(a), (c), and
11 (d), 9-314(a) through (c), 9-316(a)(introductory paragraph) and (f)(introductory paragraph),
12 9-317(b) and (d), 9-323(d)(introductory paragraph) and (f)(introductory paragraph), 9-
13 324(b)(introductory paragraph) and (2) and (d)(introductory paragraph) and (2), 9-330(a),
14 (b), and (f), 9-331(a) and (b), 9-332, 9-334(f)(1), 9-341(introductory paragraph), 9-
15 404(a)(introductory paragraph) and (2), 9-406(a), (b)(introductory paragraph), (c),
16 (d)(introductory paragraph), and (g), 9-408(g), 9-412(a), 9-509(a)(1) and (b)(introductory
17 paragraph), 9-513(b)(introductory paragraph) and (2) and (c)(introductory paragraph), 9-
18 601(b), 9-605, 9-608(a)(1)(C), 9-611(a)(1), (b), (c)(introductory paragraph) and (3)(A), and
19 (e)(introductory paragraph) and (2)(B), 9-613, 9-614, 9-615(a)(3)(A) and (4), 9-
20 616(a)(1)(introductory paragraph) and (B) and (2)(A), (b)(1)(A), and (c)(introductory
21 paragraph), 9-619(a)(introductory paragraph), 9-620(a)(2)(introductory paragraph), (b)(1),
22 (c)(1) and (2)(introductory paragraph) and (C), and (f)(introductory paragraph) and (2), 9-
23 621(a)(1), 9-624, 9-628(a)(introductory paragraph) and (b)(introductory paragraph), and 9-
24 629(a)(1) and (2), are hereby amended and reenacted, and R.S. 10:1-201(b)(16.1), 1-
25 301(g)(9), 5-116(c), (d), (e), (f), and (g), 7-106(c) through (i), 8-103(h), 8-106(h) and (i), 8-
26 110(g), 9-102(a)(7.1), (7.2), (27.1), (27.2), and (54.1), 9-104(a)(4), 9-107.3, 9-107.4, 9-
27 203(b)(3)(E), 9-204(b.1), 9-208(b)(8), 9-305(a)(5), 9-306.1, 9-306.2, 9-310(b)(8.1), 9-314.1,
28 9-317(f) through (i), 9-326.1, 9-406(l), 9-408(h), 9-628(f), Chapter 12 of Title 10 of the
29 Louisiana Revised Statutes of 1950, to be comprised of R.S. 10:12-101 through 12-107, and

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

3 §1-201. General definitions

4 * * *

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

7 * * *

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

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

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

20 * * *

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

25 * * *

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

28 * * *

29 (21) "Holder" means:

1 * * *

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

4 * * *

5 (24) "Money" means a medium of exchange **that is** currently authorized or
6 adopted by a domestic or foreign government **and is not in an electronic form**. The
7 term includes a monetary unit of account established by an intergovernmental
8 ~~organization or by~~ **organization, or pursuant to an** agreement between two or more
9 countries.

10 * * *

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

19 * * *

20 (36) "Send", in connection with a record or notice **notification**, means:

21 (A) to deposit in the mail, ~~or~~ deliver for transmission, **or transmit** by any
22 other usual means of communication, with postage or cost of transmission provided
23 for, and properly addressed and, in the case of an instrument, to an address specified
24 ~~thereon or otherwise agreed, or if there be none~~ **addressed** to any address reasonable
25 under the circumstances; or

26 (B) ~~in any other way to cause to be received any record or notice within the~~
27 ~~time it would have arrived if properly sent~~ **to cause the record or notification to be**
28 **received within the time it would have been received if properly sent** under
29 Subparagraph A **of this Paragraph.**

1 (37) ~~"Signed" includes using any symbol executed or adopted with present~~

2 ~~intention to adopt or accept a writing.~~ **"Sign" means, with present intent to**

3 **authenticate or adopt a record:**

4 **(A) execute or adopt a tangible symbol; or**

5 **(B) attach to or logically associate with the record an electronic symbol,**

6 **sound, or process.**

7 **"Signed", "signing", and "signature" have corresponding meanings.**

8 * * *

9 Louisiana Official Revision Comments - 2024

10 The 2024 revision to Paragraph (b)(24) of this Section adopts a definition of "money"
11 that is non-uniform in two respects. First, the definition excludes any medium of exchange
12 in an electronic form. As a result, a central bank digital currency of any type issued by any
13 government will not be governed by the U.C.C. rules applicable to money. This change is
14 consistent with Louisiana non-uniform changes in revised Chapter 9. See Louisiana Official
15 Revision Comments - 2024 to R.S. 10:9-102. Second, the uniform definition of "money" in
16 revised national U.C.C. Article 1 contains language pertaining to electronic records that is
17 omitted from revised Chapter 1 and is instead reproduced in substance in R.S. 10:12-102.

18 * * *

19 §1-204. Value

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

22 * * *

23 §1-301. Territorial applicability; parties' power to choose applicable law

24 * * *

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

28 * * *

29 (8) R.S. 10:9-301 through 9-307;
30 **(9) R.S. 10:12-107.**

31 * * *

32 * * *

32 §3-104. Negotiable instrument

33 (a) Except as provided in Subsections (c) and (d) **of this Section,** "negotiable

1 instrument" means an unconditional promise or order to pay a fixed amount of
2 money, with or without interest or other charges described in the promise or order,
3 if it:

4 * * *

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

13 * * *

14 §3-105. Issue of instrument

15 (a) "Issue" means:

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

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

23 * * *

24 §3-401. Signature **necessary for liability on instrument**

25 ~~(a)~~ A person is not liable on an instrument unless (i) the person signed the
26 instrument, or (ii) the person is represented by an agent or representative who signed
27 the instrument and the signature is binding on the represented person under R.S.
28 10:3-402.

29 ~~(b) A signature may be made (i) manually or by means of a device or~~

1 ~~machine, and (ii) by the use of any name, including a trade or assumed name, or by~~
2 ~~a word, mark, or symbol executed or adopted by a person with present intention to~~
3 ~~authenticate a writing.~~

4 * * *

5 §3-604. Discharge by cancellation or renunciation

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

16 * * *

17 §4A-103. Payment Order - Definitions

18 (a) In this Chapter:

19 (1) "Payment order" means an instruction of a sender to a receiving bank,
20 transmitted orally, ~~electronically, or in writing~~ **or in a record**, to pay, or to cause
21 another bank to pay, a fixed or determinable amount of money to a beneficiary if:

22 * * *

23 §4A-201. Security procedure

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

1 identifying words, ~~or~~ numbers, **symbols, sounds, biometrics**, encryption, callback
 2 procedures, or similar security devices. Comparison of a signature on a payment
 3 order or communication with an authorized specimen signature of the customer ~~or~~
 4 **requiring a payment order to be sent from a known email address, IP address,**
 5 **or telephone number** is not by itself a security procedure.

6 §4A-202. Authorized and verified payment orders

7 * * *

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

21 (c) Commercial reasonableness of a security procedure is a question of law
 22 to be determined by considering the wishes of the customer expressed to the bank,
 23 the circumstances of the customer known to the bank, including the size, type, and
 24 frequency of payment orders normally issued by the customer to the bank, alternative
 25 security procedures offered to the customer, and security procedures in general use
 26 by customers and receiving ~~bank~~ **banks** similarly situated. A security procedure is
 27 deemed to be commercially reasonable if (i) the security procedure was chosen by
 28 the customer after the bank offered, and the customer refused, a security procedure
 29 that was commercially reasonable for that customer, and (ii) the customer expressly

1 number was not entitled to receive payment from the originator, the originator is not
 2 obliged to pay its order unless the originator's bank proves that the originator, before
 3 acceptance of the originator's order, had notice that payment of a payment order
 4 issued by the originator might be made by the beneficiary's bank on the basis of an
 5 identifying or bank account number even if it identifies a person different from the
 6 named beneficiary. Proof of notice may be made by any admissible evidence. The
 7 originator's bank satisfies the burden of proof if it proves that the originator, before
 8 the payment order was accepted, signed a **writing record** stating the information to
 9 which the notice relates.

10 * * *

11 §4A-208. Misdescription of intermediary bank or beneficiary's bank

12 * * *

13 (b) This Subsection applies to a payment order identifying an intermediary
 14 bank or the beneficiary's bank both by name and an identifying number if the name
 15 and number identify different persons.

16 * * *

17 (2) If the sender is not a bank and the receiving bank proves that the sender,
 18 before the payment order was accepted, had notice that the receiving bank might rely
 19 on the number as the proper identification of the intermediary or beneficiary's bank
 20 even if it identifies a person different from the bank identified by name, the rights
 21 and obligations of the sender and the receiving bank are governed by Subsection
 22 (b)(1) **of this Section**, as though the sender were a bank. Proof of notice may be
 23 made by any admissible evidence. The receiving bank satisfies the burden of proof
 24 if it proves that the sender, before the payment order was accepted, signed a **writing**
 25 **record** stating the information to which the notice relates.

26 * * *

27 §4A-210. Rejection of payment order

28 (a) A payment order is rejected by the receiving bank by a notice of rejection
 29 transmitted to the sender orally, ~~electronically, or in writing~~ **or in a record**. A notice

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

10 * * *

11 §4A-211. Cancellation and amendment of payment order

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

18 * * *

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

22 * * *

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

25 * * *

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

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

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

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

15 * * *

16 §5-104. Formal requirements

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

21 * * *

22 §5-116. Choice of law and forum

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

29 (b) Unless Subsection (a) **of this Section** applies, the liability ~~or of~~ an issuer,

1 nominated person, or adviser for action or omission is governed by the law of the
2 jurisdiction in which the person is located. The person is considered to be located at
3 the address indicated in the person's undertaking. If more than one address is
4 indicated, the person is considered to be located at the address from which the
5 person's undertaking was issued.

