

**As Introduced**

**135th General Assembly**

**Regular Session**

**2023-2024**

**H. B. No. 697**

**Representatives Isaacsohn, Thomas, J.**



**A BILL**

To amend sections 1301.101, 1301.102, 1301.103, 1  
1301.104, 1301.105, 1301.106, 1301.201, 2  
1301.204, 1301.205, 1301.206, 1301.301, 3  
1301.302, 1301.304, 1301.305, 1301.306, 1302.01, 4  
1302.02, 1302.04, 1302.05, 1302.06, 1302.08, 5  
1302.12, 1303.01, 1303.03, 1303.41, 1303.69, 6  
1304.51, 1304.56, 1304.57, 1304.58, 1304.62, 7  
1304.63, 1304.65, 1304.66, 1304.72, 1305.03, 8  
1305.15, 1307.102, 1307.106, 1308.01, 1308.02, 9  
1308.05, 1308.17, 1308.24, 1309.102, 1309.104, 10  
1309.105, 1309.203, 1309.204, 1309.207, 11  
1309.208, 1309.209, 1309.210, 1309.301, 12  
1309.304, 1309.305, 1309.310, 1309.312, 13  
1309.313, 1309.314, 1309.316, 1309.317, 14  
1309.323, 1309.324, 1309.330, 1309.331, 15  
1309.332, 1309.334, 1309.341, 1309.404, 16  
1309.406, 1309.408, 1309.509, 1309.513, 17  
1309.601, 1309.605, 1309.608, 1309.611, 18  
1309.613, 1309.614, 1309.615, 1309.616, 19  
1309.619, 1309.620, 1309.621, 1309.624, 20  
1309.628, 1310.01, 1310.02, 1310.05, 1310.08, 21  
1310.09, 1310.10, 1310.12, 1310.15, and 1311.55 22  
and to enact sections 1309.111, 1309.112, 23  
1309.113, 1309.343, 1309.344, 1309.345, 24

1309.346, 1314.101, 1314.102, 1314.103,	25
1314.104, 1314.105, 1314.106, 1314.107,	26
1316.101, 1316.102, 1316.201, 1316.301,	27
1316.302, 1316.303, 1316.304, 1316.305, and	28
1316.306 of the Revised Code to make changes to	29
the Ohio Uniform Commercial Code.	30

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

<b>Section 1.</b> That sections 1301.101, 1301.102, 1301.103,	31
1301.104, 1301.105, 1301.106, 1301.201, 1301.204, 1301.205,	32
1301.206, 1301.301, 1301.302, 1301.304, 1301.305, 1301.306,	33
1302.01, 1302.02, 1302.04, 1302.05, 1302.06, 1302.08, 1302.12,	34
1303.01, 1303.03, 1303.41, 1303.69, 1304.51, 1304.56, 1304.57,	35
1304.58, 1304.62, 1304.63, 1304.65, 1304.66, 1304.72, 1305.03,	36
1305.15, 1307.102, 1307.106, 1308.01, 1308.02, 1308.05, 1308.17,	37
1308.24, 1309.102, 1309.104, 1309.105, 1309.203, 1309.204,	38
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1309.305, 1309.310, 1309.312, 1309.313, 1309.314, 1309.316,	40
1309.317, 1309.323, 1309.324, 1309.330, 1309.331, 1309.332,	41
1309.334, 1309.341, 1309.404, 1309.406, 1309.408, 1309.509,	42
1309.513, 1309.601, 1309.605, 1309.608, 1309.611, 1309.613,	43
1309.614, 1309.615, 1309.616, 1309.619, 1309.620, 1309.621,	44
1309.624, 1309.628, 1310.01, 1310.02, 1310.05, 1310.08, 1310.09,	45
1310.10, 1310.12, 1310.15, and 1311.55 be amended and sections	46
1309.111, 1309.112, 1309.113, 1309.343, 1309.344, 1309.345,	47
1309.346, 1314.101, 1314.102, 1314.103, 1314.104, 1314.105,	48
1314.106, 1314.107, 1316.101, 1316.102, 1316.201, 1316.301,	49
1316.302, 1316.303, 1316.304, 1316.305, and 1316.306 of the	50
Revised Code be enacted to read as follows:	51