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

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

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

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

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

29 * * *

1 §7-102. Definitions and index of definitions

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

3 * * *

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

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

6 (B) ~~To attach to or logically associate with the record an electronic sound,~~

7 ~~symbol, or process.~~ **[Reserved.]**

8 * * *

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

10 * * *

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

14 * * *

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

18 * * *

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

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

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

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

1 Section, to:

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

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

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

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

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

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

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

17 (2) the other person:

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

19 or

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

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

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

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

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

29 (h) A person that has control under this Section is not required to

1 acknowledge that it has control on behalf of another person.

2 (i) If a person acknowledges that it has or will obtain control on behalf
3 of another person, unless the person otherwise agrees or law other than this
4 Chapter or Chapter 9 otherwise provides, the person does not owe any duty to
5 the other person and is not required to confirm the acknowledgment to any
6 other person.

7 * * *

8 §8-102. Definitions **and index of definitions**

9 (a) In this Chapter:

10 * * *

11 (6) "Communicate" means to:

12 (i) send a signed ~~writing~~ **record**; or

13 * * *

14 (b) ~~Other definitions applying to this Article and the sections in which they~~
15 ~~appear are~~ **The following definitions in this Chapter and other Chapters apply**
16 **to this Chapter:**

17 Appropriate person R.S. 10:8-107

18 Control R.S. 10:8-106

19 **Controllable account** **R.S. 10:9-102**

20 **Controllable electronic record** **R.S. 10:12-102**

21 **Controllable payment intangible** **R.S. 10:9-102**

22 Delivery R.S. 10:8-301

23 Investment company security R.S. 10:8-103

24 Issuer R.S. 10:8-201

25 Overissue R.S. 10:8-210

26 Protected purchaser R.S. 10:8-303

27 Securities account R.S. 10:8-501

28 * * *

29 §8-103. Rules for determining whether certain obligations and interests are

1 securities or financial assets

2 * * *

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

5 * * *

6 §8-106. Control

7 * * *

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

9 * * *

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

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

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

18 * * *

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

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

26 * * *

27 §8-110. Applicability; choice of law

28 * * *

29 **(g) The local law of the issuer's jurisdiction or the securities**

1 intermediary's jurisdiction governs a matter or transaction specified in
 2 Subsection (a) or (b) of this Section even if the matter or transaction does not
 3 bear any relation to the jurisdiction.

4 * * *

5 §8-303. Protected purchaser

6 * * *

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

9 * * *

10 §9-102. Definitions and index of definitions

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

12 * * *

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

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

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

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

17 (A) ~~authenticated~~ **signed** by a secured party;

18 * * *

19 (7) "Authenticate" means:

20 (A) ~~to sign, or~~

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

23 **(7.1) "Assignee", except as used in "assignee for benefit of creditors",**
 24 **means a person (i) in whose favor a security interest that secures an obligation**
 25 **is created or provided for under a security agreement, whether or not the**
 26 **obligation is outstanding or (ii) to which an account, chattel paper, payment**
 27 **intangible, or promissory note has been sold. The term includes a person to**
 28 **which a security interest has been transferred by a secured party.**

29 **(7.2) "Assignor" means a person that (i) under a security agreement**

1 creates or provides for a security interest that secures an obligation or (ii) sells
 2 an account, chattel paper, payment intangible, or promissory note. The term
 3 includes a secured party that has transferred a security interest to another
 4 person.

5 * * *

6 (11) "Chattel paper" means: ~~a record or records that evidence both a~~
 7 ~~monetary obligation and a security interest in specific goods, a security interest in~~
 8 ~~specific goods and software used in the goods, a security interest in specific goods~~
 9 ~~and license of software used in the goods, a lease of specific goods, or a lease of~~
 10 ~~specific goods and license of software used in the goods. In this Paragraph,~~
 11 ~~"monetary obligation" means a monetary obligation secured by the goods or owed~~
 12 ~~under a lease of the goods and includes a monetary obligation with respect to~~
 13 ~~software used in the goods. The term does not include (i) charters or other contracts~~
 14 ~~involving the use or hire of a vessel or (ii) records that evidence a right to payment~~
 15 ~~arising out of the use of a credit or charge card or information contained on or for use~~
 16 ~~with the card. If a transaction is evidenced by records that include an instrument or~~
 17 ~~series of instruments, the group of records taken together constitutes chattel paper.~~

18 (A) a right to payment of a monetary obligation secured by specific
 19 goods, if the right to payment and security agreement are evidenced by a
 20 record; or

21 (B) a right to payment of a monetary obligation owed by a lessee under
 22 a lease agreement with respect to specific goods and a monetary obligation owed
 23 by the lessee in connection with the transaction giving rise to the lease, if:

24 (i) the right to payment and lease agreement are evidenced by a record;
 25 and

26 (ii) the predominant purpose of the transaction giving rise to the lease
 27 was to give the lessee the right to possession and use of the goods.

28 The term does not include a right to payment arising out of a charter or
 29 other contract involving the use or hire of a vessel or a right to payment arising

1 out of the use of a credit or charge card or information contained on or for use
2 with the card.

3 * * *

4 (27.1) "Controllable account" means an account evidenced by a
5 controllable electronic record that provides that the account debtor undertakes
6 to pay the person that has control under R.S. 10:12-105 of the controllable
7 electronic record.

8 (27.2) "Controllable payment intangible" means a payment intangible
9 evidenced by a controllable electronic record that provides that the account
10 debtor undertakes to pay the person that has control under R.S. 10:12-105 of
11 the controllable electronic record.

12 * * *

13 (31) "Electronic chattel paper" means chattel paper evidenced by a record or
14 records consisting of information stored in an electronic medium. [Reserved.]

15 * * *

16 (42) "General intangible" means any personal property, including things in
17 action, other than accounts, chattel paper, tort claims, deposit accounts, documents,
18 goods, instruments, investment property, letter-of-credit rights, letters of credit, life
19 insurance policies, and money. The term includes controllable electronic records,
20 payment intangibles, and software.

21 * * *

22 (47) "Instrument" means a negotiable instrument or any other writing that
23 evidences a right to the payment of a monetary obligation, is not itself a security
24 agreement or lease, and is of a type that in ordinary course of business is transferred
25 by delivery with any necessary indorsement or assignment. The term includes a
26 collateral mortgage note and a negotiable certificate of deposit. The term does not
27 include (i) investment property, (ii) letters of credit, ~~or~~ (iii) writings that evidence a
28 right to payment arising out of the use of a credit or charge card or information
29 contained on or for use with the card, or (iv) writings that evidence chattel paper.

* * *

(54.1) "Money" has the meaning in R.S. 10:1-201(b)(24), but does not include a deposit account.

* * *

(61) "Payment intangible" means a general intangible under which the account debtor's principal obligation is a monetary obligation. The term includes a controllable payment intangible.

* * *

(66) "Proposal" means a record ~~authenticated~~ signed by a secured party which includes the terms on which the secured party is willing to accept collateral in full or partial satisfaction of the obligation it secures pursuant to R.S. 10:9-620, 9-621, and 9-622.

* * *

(75) ~~"Send", in connection with a record or notification, means:~~
~~(A) to deposit in the mail, deliver for transmission, or transmit by any other usual means of communication, with postage or cost of transmission provided for, addressed to any address reasonable under the circumstances; or~~
~~(B) to cause the record or notification to be received within the time that it would have been received if properly sent under Subparagraph (A).~~ [Reserved.]

* * *

(79) ~~"Tangible chattel paper" means chattel paper evidenced by a record or records consisting of information that is inscribed on a tangible medium.~~ [Reserved.]

* * *

(b) Definitions in other Chapters. "Control" as provided in R.S. 10:7-106 and the following definitions in other Chapters apply to this Chapter:

- "Applicant" R.S. 10:5-102.
- "Beneficiary" R.S. 10:5-102.
- "Broker" R.S. 10:8-102.
- "Certificated security" R.S. 10:8-102.

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

* * *

Louisiana Official Revision Comments - 2024

27 (a) The definition of "money" in Paragraph (a)(54.1) is non-uniform. The reference
28 to money in electronic form contained in revised national U.C.C. Article 9 is omitted.

29 (b) Revised Chapter 9 omits as unnecessary the revised national U.C.C. Article 9
30 definitions of "electronic money" (31A) and "tangible money" (79A). These definitions are
31 unnecessary because Chapter 9 eschews the distinction between electronic and tangible
32 money and thus omits all provisions pertaining to electronic money. References to electronic

1 money in revised national U.C.C. Article 9 Sections 9-203(b)(3)(D), 9-314(a) and (b), and
2 9-317(d) are omitted, as are references to control of electronic money in revised national
3 U.C.C. Article 9 Sections 9-105A, 9-107B(a), 9-203(b)(3)(D), 9-207(c), 9-208(7), 9-
4 312(b)(4), 9-314(a) and (b), and 9-601. Similarly, references to tangible money in revised
5 national U.C.C. Article 9 Sections 9-301(3), 9-312(b)(3), 9-313(a), and 9-332 are omitted
6 as unnecessary.

7 * * *

8 §9-104. Control of deposit account

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

11 * * *

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

16 (3) the secured party becomes the bank's customer with respect to the deposit
17 account; ~~or~~

18 **(4) another person, other than the debtor:**

19 **(A) has control of the deposit account and acknowledges that it has**
20 **control on behalf of the secured party; or**

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

23 * * *

24 §9-105. Control of electronic **copy of record evidencing** chattel paper

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

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

32 ~~(1) a single authoritative copy of the record or records exists which is unique;~~

1 identifiable and, except as otherwise provided in Paragraphs (4), (5), and (6),
2 unalterable;

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

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

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

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

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

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

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

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

24 **(2) the authoritative copy identifies the purchaser as the assignee of the**
25 **record or records;**

26 **(3) the authoritative copy is communicated to and maintained by the**
27 **purchaser or its designated custodian;**

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

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

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

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

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

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

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

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

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

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

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

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

28 (e) When power not shared with another person. A power of a purchaser
29 is not shared with another person under Subsection (d)(2) of this Section and

1 the purchaser's power is not exclusive if:

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

4 (2) the other person:

5 (A) can exercise the power without exercise of the power by the
6 purchaser; or

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

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

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

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

17 (2) obtains control of the authoritative electronic copy after having
18 acknowledged that it will obtain control of the electronic copy on behalf of the
19 purchaser.

20 * * *

21 §9-107.1. Control over life insurance policy

22 (a) Requirements for control. A secured party has control over a life
23 insurance policy:

24 (1) if the secured party is the insurer that issued the policy; ~~or~~

25 (2) if the secured party is not also the insurer, the insurer ~~authenticates~~ signs
26 a record acknowledging notice of the granting of a security interest to the secured
27 party in the policy; ~~or~~

28 (3) another person, other than the debtor:

29 (A) has control of the life insurance policy and acknowledges that it has

1 control on behalf of the secured party; or

2 (B) obtains control of the life insurance policy after having acknowledged
3 that it will obtain control of the life insurance policy on behalf of the secured
4 party.

5 (b) Additional requirement: consent of beneficiary. If the beneficiary of a life
6 insurance policy taken as collateral is not the insured or his estate, a security interest
7 does not attach with respect to rights under the policy until the policy beneficiary
8 authenticates signs a record evidencing the beneficiary's consent to the security
9 interest. This requirement does not apply when the beneficiary may be changed upon
10 the sole request of the insured or when the policy itself provides that it may be
11 pledged or assigned without the beneficiary's consent.

12 §9-107.2. Control conditioned on default

13 A secured party that has satisfied R.S. 10:9-104, 9-105, 9-106, 9-107, ~~or 9-~~
14 ~~107.1, or 9-107.3~~ has control with respect to such collateral even if the secured party
15 has agreed not to exercise such control until a default by the debtor or obligor or
16 other unfulfilled condition is met.

17 §9-107.3. Control of controllable electronic record, controllable account, or
18 controllable payment intangible

19 (a) Control under R.S. 10:12-105. A secured party has control of a
20 controllable electronic record as provided in R.S. 10:12-105.

21 (b) Control of controllable account and controllable payment intangible.
22 A secured party has control of a controllable account or controllable payment
23 intangible if the secured party has control of the controllable electronic record
24 that evidences the controllable account or controllable payment intangible.

25 §9-107.4. No requirement to acknowledge or confirm; no duties

26 (a) No requirement to acknowledge. A person that has control under R.S.
27 10:9-104, 9-105, or 9-107.1 is not required to acknowledge that it has control on
28 behalf of another person.

29 (b) No duties or confirmation. If a person acknowledges that it has or

* * *

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

* * *

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

* * *

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

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

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

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

(4) to a judgment as proceeds under R.S. 10:9-315(a).

* * *

Louisiana Official Revision Comments – 2024

(a) Section 9-204 is non-uniform in two respects. First, Paragraph (b.1)(4) is added in Louisiana. Revised national U.C.C. Article 9's Subsection (b.1) is a new clarification that existing Subsection (b) does not prevent a security interest from attaching to the types of collateral listed in Subsection (b.1) as proceeds, even though Subsection (b) prevents an after-acquired property clause in a security agreement from reaching those types of listed collateral as original collateral. Louisiana Chapter 9 is non-uniform in including judgments as eligible original collateral, by means of R.S. 10:9-109(d)(9) omitting the exclusion in national U.C.C. Article 9 of an assignment of a right represented by a judgment as original collateral. See Louisiana Official Revision Comments – 2001 to R.S. 10:9-109, Comment (j), and R.S. 10:9-411. In light of this non-uniform inclusion of judgments as eligible original collateral, another non-uniform provision of Louisiana Chapter 9, Subsection (b) of this Section, prevents an after-acquired property clause from reaching a judgment as original collateral. Paragraph (b.1)(4) is added to clarify that a security interest may attach to a judgment as proceeds under R.S. 10:9-203(f) and 9-315(a), similar to tort claims, notwithstanding that Subsection (b) may operate to prevent attachment as original collateral.

(b) Second, paragraphs (b.1)(2) and (3) vary from revised national U.C.C. Article 9 by including all tort claims rather than only commercial tort claims. This is consistent with existing non-uniform provisions of Louisiana Chapter 9 that include all tort claims, and not merely commercial tort claims, within its scope. See R.S. 10:9-109(d) (omitting the exclusion in national U.C.C. Article 9 of claims arising in tort other than commercial tort claims).

* * *

1 §9-207. Rights and duties of secured party having possession or control of collateral

2 * * *

3 (c) Duties and rights when secured party in possession or control. Unless
4 otherwise agreed by the parties and except as otherwise provided in Subsection (d)
5 **of this Section**, a secured party having possession of collateral or control of
6 collateral under R.S. 10:7-106, 9-104, 9-105, 9-106, 9-107, ~~or 9-107.1~~, **or 9-107.3**:

7 * * *

8 §9-208. Additional duties of secured party having control of collateral

9 * * *

10 (b) Duties of secured party after receiving demand from debtor. Within ten
11 days after receiving ~~an authenticated~~ **a signed** demand by the debtor:

12 (1) a secured party having control of a deposit account under R.S.
13 10:9-104(a)(2) shall send to the bank with which the deposit account is maintained
14 ~~an authenticated statement~~ **a signed record** that releases the bank from any further
15 obligation to comply with instructions originated by the secured party;

16 * * *

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

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

21 (B) ~~if the debtor designates a custodian that is the designated custodian with~~
22 ~~which the authoritative copy of the electronic chattel paper is maintained for the~~
23 ~~secured party, communicate to the custodian an authenticated record releasing the~~
24 ~~designated custodian from any further obligation to comply with instructions~~
25 ~~originated by the secured party and instructing the custodian to comply with~~
26 ~~instructions originated by the debtor; and~~

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

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

5 (4) a secured party having control of investment property under R.S.
 6 10:8-106(d)(2) or 9-106(b) shall send to the securities intermediary or commodity
 7 intermediary with which the security entitlement or commodity contract is
 8 maintained ~~an authenticated~~ **a signed** record that releases the securities intermediary
 9 or commodity intermediary from any further obligation to comply with entitlement
 10 orders or directions originated by the secured party;

11 (5) a secured party having control of a letter-of-credit right under R.S. 10:9-
 12 107 shall send to each person having an unfulfilled obligation to pay or deliver
 13 proceeds of the letter of credit to the secured party ~~an authenticated~~ **a signed** release
 14 from any further obligation to pay or deliver proceeds of the letter of credit to the
 15 secured party;

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

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

19 ~~(B) if the debtor designates a custodian that is the designated custodian with~~
 20 ~~which the authoritative copy of the electronic document is maintained for the secured~~
 21 ~~party, communicate to the custodian an authenticated record releasing the designated~~
 22 ~~custodian from any further obligation to comply with instructions originated by the~~
 23 ~~secured party and instructing the custodian to comply with instructions originated by~~
 24 ~~the debtor; and~~

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

29 a secured party having control under R.S. 10:7-106 of an authoritative

1 electronic copy of an electronic document of title shall transfer control of the
2 electronic copy to the debtor or a person designated by the debtor;

3 (7) a secured party having control under R.S. 10:12-105 of a controllable
4 electronic record, other than a buyer of a controllable account or controllable
5 payment intangible evidenced by the controllable electronic record, shall
6 transfer control of the controllable electronic record to the debtor or a person
7 designated by the debtor; and

8 (8) a secured party having control of a life insurance policy under R.S. 9-
9 107.1(a)(2) shall send to the insurer that issued the policy ~~an authenticated~~ a signed
10 record that releases both the security interest and the insurer's acknowledgment.

11 * * *

12 §9-209. Duties of secured party if account debtor has been notified of assignment

13 * * *

14 (b) Duties of secured party after receiving demand from debtor. Within ten
15 days after receiving ~~an authenticated~~ a signed demand by the debtor, a secured party
16 shall send to an account debtor that has received notification under R.S. 10:9-406(a)
17 or 12-106(b) of an assignment to the secured party as assignee ~~under R.S.~~
18 ~~10:9-406(a)~~ an authenticated a signed record that releases the account debtor from
19 any further obligation to the secured party.

20 * * *

21 §9-210. Request for accounting; request regarding list of collateral or statement of
22 account

23 (a) Definitions. In this Section:

24 * * *

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

29 (3) "Request regarding a list of collateral" means a record ~~authenticated~~

1 obligation claimed. A person that receives a request for an accounting or a request
2 regarding a statement of account, claims no interest in the obligations when it
3 receives the request, and claimed an interest in the obligations at an earlier time shall
4 comply with the request within fourteen days after receipt by sending to the debtor
5 ~~an authenticated~~ **a signed** record:

6 * * *

7 §9-301. Law governing perfection and priority of security interests

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

11 * * *

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

16 * * *

17 §9-304. Law governing perfection and priority of security interests in deposit
18 accounts

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

23 * * *

24 §9-305. Law governing perfection and priority of security interests in investment
25 property

26 (a) Governing law: general rules. Except as otherwise provided in Subsection

27 (c) **of this Section**, the following rules apply:

28 * * *

29 **(5) Paragraph (2), (3), and (4) of this Subsection apply even if the**

1 transaction does not bear any relation to the jurisdiction.