<b>Sec. 1301.101.</b> Short titles [UCC 1-101]	52
(A) Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., <del>and 1310.</del> , <u>and 1314.</u> of the Revised Code may be cited as the Uniform Commercial Code.	53 54 55
(B) Sections 1301.101 to 1301.310 of the Revised Code may be cited as Uniform Commercial Code - General Provisions.	56 57
(C) This chapter uses the numbering system of the national conference of commissioners on uniform state laws. The digits to the right of the decimal point are sequential and not supplemental to any preceding Revised Code section.	58 59 60 61
<b>Sec. 1301.102.</b> Scope of Chapter 1301. [UCC 1-102]	62
Sections 1301.101 to 1301.310 of the Revised Code apply to a transaction to the extent that it is governed by Chapter 1302., 1303., 1304., 1305., 1307., 1308., 1309., <del>or 1310.</del> , <u>or</u> <u>1314.</u> of the Revised Code.	63 64 65 66
<b>Sec. 1301.103.</b> Construction of Uniform Commercial Code to promote its purposes and policies; applicability of supplemental principles of law [UCC 1-103]	67 68 69
(A) Chapters 1301., 1302., 1303., 1304, 1305., 1307., 1308., 1309., <del>and 1310.</del> , <u>and 1314.</u> of the Revised Code must be liberally construed and applied to promote their underlying purposes and policies, which are:	70 71 72 73
(1) To simplify, clarify, and modernize the law governing commercial transactions;	74 75
(2) To permit the continued expansion of commercial practices through custom, usage, and agreement of the parties; and	76 77 78

(3) To make uniform the law among the various jurisdictions. 79  
80

(B) Unless displaced by the particular provisions of 81  
Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., 82  
~~and 1310., and 1314.~~ of the Revised Code, the principles of law 83  
and equity, including the law merchant and the law relative to 84  
capacity to contract, principal and agent, estoppel, fraud, 85  
misrepresentation, duress, coercion, mistake, bankruptcy, and 86  
other validating or invalidating cause supplement their 87  
provisions. 88

**Sec. 1301.104.** Construction against implied repeal [UCC 1- 89  
104] 90

Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 91  
1309., ~~and 1310., and 1314.~~ of the Revised Code being a general 92  
act intended as a unified coverage of its subject matter, no 93  
part of it shall be deemed to be impliedly repealed by 94  
subsequent legislation if such construction can reasonably be 95  
avoided. 96

**Sec. 1301.105.** Severability [UCC 1-105] 97

If any provision or clause of Chapter 1301., 1302., 1303., 98  
1304., 1305., 1307., 1308., 1309., ~~or 1310., or 1314.~~ of the 99  
Revised Code or its application to any person or circumstance is 100  
held invalid, the invalidity does not affect other provisions or 101  
applications of Chapter 1301., 1302., 1303., 1304., 1305., 102  
1307., 1308., 1309., ~~or 1310., or 1314.~~ of the Revised Code 103  
which can be given effect without the invalid provision or 104  
application, and to this end the provisions of Chapter 1301., 105  
1302., 1303., 1304., 1305., 1307., 1308., 1309., ~~or 1310., or~~ 106  
1314. of the Revised Code are severable. 107

<b>Sec. 1301.106.</b> Use of singular and plural; gender [UCC 1-106]	108 109
In Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., <del>and 1310.</del> , <u>and 1314.</u> of the Revised Code, unless the statutory context otherwise requires:	110 111 112
(A) Words in the singular number include the plural, and those in the plural include the singular; and	113 114
(B) Words of any gender also refer to any other gender.	115
<b>Sec. 1301.201.</b> General definitions [UCC 1-201]	116
(A) Unless the context otherwise requires, words or phrases defined in this section, or in the additional definitions contained in Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., <del>or 1310.</del> , <u>or 1314.</u> of the Revised Code, that apply to particular chapters or sections therein, have the meanings stated.	117 118 119 120 121 122
(B) Subject to definitions contained in Chapter 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., <del>or 1310.</del> , <u>or 1314.</u> of the Revised Code, that apply to particular chapters or sections therein:	123 124 125 126
(1) "Action", in the sense of a judicial proceeding, includes recoupment, counterclaim, set-off, suit in equity, and any other proceeding in which rights are determined.	127 128 129
(2) "Aggrieved party" means a party entitled to pursue a remedy.	130 131
(3) "Agreement", as distinguished from "contract", means the bargain of the parties in fact, as found in their language or inferred from other circumstances, including course of performance, course of dealing, or usage of trade as provided in	132 133 134 135