2 * * *

3 §9-306.1. Law governing perfection and priority of security interests in chattel
4 paper

5 (a) Chattel paper evidenced by authoritative electronic copy. Except as
6 provided in Subsection (d) of this Section, if chattel paper is evidenced only by
7 an authoritative electronic copy of the chattel paper or is evidenced by an
8 authoritative electronic copy and an authoritative tangible copy, the local law
9 of the chattel paper's jurisdiction governs perfection, the effect of perfection or
10 nonperfection, and the priority of a security interest in the chattel paper, even
11 if the transaction does not bear any relation to the chattel paper's jurisdiction.

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

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

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

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

29 (4) If Paragraphs (1), (2), and (3) of this Subsection do not apply and the

1 rules of the system in which the authoritative electronic copy is recorded are
2 readily available for review and expressly provide that the chattel paper or the
3 system is governed by the law of a particular jurisdiction, that jurisdiction is the
4 chattel paper's jurisdiction.

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

7 (c) Chattel paper evidenced by authoritative tangible copy. If an
8 authoritative tangible copy of a record evidences chattel paper and the chattel
9 paper is not evidenced by an authoritative electronic copy, while the
10 authoritative tangible copy of the record evidencing chattel paper is located in
11 a jurisdiction, the local law of that jurisdiction governs:

12 (1) perfection of a security interest in the chattel paper by possession
13 under R.S. 10:9-314.1; and

14 (2) the effect of perfection or nonperfection and the priority of a security
15 interest in the chattel paper.

16 (d) When perfection governed by law of jurisdiction where debtor
17 located. The local law of the jurisdiction in which the debtor is located governs
18 perfection of a security interest in chattel paper by filing.

19 §9-306.2. Law governing perfection and priority of security interests in
20 controllable accounts, controllable electronic records, and
21 controllable payment intangibles

22 (a) Governing law: general rules. Except as provided in Subsection (b)
23 of this Section, the local law of the controllable electronic record's jurisdiction
24 specified in R.S. 10:12-107(c) and (d) governs perfection, the effect of perfection
25 or nonperfection, and the priority of a security interest in a controllable
26 electronic record and a security interest in a controllable account or
27 controllable payment intangible evidenced by the controllable electronic record.

28 (b) When perfection governed by law of jurisdiction where debtor
29 located. The local law of the jurisdiction in which the debtor is located governs:

* * *

(e) Temporary perfection: new value. A security interest in certificated securities, negotiable documents, or instruments other than collateral mortgage notes is perfected without filing or the taking of possession or control for a period of twenty days from the time it attaches to the extent that it arises for new value given under ~~an authenticated~~ **a signed** security agreement.

* * *

§9-313. When possession by or delivery to secured party perfects security interest without filing

(a) Perfection by possession or delivery. Except as otherwise provided in Subsection (b) of this Section, a secured party may perfect a security interest in ~~tangible negotiable documents~~, goods, instruments including collateral mortgage notes, **negotiable tangible documents, or** money, ~~or tangible chattel paper~~ by taking possession of the collateral. A secured party may perfect a security interest in certificated securities by taking delivery of the certificated securities under R.S. 10:8-301.

* * *

(c) Collateral in possession of person other than debtor. With respect to collateral other than certificated securities and goods covered by a document, a secured party takes possession of collateral in the possession of a person other than the debtor, the secured party, or a lessee of the collateral from the debtor in the ordinary course of the debtor's business, when:

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

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

(d) Time of perfection by possession; continuation of perfection. If perfection of a security interest depends upon possession of the collateral by a secured party,

1 perfection occurs ~~no~~ **not** earlier than the time the secured party takes possession and
 2 continues only while the secured party retains possession.

3 * * *

4 §9-314. Perfection by control

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

11 (b) Specified collateral: time of perfection by control; continuation of
 12 perfection. A security interest in **controllable accounts, controllable electronic**
 13 **records, controllable payment intangibles,** deposit accounts, ~~electronic chattel~~
 14 ~~paper,~~ electronic documents, a life insurance policy, or letter-of-credit rights is
 15 perfected by control under R.S. 10:7-106, 9-104, ~~9-105,~~ 9-107, ~~or 9-107.1,~~ **or 9-**
 16 **107.3** ~~when~~ **not earlier than the time** the secured party obtains control and remains
 17 perfected by control only while the secured party retains control.

18 (c) Investment property: time of perfection by control; continuation of
 19 perfection. A security interest in investment property is perfected by control under
 20 R.S. 10:9-106 ~~from~~ **not earlier than** the time the secured party obtains control and
 21 remains perfected by control until:

22 * * *

23 **§9-314.1. Perfection by possession and control of chattel paper**

24 **(a) Perfection by possession and control. A secured party may perfect a**
 25 **security interest in chattel paper by taking possession of each authoritative**
 26 **tangible copy of the record evidencing the chattel paper and obtaining control**
 27 **of each authoritative electronic copy of the electronic record evidencing the**
 28 **chattel paper.**

29 **(b) Time of perfection; continuation of perfection. A security interest is**

1 perfected under Subsection (a) of this Section not earlier than the time the
 2 secured party takes possession and obtains control and remains perfected under
 3 Subsection (a) of this Section only while the secured party retains possession
 4 and control.

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

8 * * *

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

10 (a) General rule: effect on perfection of change in governing law. A security
 11 interest perfected pursuant to the law of the jurisdiction designated in R.S.
 12 10:9-301(1), ~~or 9-305(c)~~, **9-306.1(d), or 9-306.2(b)** remains perfected until the
 13 earliest of:

14 * * *

15 (f) Change in jurisdiction of **chattel paper, controllable electronic record,**
 16 bank, issuer, nominated person, securities intermediary, or commodity intermediary.
 17 A security interest in **chattel paper, controllable accounts, controllable electronic**
 18 **records, controllable payment intangibles,** deposit accounts, letter-of-credit rights,
 19 or investment property which is perfected under the law of the **chattel paper's**
 20 **jurisdiction, the controllable electronic record's jurisdiction, the** bank's
 21 jurisdiction, the issuer's jurisdiction, a nominated person's jurisdiction, the securities
 22 intermediary's jurisdiction, or the commodity intermediary's jurisdiction, as
 23 applicable, remains perfected until the earlier of:

24 * * *

25 §9-317. Interests that take priority over or take free of security interest or
 26 agricultural lien

27 * * *

28 (b) Buyers that receive delivery. Except as otherwise provided in Subsection
 29 (e) of this Section, a buyer, other than a secured party, of ~~tangible chattel paper,~~

1 ~~tangible documents, goods, instruments,~~ **tangible documents**, or ~~certificated security~~
 2 **a security certificate** takes free of a security interest or agricultural lien if the buyer
 3 gives value and receives delivery of the collateral before it is perfected.

4 * * *

5 (d) Licensees and buyers of certain collateral. ~~A~~ **Subject to Subsections (f)**
 6 **through (i) of this Section, a** licensee of a general intangible or a buyer, other than
 7 a secured party, of collateral other than ~~tangible chattel paper, tangible documents,~~
 8 goods, instruments, **tangible documents**, or a certificated security takes free of a
 9 security interest if the licensee or buyer gives value before it is perfected.

10 * * *

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

14 **(1) receives delivery of each authoritative tangible copy of the record**
 15 **evidencing the chattel paper; and**

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

19 **(g) Buyers of electronic documents. A buyer of an electronic document**
 20 **takes free of a security interest if, before it is perfected, the buyer gives value**
 21 **and, if each authoritative electronic copy of the document can be subjected to**
 22 **control under R.S. 10:7-106, obtains control of each authoritative electronic**
 23 **copy.**

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

27 **(i) Buyers of controllable accounts and controllable payment intangibles.**
 28 **A buyer, other than a secured party, of a controllable account or a controllable**
 29 **payment intangible takes free of a security interest if, before it is perfected, the**

1 or before the delivery of the inventory to a buyer, if:

2 * * *

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

5 * * *

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

13 * * *

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

16 * * *

17 **§9-326.1. Priority of security interest in controllable account, controllable**
18 **electronic record, and controllable payment intangible**

19 **A security interest in a controllable account, controllable electronic**
20 **record, or controllable payment intangible held by a secured party having**
21 **control of the account, electronic record, or payment intangible has priority**
22 **over a conflicting security interest held by a secured party that does not have**
23 **control.**

24 * * *

25 §9-330. Priority of ~~purchase~~ **purchaser** of chattel paper or instrument

26 (a) Purchaser's priority: security interest claimed merely as proceeds. A
27 purchaser of chattel paper has priority over a security interest in the chattel paper
28 which is claimed merely as proceeds of inventory subject to a security interest if:

29 (1) in good faith and in the ordinary course of the purchaser's business, the

1 purchaser gives new value ~~and~~, takes possession of **each authoritative tangible**
 2 **copy of the record evidencing** the chattel paper ~~or~~, **and** obtains control ~~of~~ **under**
 3 **R.S. 10:9-105 of each authoritative electronic copy of the record evidencing** the
 4 chattel paper ~~under R.S. 10:9-105~~; and

5 (2) the ~~chattel paper does~~ **authoritative copies of the record evidencing the**
 6 **chattel paper do** not indicate that ~~it~~ **the chattel paper** has been assigned to an
 7 identified assignee other than the purchaser.

8 (b) Purchaser's priority: other security interests. A purchaser of chattel paper
 9 has priority over a security interest in the chattel paper which is claimed other than
 10 merely as proceeds of inventory subject to a security interest if the purchaser gives
 11 new value, ~~and~~ takes possession of **each authoritative tangible copy of the record**
 12 **evidencing** the chattel paper ~~or~~, **and** obtains control ~~of~~ **under R.S. 10:9-105 of each**
 13 **authoritative electronic copy of the record evidencing** the chattel paper ~~under R.S.~~
 14 ~~10:9-105~~ in good faith, in the ordinary course of the purchaser's business, and
 15 without knowledge that the purchase violates the rights of the secured party.

16 * * *

17 (f) Indication of assignment gives knowledge. For purposes of Subsections
 18 (b) and (d) **of this Section**, if **the authoritative copies of the record evidencing**
 19 chattel paper or an instrument ~~indicates that it~~ **indicate that the chattel paper or**
 20 **instrument** has been assigned to an identified secured party other than the purchaser,
 21 a purchaser of the chattel paper or instrument has knowledge that the purchase
 22 violates the rights of the secured party.

23 §9-331. Priority of rights of purchasers of **controllable accounts, controllable**
 24 **electronic records, controllable payment intangibles, instruments,**
 25 documents, **instruments,** and securities under other Chapters;
 26 priority of interests in financial assets and security entitlements **and**
 27 **protection against assertion of claim** under ~~Chapter 8~~ **Chapters 8**
 28 **and 12**

29 (a) Rights under Chapters 3, 7, ~~and 8~~ **8, and 12** not limited. This Chapter does

1 not limit the rights of a holder in due course of a negotiable instrument, a holder to
 2 which a negotiable document of title has been duly negotiated, ~~or~~ a protected
 3 purchaser of a security, or a qualifying purchaser of a controllable account,
 4 controllable electronic record, or controllable payment intangible. These holders
 5 or purchasers take priority over an earlier security interest, even if perfected, to the
 6 extent provided in Chapters 3, 7, ~~and 8~~ **8, and 12.**

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

10 * * *

11 §9-332. Transfer of money; transfer of funds from deposit account

12 (a) Transferee of money. A transferee of money takes the money free of a
 13 security interest ~~unless the transferee acts~~ **if the transferee receives possession of**
 14 **the money without acting** in collusion with the debtor in violating the rights of the
 15 secured party.

16 (b) Transferee of funds from deposit account. A transferee of funds from a
 17 deposit account takes the funds free of a security interest in the deposit account
 18 ~~unless the transferee acts~~ **if the transferee receives the funds without acting** in
 19 collusion with the debtor in violating the rights of the secured party.

20 * * *

21 §9-334. Priority of security interests in fixtures and crops

22 * * *

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

26 (1) the encumbrancer or owner has, in an ~~authenticated~~ **signed** record,
 27 consented to the security interest or disclaimed an interest in the goods as fixtures;
 28 or

29 * * *

1 §9-341. Bank's rights and duties with respect to deposit account

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

6 * * *

7 §9-404. Rights acquired by assignee; claims and defenses against assignee

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

12 * * *

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

16 * * *

17 §9-406. Discharge of account debtor; notification of assignment; identification and
18 proof of assignment; restrictions on assignment of accounts, chattel
19 paper, payment intangibles, and promissory notes ineffective

20 (a) Discharge of account debtor; effect of notification. Subject to Subsections
21 (b) through (i) **and (l) of this Section** and R.S. 10:9-411, an account debtor on an
22 account, chattel paper, or a payment intangible may discharge its obligation by
23 paying the assignor until, but not after, the account debtor receives a notification,
24 ~~authenticated~~ **signed** by the assignor or the assignee, that the amount due or to
25 become due has been assigned and that payment is to be made to the assignee. After
26 receipt of the notification, the account debtor may discharge its obligation by paying
27 the assignee and may not discharge the obligation by paying the assignor.

28 (b) When notification ineffective. Subject to ~~Subsection (h)~~ **Subsections (h)**
29 **and (l) of this Section**, notification is ineffective under Subsection (a) **of this**

* * *

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

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

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

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

* * *

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

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

* * *

§9-509. Persons entitled to file a record

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

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

* * *

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

* * *

§9-513. Termination statement

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

* * *

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

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

* * *

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

* * *

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

* * *

§9-605. Unknown debtor or secondary obligor

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

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

1 (A) that the person is a debtor or obligor;
 2 (B) the identity of the person; and
 3 (C) how to communicate with the person; or
 4 (2) to a secured party or lienholder that has filed a financing statement against
 5 a person, unless the secured party knows:

6 (A) that the person is a debtor; and
 7 (B) the identity of the person.

8 **(b) Exception: Secured party owes duty to debtor or obligor. A secured**
 9 **party owes a duty based on its status as a secured party to a person if, at the**
 10 **time the secured party obtains control of collateral that is a controllable**
 11 **account, controllable electronic record, or controllable payment intangible or**
 12 **at the time the security interest attaches to the collateral, whichever is later:**

13 **(1) the person is a debtor or obligor; and**
 14 **(2) the secured party knows that the information in Subsection (a)(1)(A),**
 15 **(B), or (C) of this Section relating to the person is not provided by the collateral,**
 16 **a record attached to or logically associated with the collateral, or the system in**
 17 **which the collateral is recorded.**

18 * * *

19 §9-608. Application of proceeds of collection or enforcement; liability for
 20 deficiency and right to surplus

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

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

26 * * *

27 (C) the satisfaction of obligations secured by any subordinate security interest
 28 in or lien on the collateral subject to the security interest or agricultural lien under
 29 which the collection or enforcement is made if the secured party receives an

* * *

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

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

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

(A) describes the debtor and the secured party;

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

(C) states the method of intended disposition;

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

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

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

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

(A) information not specified by that Paragraph; or

(B) minor errors that are not seriously misleading.

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

(5) The following form of notification and the form appearing in R.S. ~~10:9-614(3)~~ **10:9-614(a)(3)**, when completed **in accordance with the instructions in Subsection (b) of this Section and R.S. 10:9-614(b)**, each provides sufficient information:

~~NOTIFICATION OF DISPOSITION OF COLLATERAL~~

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

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

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

2 [*For a public disposition:*]

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

5 Day and Date:

6 Time:

7 Place:

8 [*For a private disposition:*]

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

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

14 [End of Form]

15 **NOTIFICATION OF DISPOSITION OF COLLATERAL**

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

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

18 **{1} Name of any debtor that is not an addressee: (Name of each debtor)**

19 **{2} We will sell (describe collateral) (to the highest qualified bidder) at**
20 **public sale. A sale could include a lease or license. The sale will be held as**
21 **follows:**

22 **(Date)**

23 **(Time)**

24 **(Place)**

25 **{3} We will sell (describe collateral) at private sale sometime after (date).**

26 **A sale could include a lease or license.**

27 **{4} You are entitled to an accounting of the unpaid indebtedness secured**
28 **by the property that we intend to sell or, as applicable, lease or license.**

29 **{5} If you request an accounting, you must pay a charge of \$ (amount).**

1 {6} You may request an accounting by calling us at (telephone number).

2 [End of Form]

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

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

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

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

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

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

18 §9-614. Contents and form of notification before disposition of collateral: consumer-
19 goods transaction

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

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

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

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

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

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

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

2 (3) The following form of notification, when completed **in accordance with**
3 **the instructions in Subsection (b) of this Section**, provides sufficient information:

4 NOTICE OF OUR PLAN TO SELL PROPERTY

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

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

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

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

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

11 Date:

12 Time:

13 Place:

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

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

16 We will sell ~~[describe collateral]~~ at private sale sometime after ~~[date]~~. A sale could
17 include a lease or license.

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

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

25 If you want us to explain to you in writing how we have figured the amount
26 that you owe us, you may call us at ~~[telephone number]~~ [or write us at ~~[secured~~
27 ~~party's address]~~] and request a written explanation. [We will charge you \$ _____
28 for the explanation if we sent you another written explanation of the amount you owe
29 us within the last six months.]

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

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

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

6 *[End of Form]*

7 **(Name and address of secured party)**

8 **(Date)**

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

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

11 **Subject: (Identify transaction)**

12 **We have your (describe collateral), because you broke promises in our**
13 **agreement.**

14 **{1} We will sell (describe collateral) at public sale. A sale could include**
15 **a lease or license. The sale will be held as follows:**

16 **(Date)**

17 **(Time)**

18 **(Place)**

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

20 **{2} We will sell (describe collateral) at private sale sometime after (date).**
21 **A sale could include a lease or license.**

22 **{3} The money that we get from the sale, after paying our costs, will**
23 **reduce the amount you owe. If we get less money than you owe, you (will or will**
24 **not, as applicable) still owe us the difference. If we get more money than you**
25 **owe, you will get the extra money, unless we must pay it to someone else.**

26 **{4} You can get the property back at any time before we sell it by paying**
27 **us the full amount you owe, not just the past due payments, including our**
28 **expenses. To learn the exact amount you must pay, call us at (telephone**
29 **number).**

1 {5} If you want us to explain to you in (writing) (writing or in
2 (description of electronic record)) (description of electronic record) how we
3 have figured the amount that you owe us, {6} call us at (telephone number) (or
4 (write us at (secured party's address)) (or contact us by (description of
5 electronic communication method)) {7} and request (a written explanation) (a
6 written explanation or an explanation in (description of electronic record)) (an
7 explanation in (description of electronic record)).

8 {8} We will charge you \$ (amount) for the explanation if we sent you
9 another written explanation of the amount you owe us within the last six
10 months.