section 1301.303 of the Revised Code.	136
(4) "Bank" means a person engaged in the business of banking and includes a savings bank, savings and loan association, credit union, and trust company.	137 138 139
(5) "Bearer" means a person in control of a negotiable electronic document of title or a person in possession of a negotiable instrument, negotiable tangible document of title, or certificated security that is payable to bearer or indorsed in blank.	140 141 142 143 144
(6) "Bill of lading" means a document of title evidencing the receipt of goods for shipment issued by a person engaged in the business of directly or indirectly transporting or forwarding goods. The term does not include a warehouse receipt.	145 146 147 148
(7) "Branch" includes a separately incorporated foreign branch of a bank.	149 150
(8) "Burden of establishing" a fact means the burden of persuading the trier of fact that the existence of the fact is more probable than its nonexistence.	151 152 153
(9) "Buyer in ordinary course of business" means a person that buys goods in good faith, without knowledge that the sale violates the rights of another person in the goods, and in the ordinary course from a person, other than a pawnbroker, in the business of selling goods of that kind. A person buys goods in the ordinary course if the sale to the person comports with the usual or customary practices in the kind of business in which the seller is engaged or with the seller's own usual or customary practices. A person that sells oil, gas, or other minerals at the wellhead or minehead is a person in the business of selling goods of that kind. A buyer in ordinary course of	154 155 156 157 158 159 160 161 162 163 164

business may buy for cash, by exchange of other property, or on 165  
secured or unsecured credit, and may acquire goods or documents 166  
of title under a preexisting contract for sale. Only a buyer 167  
that takes possession of the goods or has a right to recover the 168  
goods from the seller under Chapter 1302. of the Revised Code 169  
may be a buyer in ordinary course of business. "Buyer in 170  
ordinary course of business" does not include a person that 171  
acquires goods in a transfer in bulk or as security for or in 172  
total or partial satisfaction of a money debt. 173

(10) "Conspicuous", with reference to a term, means so 174  
written, displayed, or presented that, based on the totality of 175  
the circumstances, a reasonable person against which it is to 176  
operate ought to have noticed it. Whether a term is 177  
"conspicuous" or not is for decision by the court. ~~Conspicuous~~ 178  
~~terms include the following:~~ 179

~~(a) A heading in capitals equal to or greater in size than 180  
the surrounding text, or in contrasting type, font, or color to 181  
the surrounding text of the same or lesser size; and 182~~

~~(b) Language in the body of a record or display in larger- 183  
type than the surrounding text, or in contrasting type, font, or 184  
color to the surrounding text of the same size, or set off from 185  
surrounding text of the same size by symbols or other marks that 186  
call attention to the language. 187~~

(11) "Consumer" means an individual who enters into a 188  
transaction primarily for personal, family, or household 189  
purposes. 190

(12) "Contract", as distinguished from "agreement", means 191  
the total legal obligation that results from the parties' 192  
agreement as determined by Chapters 1301., 1302., 1303., 1304., 193

1305., 1307., 1308., 1309., <del>and 1310.</del> , <u>and 1314.</u> of the Revised	194
Code as supplemented by any other applicable laws.	195
(13) "Creditor" includes a general creditor, a secured	196
creditor, a lien creditor, and any representative of creditors,	197
including an assignee for the benefit of creditors, a trustee in	198
bankruptcy, a receiver in equity, and an executor or	199
administrator of an insolvent debtor's or assignor's estate.	200
(14) "Defendant" includes a person in the position of	201
defendant in a counterclaim, cross-claim, or third-party claim.	202
(15) "Delivery" with respect to an electronic document of	203
title, means voluntary transfer of control and, with respect to	204
an instrument, a tangible document of title, or <u>an authoritative</u>	205
<u>tangible copy of a record evidencing</u> chattel paper, means	206
voluntary transfer of possession.	207
(16) "Document of title" means a record (i) that in the	208
regular course of business or financing is treated as adequately	209
evidencing that the person in possession or control of the	210
record is entitled to receive, control, hold, and dispose of the	211
record and the goods the record covers and (ii) that purports to	212
be issued by or addressed to a bailee and to cover goods in the	213
bailee's possession which are either identified or are fungible	214
portions of an identified mass. The term includes a bill of	215
lading, transport document, dock warrant, dock receipt,	216
warehouse receipt, and order for delivery of goods. An	217
electronic document of title means a document of title evidenced	218
by a record consisting of information stored in an electronic	219
medium. A tangible document of title means a document of title	220
evidenced by a record consisting of information that is	221
inscribed on a tangible medium.	222