11 {9} If you need more information about the sale (call us at (telephone
12 number)) (or) (write us at (secured party's address)) (or contact us by
13 (description of electronic communication method)).

14 {10} We are sending this notice to the following other people who have
15 an interest in (describe collateral) or who owe money under your agreement:
16 (Names of all other debtors and obligors, if any)

17 [End of Form]

18 (b) Instructions for form of notification. The following instructions apply
19 to the form of notification in Subsection (a)(3) of this Section:

20 (1) The instructions in this Subsection refer to the numbers in braces
21 before items in the form of notification in Subsection (a)(3) of this Section. Do
22 not include the numbers or braces in the notification. The numbers and braces
23 are used only for the purpose of these instructions.

24 (2) Include and complete either item {1}, if the notification relates to a
25 public disposition of the collateral, or item {2}, if the notification relates to a
26 private disposition of the collateral.

27 (3) Include and complete items {3}, {4}, {5}, {6}, and {7}.

28 (4) In item {5}, include and complete any one of the three alternative
29 methods for the explanation—writing, writing or electronic record, or

1 electronic record.

2 (5) In item {6}, include the telephone number. In addition, the sender
 3 may include and complete either or both of the two additional alternative
 4 methods of communication—writing or electronic communication—for the
 5 recipient of the notification to communicate with the sender. Neither of the two
 6 additional methods of communication is required to be included.

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

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

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

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

20 ~~(4)~~**(10)** A notification in the form of ~~Paragraph (3)~~ **Paragraph (a)(3) of this**
 21 **Section** is sufficient, even if additional information appears at the end of the form.

22 ~~(5)~~**(11)** A notification in the form of ~~Paragraph (3)~~ **Paragraph (a)(3) of this**
 23 **Section** is sufficient, even if it includes errors in information not required by
 24 ~~Paragraph (1)~~ **Paragraph (a)(1) of this Section**, unless the error is misleading with
 25 respect to rights arising under this Chapter.

26 ~~(6)~~**(12)** If a notification under this Section is not in the form of ~~Paragraph (3)~~
 27 **Paragraph (a)(3) of this Section**, law other than this Chapter determines the effect
 28 of including information not required by ~~Paragraph (1)~~ **Paragraph (a)(1) of this**
 29 **Section**.

1 §9-615. Application of proceeds of disposition; liability for deficiency and right to
2 surplus

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

6 * * *

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

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

12 * * *

13 (4) a secured party that is a consignor of the collateral if the secured party
14 receives from the consignor ~~an authenticated~~ **a signed** demand for proceeds before
15 distribution of the proceeds is completed.

16 * * *

17 §9-616. Explanation of calculation of surplus or deficiency

18 (a) Definitions. In this Section:

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

20 * * *

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

23 * * *

24 (2) "Request" means a record:

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

26 * * *

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

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

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

6 * * *

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

10 * * *

11 §9-619. Transfer of record or legal title

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

14 * * *

15 §9-620. Acceptance of collateral in full or partial satisfaction of obligation;
16 compulsory disposition of collateral

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

19 * * *

20 (2) the secured party does not receive, within the time set forth in Subsection
21 **(d) of this Section**, a notification of objection to the proposal ~~authenticated~~ **signed**

22 by:

23 * * *

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

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

28 * * *

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

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

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

7 * * *

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

10 * * *

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

14 * * *

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

18 * * *

19 §9-621. Notification of proposal to accept collateral

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

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

26 * * *

27 §9-624. Waiver

28 (a) Waiver of disposition notification. A debtor or secondary obligor may
29 waive the right to notification of disposition of collateral under R.S. 10:9-611 only

1 by an agreement to that effect entered into and ~~authenticated~~ **signed** after default.

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

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

9 * * *

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

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

16 * * *

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

20 * * *

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

27 **(1) the person is a debtor or obligor; and**

28 **(2) the secured party knows that the information in Subsection (b)(1)(A),**

29 **(B), or (C) of this Section relating to the person is not provided by the collateral,**

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

3 §9-629. Judicial proceedings; authentic evidence

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

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

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

13 * * *

14 **CHAPTER 12. CONTROLLABLE ELECTRONIC RECORDS**

15 **§12-101. Title**

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

18 **§12-102. Definitions**

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

20 **(1) "Controllable electronic record" means a record stored in an**
 21 **electronic medium that can be subjected to control under R.S. 10:12-105. The**
 22 **term does not include a controllable account, a controllable payment intangible,**
 23 **a deposit account, an electronic copy of a record evidencing chattel paper, an**
 24 **electronic document of title, investment property, or a transferable record. The**
 25 **term also does not include an electronic record that is currently authorized or**
 26 **adopted by a domestic or foreign government and is not a medium of exchange**
 27 **that was recorded and transferable in a system that existed and operated for the**
 28 **medium of exchange before the medium of exchange was authorized or adopted**
 29 **by a government.**

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

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

6 **(A) Section 201(a)(1) of the Electronic Signatures in Global and National**
 7 **Commerce Act, 15 U.S.C. Section 7021(a)(1), as amended; or**

8 **(B) R.S. 9:2616(A).**

9 **(4) "Value" has the meaning provided in R.S. 10:3-303(a), as if**
 10 **references in that Subsection to an "instrument" were references to a**
 11 **controllable account, controllable electronic record, or controllable payment**
 12 **intangible.**

13 **(b) Definitions in Chapter 9. The definitions in Chapter 9 of "account**
 14 **debtor", "controllable account", "controllable payment intangible", "chattel**
 15 **paper", "deposit account", and "investment property" apply to this Chapter.**

16 **(c) Chapter 1 definitions and principles. Chapter 1 contains general**
 17 **definitions and principles of construction and interpretation applicable**
 18 **throughout this Chapter.**

19 Louisiana Official Revision Comments – 2024

20 This Section varies from its counterpart in national U.C.C. Article 12 to account for
 21 the omission of the concept of electronic money from revised Chapter 9. First, the reference
 22 in national U.C.C. Article 12 to electronic money in the list of exclusions from the term
 23 "controllable electronic record" is omitted as unnecessary. The same omissions are made in
 24 R.S. 10:12-102(b) and 12-305(c). Second, this Section includes non-uniform language that
 25 corresponds to the final sentence of national U.C.C. Section 1-201(b)(24), which has been
 26 omitted from revised Chapter 1. This additional language includes within the definition of
 27 controllable electronic record a cryptocurrency, such as bitcoin, that was not originally
 28 created by a government. In contrast, a central bank digital currency or other cryptocurrency
 29 or electronic money that is created by any government as a medium of exchange (money)
 30 is expressly excluded from the definition of controllable electronic record and the scope of
 31 Louisiana Chapter 12.

32 **§12-103. Relation to Chapter 9 and consumer laws**

33 **(a) Chapter 9 governs in case of conflict. If there is conflict between this**
 34 **Chapter and Chapter 9, Chapter 9 governs.**

35 **(b) Applicable consumer law and other laws. A transaction subject to**

1 this Chapter is subject to any applicable statute or regulation that establishes
 2 a different rule for consumers and any other statute or regulation that regulates
 3 the rates, charges, agreements, and practices for loans or other extensions of
 4 credit.

5 Louisiana Official Revision Comments – 2024

6 (a) Subsection (b) varies from revised national U.C.C. Article 12 by replacing the
 7 phrase "rule of law" as used in U.C.C. Article 12 with the term "statute or regulation." The
 8 phrase "rule of law" is of common law origin and carries connotations not applicable in
 9 Louisiana. The sources of law in Louisiana are legislation and custom. Civil Code Article
 10 1. To the extent the phrase "rule of law" includes jurisprudential precedent as opposed to
 11 legislation, it is rejected. See *Doerr v. Mobil Oil Corp.*, 774 So. 2d 119 (La. 2000)
 12 (Louisiana civilian tradition does not recognize the doctrine of *stare decisis*; judicial
 13 decisions are not intended to be an authoritative source of law in Louisiana).

14 (b) Subsection (b) does not list specific consumer, usury, loan, and credit laws, as
 15 suggested by national U.C.C. Article 12. Instead, Subsection (b) makes a general reference
 16 to avoid missing any particular law and to allow for later legislation. Subsection (b) is copied
 17 from existing R.S. 10:9-201(b), which is the source provision for this Section, just as
 18 uniform Subsection 9-201(b) is copied as the source for this Subsection in national U.C.C.
 19 Article 12.

20 §12-104. Rights in controllable account, controllable electronic record, and
 21 controllable payment intangible

22 (a) Applicability of Section to controllable account and controllable
 23 payment intangible. This Section applies to the acquisition and purchase of
 24 rights in a controllable account or controllable payment intangible, including
 25 the rights and benefits under Subsections (c), (d), (e), (g), and (h) of this Section
 26 of a purchaser and qualifying purchaser, in the same manner this Section
 27 applies to a controllable electronic record.

28 (b) Control of controllable account and controllable payment intangible.
 29 To determine whether a purchaser of a controllable account or a controllable
 30 payment intangible is a qualifying purchaser, the purchaser obtains control of
 31 the account or payment intangible if it obtains control of the controllable
 32 electronic record that evidences the account or payment intangible.

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

1 (d) Shelter principle and purchase of limited interest. A purchaser of a
2 controllable electronic record acquires all rights in the controllable electronic
3 record that the transferor had or had power to transfer, except that a purchaser
4 of a limited interest in a controllable electronic record acquires rights only to
5 the extent of the interest purchased.

6 (e) Rights of qualifying purchaser. A qualifying purchaser acquires its
7 rights in the controllable electronic record free of a claim of a property right in
8 the controllable electronic record.

9 (f) Limitation of rights of qualifying purchaser in other property. Except
10 as provided in Subsections (a) and (e) of this Section for a controllable account
11 and a controllable payment intangible or law other than this Chapter, a
12 qualifying purchaser takes a right to payment, right to performance, or other
13 interest in property evidenced by the controllable electronic record subject to
14 a claim of a property right in the right to payment, right to performance, or
15 other interest in property.

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

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

24 §12-105. Control of controllable electronic record

25 (a) General rule: control of controllable electronic record. A person has
26 control of a controllable electronic record if the electronic record, a record
27 attached to or logically associated with the electronic record, or a system in
28 which the electronic record is recorded:

29 (1) gives the person:

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

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

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

6 (ii) transfer control of the electronic record to another person or cause
7 another person to obtain control of another controllable electronic record as a
8 result of the transfer of the electronic record; and

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

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

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

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

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

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

25 (2) the other person:

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

27 or

28 (B) is the transferor to the person of an interest in the controllable
29 electronic record or a controllable account or controllable payment intangible

1 evidenced by the controllable electronic record.

2 (d) Presumption of exclusivity of certain powers. If a person has the
3 powers specified in Subsections (a)(1)(B)(i) and (ii) of this Section, the powers
4 are presumed to be exclusive.

5 (e) Control through another person. A person has control of a
6 controllable electronic record if another person, other than the transferor to the
7 person of an interest in the controllable electronic record or a controllable
8 account or controllable payment intangible evidenced by the controllable
9 electronic record:

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

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

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

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

22 §12-106. Discharge of account debtor on controllable account or controllable
23 payment intangible

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

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

29 (2) except as provided in Subsection (b) of this Section, a person that

1 formerly had control of the controllable electronic record.

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

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

8 (2) reasonably identifies the controllable account or controllable
9 payment intangible;

10 (3) notifies the account debtor that control of the controllable electronic
11 record that evidences the controllable account or controllable payment
12 intangible was transferred;

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

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

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

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

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

28 (2) to the extent an agreement between the account debtor and seller of
29 a payment intangible limits the account debtor's duty to pay a person other than

1 the seller and the limitation is effective under law other than this Chapter; or

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

4 (A) divide a payment;

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

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

9 (e) Proof of transfer of control. Subject to Subsection (h) of this Section,
10 if requested by the account debtor, the person giving the notification under
11 Subsection (b) of this Section seasonably shall furnish reasonable proof, using
12 the method in the agreement referred to in Subsection (d)(1) of this Section, that
13 control of the controllable electronic record has been transferred. Unless the
14 person complies with the request, the account debtor may discharge its
15 obligation by paying a person that formerly had control, even if the account
16 debtor has received a notification under Subsection (b) of this Section.

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

21 (1) avail itself of substantially all the benefit from the controllable
22 electronic record;

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

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

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

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

5 §12-107. Governing law

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

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

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

16 (1) If the controllable electronic record, or a record attached to or
17 logically associated with the controllable electronic record and readily available
18 for review, expressly provides that a particular jurisdiction is the controllable
19 electronic record's jurisdiction for purposes of this Chapter or this Title, that
20 jurisdiction is the controllable electronic record's jurisdiction.

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

26 (3) If Paragraphs (1) and (2) of this Subsection do not apply and the
27 controllable electronic record, or a record attached to or logically associated
28 with the controllable electronic record and readily available for review,
29 expressly provides that the controllable electronic record is governed by the law

1 of a particular jurisdiction, that jurisdiction is the controllable electronic
2 record's jurisdiction.

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

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

10 (d) Applicability of Article 12. If Subsection (c)(5) of this Section applies
11 and Article 12 is not in effect in the District of Columbia without material
12 modification, the governing law for a matter covered by this Chapter is the law
13 of the District of Columbia as though Article 12 were in effect in the District of
14 Columbia without material modification. In this Subsection, "Article 12" means
15 Article 12 of Uniform Commercial Code Amendments (2022).

16 (e) Relation of matter or transaction to controllable electronic record's
17 jurisdiction not necessary. To the extent Subsections (a) and (b) of this Section
18 provide that the local law of the controllable electronic record's jurisdiction
19 governs a matter covered by this Chapter, that law governs even if the matter
20 or a transaction to which the matter relates does not bear any relation to the
21 controllable electronic record's jurisdiction.

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

25 CHAPTER 13. TRANSITIONAL PROVISIONS FOR UNIFORM

26 COMMERCIAL CODE AMENDMENTS

27 PART 1. GENERAL PROVISIONS AND DEFINITIONS

28 §13-101. Title

29 This Chapter may be cited as "Transitional Provisions for Uniform

1 Commercial Code Amendments".

2 §13-102. Definitions

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

4 (1) "Adjustment date" means August 1, 2025.

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

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

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

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

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

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

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

14 (c) Chapter 1 definitions and principles. Chapter 1 contains general
15 definitions and principles of construction and interpretation applicable
16 throughout this Chapter.

17 (d) Definition of "Act". As used in this Chapter, "Act" means the Act
18 that originated as Senate Bill No. 110 of the 2024 Regular Session of the
19 Legislature that enacted Chapters 12 and 13 of this Title and amended other
20 provisions of law in other Chapters of this Title.

21 PART 2. GENERAL TRANSITIONAL PROVISION

22 §13-201. Saving clause

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

28 PART 3. TRANSITIONAL PROVISIONS FOR CHAPTERS 9 AND 12

29 §13-301. Saving clause

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

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

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

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

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

20 §13-302. Security interest perfected before effective date

21 (a) Continuing perfection: perfection requirements satisfied. A security
22 interest that is enforceable and perfected immediately before the effective date
23 of this Act is a perfected security interest under this Act if, on the effective date
24 of this Act, the requirements for enforceability and perfection under this Act
25 are satisfied without further action.

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

1 security interest:

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

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

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

11 §13-303. Security interest unperfected before effective date

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

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

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

18 (3) becomes perfected:

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

21 or

22 (B) when the requirements for perfection are satisfied if the
23 requirements are satisfied after that time.

24 §13-304. Effectiveness of actions taken before effective date

25 (a) Pre-effective-date action; attachment and perfection before
26 adjustment date. If action, other than the filing of a financing statement, is
27 taken before the effective date of this Act and the action would have resulted in
28 perfection of the security interest had the security interest become enforceable
29 before the effective date of this Act, the action is effective to perfect a security

1 interest that attaches under this Act before the adjustment date. An attached
2 security interest becomes unperfected on the adjustment date unless the security
3 interest becomes a perfected security interest under this Act before the
4 adjustment date.

5 (b) Pre-effective-date filing. The filing of a financing statement before the
6 effective date of this Act is effective to perfect a security interest on the effective
7 date of this Act to the extent the filing would satisfy the requirements for
8 perfection under this Act.

9 (c) Pre-effective-date enforceability action. The taking of an action
10 before the effective date of this Act is sufficient for the enforceability of a
11 security interest on the effective date of this Act if the action would satisfy the
12 requirements for enforceability under this Act.

13 §13-305. Priority

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

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

20 (c) Determination of certain priorities on adjustment date. On the
21 adjustment date, to the extent the priorities determined by Chapter 9 as
22 amended by this Act modify the priorities established before the effective date
23 of this Act, the priorities of claims to Chapter 12 property established before the
24 effective date of this Act cease to apply.

25 §13-306. Priority of claims when priority rules of Chapter 9 do not apply

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

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

5 **(c) Determination of certain priorities on adjustment date. When the**
 6 **priority rules of Chapter 9 as amended by this Act do not apply, to the extent**
 7 **the priorities determined by this Act modify the priorities established before the**
 8 **effective date of this Act, the priorities of claims to Chapter 12 property**
 9 **established before the effective date of this Act cease to apply on the adjustment**
 10 **date.**

11 Section 2. The Louisiana Legislature confirms and reiterates the reasons for and the
 12 judgment expressed in House Concurrent Resolution No. 71 of the 2023 Regular Session of
 13 the Legislature that the United States Congress not support legislation, or other efforts,
 14 relating to the adoption of a central bank digital currency in the United States. Nothing in
 15 this Act shall be construed to support, encourage, facilitate, or implement a central bank
 16 digital currency in the United States.

17 Section 3. The Louisiana State Law Institute is hereby directed to update or print the
 18 Official Comments to the national Uniform Commercial Code as set forth in the Uniform
 19 Commercial Code Amendments (2022) drafted by the Uniform Law Commission and the
 20 American Law Institute.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Xavier I. Alexander.

DIGEST

SB 110 Engrossed 2024 Regular Session Pressly

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

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

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

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

Proposed law (R.S. 10:1-201(b)(15)) provides a definition for the term "electronic".

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

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

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

Proposed law excludes from the definition of "money" any medium of exchange in electronic form.

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

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

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

Proposed law retains present law but eliminates the limitation.

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

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

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

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

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

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

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

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

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

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

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

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

Present law (R.S. 10:3-401) provides that a signature is necessary for liability on an

instrument and specifies how a signature may be made.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Proposed law (R.S. 10:4A-211(a)) retains present law and replaces reference to electronic

transmission or transmission in a writing with reference to transmission in a record.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

record.

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

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

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

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

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

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

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

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

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

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

Proposed law retains present law and deletes reference to the former concept as redundant. Present law (R.S. 10:9-102(a)(2)) defines the term "account".

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

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

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

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

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

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

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

Proposed law (R.S. 10:9-102(a)(7.1)) provides a definition for the term "assignee".

Proposed law (R.S. 10:9-102(a)(7.2)) provides a definition for the term "assignor".

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

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

Proposed law (R.S. 10:9-102(a)(27.1)) provides a definition for the term "controllable account".

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

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

Proposed law deletes this definition as unnecessary in light of the new definition of "chattel paper" provided in R.S. 10:9-102(a)(11).

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

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

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

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

Proposed law (R.S. 10:9-102(a)(54.1)) adds a Chapter-specific definition of the term "money" that excludes deposit accounts.

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

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

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

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

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

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

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

Proposed law deletes this definition as unnecessary in light of the new definition of "chattel paper" provided in R.S. 10:9-102(a)(11).

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

Proposed law adds to this list the defined terms "controllable electronic record", "protected

purchaser", and "qualifying purchaser".

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

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

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

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

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

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

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

Present law (R.S. 10:9-107.2) provides for the effect on control of an agreement that makes the exercise of control conditional.

Proposed law extends the applicability of present law to control pursuant to R.S. 10:9-107.3.

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

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

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

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

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

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

Proposed law (R.S. 10:9-203(b)(3)(D) and (E)) revises the list of types of collateral to include new categories of assets and manners of gaining control and to conform to the new definition of "chattel paper" provided in R.S. 10:9-102(a)(11) by requiring both control and possession pursuant to the debtor's security agreement for the enforceability of a security interest in chattel paper.

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

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

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

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

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

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

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

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

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

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

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

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

Proposed law provides the duties of a secured party with control of a controllable electronic record.

Proposed law (R.S. 10:9-208(b)(8)) retains and redesignates present law and replaces the term "authenticated" with "signed".

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Proposed law (R.S. 10:9-314(a) and (b)) updates lists of categories of collateral and corresponding cross-references to add new categories of collateral and to conform to the new

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

provided in R.S. 10:9-105.

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

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

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

Proposed law (R.S. 10:9-332(a)) retains and clarifies present law.

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

Proposed law retains and clarifies present law.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Proposed law expands the list of cross-references contained in present law to make present law applicable where a secured party has control pursuant to R.S. 10:9-107.3.

Present law (R.S. 10:9-605) provides that a secured party does not owe a duty based on its status as secured party when certain information regarding the identity of the debtor or obligor cannot be determined.

Proposed law (R.S. 10:9-605(a)) retains present law while adding reference to the exception created by R.S. 10:9-605(b).

Proposed law (R.S. 10:9-605(b)) creates an exception to R.S. 10:9-605(a) where the secured party is aware of the fact that it will be unable to determine the relevant information at the time the duty would otherwise arise but for R.S. 10:9-605.

Present law (R.S. 10:9-608(a)(1)(C)) provides relative to the application of proceeds of collection or enforcement.

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

Present law (R.S. 10:9-611) provides rules for notification before disposition of collateral.

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

Present law (R.S. 10:9-613) sets out the required content and form of notification before disposition of collateral generally.

Proposed law (R.S. 10:9-613(a)) retains present law, updates the applicable safe-harbor form, and makes technical corrections.

Proposed law (R.S. 10:9-613(b)) provides further instruction and clarification regarding present law.

Present law (R.S. 10:9-614) sets out the required content and form of the notification before disposition of collateral for a consumer goods transaction.

Proposed law (R.S. 10:9-614(a)) retains present law and updates the applicable safe-harbor

form to achieve medium neutrality. Proposed law also makes technical corrections.

Proposed law (R.S. 10:9-614)(b)) provides further instruction and clarification regarding present law.

Present law (R.S. 10:9-615(a)(3)(A) and (4)) provides relative to the application of proceeds of disposition.

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

Present law (R.S. 10:9-616) sets out the manner of calculation of surplus and deficiency.

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

Present law (R.S. 10:9-619(a)(intro para)) provides for transfer of a record or legal title.

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

Present law (R.S. 10:9-620) provides relative to acceptance of collateral in satisfaction of an obligation.

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

Present law (R.S. 10:9-621(a)(1)) provides which parties must be notified of a proposal to accept collateral.

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

Present law (R.S. 10:9-624) provides relative to waiver.

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

Present law (R.S. 10:9-628) provides for the nonliability and limitation of liability of a secured party and the liability of a secondary obligor.

Proposed law (R.S. 10:9-628(a)(intro para) and (b)(intro para)) retains present law while adding reference to the exception created by R.S. 10:9-628(f).

Proposed law (R.S. 10:9-628(f)) provides for circumstances in which the limitation of liability contained in present law is inapplicable.

Present law (R.S. 10:9-629) provides relative to judicial proceedings and authentic evidence.

Proposed law (R.S. 10:9-629(a)(1) and (2)) retains present law and replaces the term "authenticated" with "signed".

Proposed law (Chapter 12) provides relative to a new class of digital assets to be called controllable electronic records.

Proposed law (R.S. 10:12-101) provides a short title.

Proposed law (R.S. 10:12-102) provides for definitions.

Proposed law (R.S. 10:12-103) governs the relationship between Chapter 12 and the Uniform Commercial Code - Secured Transactions and other consumer laws.

Proposed law (R.S. 10:12-104) provides relative to rights in controllable accounts, controllable electronic records, or controllable payment intangibles.

Proposed law (R.S. 10:12-105) provides relative to control of a controllable electronic record.

Proposed law (R.S. 10:12-106) sets out how an account debtor on a controllable account or controllable payment intangible may discharge its debt.

Proposed law (R.S. 10:12-107) sets forth the law that governs matters covered by Chapter 12.

Proposed law (Chapter 13) provides transition rules for the implementation of Chapter 12.

Proposed law (R.S. 10:13-101) provides a short title.

Proposed law (R.S. 10:13-102) provides definitions.

Proposed law (R.S. 10:13-201) provides a general savings clause.

Proposed law (R.S. 10:13-301) provides a special savings clause.

Proposed law (R.S. 10:13-302) provides relative to the continuing perfection of security interests perfected before the effective date of proposed law.

Proposed law (R.S. 10:13-303) provides relative to security interests that remain unperfected upon the effective date of proposed law.

Proposed law (R.S. 10:13-304) provides for the effectiveness of certain actions taken before the effective date of proposed law.

Proposed law (R.S. 10:13-305) provides for the priority of claims to collateral established before and after the effective date and adjustment date of proposed law.

Proposed law (R.S. 10:13-306) provides relative to the priority of claims to collateral when the priority rules of Chapter 9 do not apply.

Effective August 1, 2024.

(Amends R.S. 10:1-201(b)(10), (15), (21)(C), (24), (27), (36), and (37), 1-204(intro para), 1-301(g)(8), 3-104(a)(intro para) and (3), 3-105(a), 3-401, 3-604(a), 4A-103(a)(1)(intro para), 4A-201, 4A-202(b) and (c), 4A-203(a)(1), 4A-207(b)(2) and (c)(intro para) and (2), 4A-208(b)(2), 4A-210(a), 4A-211(a) and (d), 4A-305(b)-(d), 5-104, 5-116, 7-102(a)(11), 7-106(b)(intro para) and (4), 8-102(a)(6)(i) and (b), 8-106(d)(3), 8-303(b), 9-102(a)(2), (3), (4)(A), (7), (11), (31), (42), (47), (61), (66), (75), and (79) and (b), 9-104(a)(2) and (3), 9-105, 9-107.1, 9-107.2, 9-203(b)(3)(A), (C), and (D), 9-204(b)(intro para), 9-207(c)(intro para), 9-208(b)(intro para), (1), and (3)-(7), 9-209(b), 9-210(a)(2)-(4), (b), (c), (d)(intro para), and (e)(intro para), 9-301(intro para) and (3)(intro para), 9-304(a), 9-305(a)(intro para), 9-310(b)(8), 9-312(a) and (e), 9-313(a), (c), and (d), 9-314(a)-(c), 9-316(a)(intro para) and (f)(intro para), 9-317(b) and (d), 9-323(d)(intro para) and (f)(intro para), 9-324(b)(intro para) and (2) and (d)(intro para) and (2), 9-330(a), (b), and (f), 9-331(a) and (b), 9-332, 9-334(f)(1), 9-341(intro para), 9-404(a)(intro para) and (2), 9-406(a), (b)(intro para), (c), (d)(intro para), and (g), 9-408(g), 9-412(a), 9-509(a)(1) and (b)(intro para), 9-513(b)(intro para) and (2) and (c)(intro para), 9-601(b), 9-605, 9-608(a)(1)(C), 9-611(a)(1), (b), (c)(intro para) and (3)(A), and (e)(intro para) and (2)(B), 9-613, 9-614, 9-615(a)(3)(A) and (4), 9-616(a)(1)(intro para) and (B) and (2)(A), (b)(1)(A), and (c)(intro para), 9-619(a)(intro para), 9-620(a)(2)(intro para), (b)(1), (c)(1) and (2)(intro para) and (C), and (f)(intro para) and (2), 9-621(a)(1), 9-624, 9-628(a)(intro para) and (b)(intro para), and 9-629(a)(1) and (2); adds

R.S. 10:1-201(b)(16.1), 1-301(g)(9), 5-116(c), (d), (e), (f), and (g), 7-106(c)-(i), 8-103(h), 8-106(h) and (i), 8-110(g), 9-102(a)(7.1), (7.2), (27.1), (27.2), and (54.1), 9-104(a)(4), 9-107.3, 9-107.4, 9-203(b)(3)(E), 9-204(b.1), 9-208(b)(8), 9-305(a)(5), 9-306.1, 9-306.2, 9-310(b)(8.1), 9-314.1, 9-317(f)-(i), 9-326.1, 9-406(l), 9-408(h), 9-628(f), R.S. 10:12-101-12-107, and R.S. 10:13-101-13-306)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

1. Makes technical changes.