<u>(a) "Electronic" means relating to technology having</u>	223
<u>electrical, digital, magnetic, wireless, optical,</u>	224
<u>electromagnetic, or similar capabilities.</u>	225
(17) "Fault" means a default, breach, or wrongful act or omission.	226 227
(18) "Fungible goods" means:	228
(a) Goods of which any unit, by nature or usage of trade, is the equivalent of any other like unit; or	229 230
(b) Goods that by agreement are treated as equivalent.	231
(19) "Genuine" means free of forgery or counterfeiting.	232
(20) "Good faith," except as otherwise provided in Chapter 1305. of the Revised Code, means honesty in fact and the observance of reasonable commercial standards of fair dealing.	233 234 235
(21) "Holder" means:	236
(a) The person in possession of a negotiable instrument that is payable either to bearer or to an identified person that is the person in possession;	237 238 239
(b) The person in possession of a negotiable tangible document of title if the goods are deliverable either to bearer or to the order of the person in possession; or	240 241 242
(c) The person in control, <u>other than pursuant to division (G) of section 1307.106 of the Revised Code,</u> of a negotiable electronic document of title.	243 244 245
(22) "Insolvency proceeding" includes an assignment for the benefit of creditors or other proceeding intended to liquidate or rehabilitate the estate of the person involved.	246 247 248
(23) "Insolvent" means:	249

(a) Having generally ceased to pay debts in the ordinary course of business other than as a result of a bona fide dispute;	250 251 252
(b) Being unable to pay debts as they become due; or	253
(c) Being insolvent within the meaning of federal bankruptcy law.	254 255
(24) "Money" means a medium of exchange <u>that is</u> currently authorized or adopted by a domestic or foreign government. The term includes a monetary unit of account established by an intergovernmental organization or by agreement between two or more countries. <u>The term does not include an electronic record that is a medium of exchange recorded and transferable in a system that existed and operated for the medium of exchange before the medium of exchange was authorized or adopted by the government.</u>	256 257 258 259 260 261 262 263 264
(25) "Organization" means a person other than an individual.	265 266
(26) "Party", as distinguished from "third party", means a person that has engaged in a transaction or made an agreement subject to Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., <del>and</del> <u>1310., and 1314.</u> of the Revised Code.	267 268 269 270
(27) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government, governmental subdivision, agency, or instrumentality, <del>public corporation,</del> or any other legal or commercial entity. <u>The term includes a protected series, however denominated, of an entity if the protected series is established under law other than Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., 1310.,</u>	271 272 273 274 275 276 277 278

and 1314. of the Revised Code, that limits, or limits if 279  
conditions specified under the law are satisfied, the ability of 280  
a creditor of the entity or of any other protected series of the 281  
entity to satisfy a claim from assets of the protected series. 282

(28) "Present value" means the amount as of a date certain 283  
of one or more sums payable in the future, discounted to the 284  
date certain by use of either an interest rate specified by the 285  
parties if that rate is not manifestly unreasonable at the time 286  
the transaction is entered into or, if an interest rate is not 287  
so specified, a commercially reasonable rate that takes into 288  
account the facts and circumstances at the time the transaction 289  
is entered into. 290

(29) "Purchase" means taking by sale, lease, discount, 291  
negotiation, mortgage, pledge, lien, security interest, issue or 292  
reissue, gift, or any other voluntary transaction creating an 293  
interest in property. 294

(30) "Purchaser" means a person that takes by purchase. 295

(31) "Record" means information that is inscribed on a 296  
tangible medium or that is stored in an electronic or other 297  
medium and is retrievable in perceivable form. 298

(32) "Remedy" means any remedial right to which an 299  
aggrieved party is entitled with or without resort to a 300  
tribunal. 301

(33) "Representative" means a person empowered to act for 302  
another, including an agent, an officer of a corporation or 303  
association, and a trustee, executor, or administrator of an 304  
estate. 305

(34) "Right" includes remedy. 306

(35) "Security interest" means an interest in personal 307  
property or fixtures which secures payment or performance of an 308  
obligation. "Security interest" includes any interest of a 309  
consignor and a buyer of accounts, chattel paper, a payment 310  
intangible, or a promissory note in a transaction that is 311  
subject to Chapter 1309. of the Revised Code. "Security 312  
interest" does not include the special property interest of a 313  
buyer of goods on identification of those goods to a contract 314  
for sale under section 1302.42 of the Revised Code, but a buyer 315  
may also acquire a "security interest" by complying with Chapter 316  
1309. of the Revised Code. Except as otherwise provided in 317  
section 1302.49 of the Revised Code, the right of a seller or 318  
lessor of goods under Chapter 1302. or 1310. of the Revised Code 319  
to retain or acquire possession of the goods is not a "security 320  
interest", but a seller or lessor may also acquire a "security 321  
interest" by complying with Chapter 1309. of the Revised Code. 322  
The retention or reservation of title by a seller of goods 323  
notwithstanding shipment or delivery to the buyer under section 324  
1302.42 of the Revised Code is limited in effect to a 325  
reservation of a "security interest." Whether a transaction in 326  
the form of a lease creates a "security interest" is determined 327  
pursuant to section 1301.203 of the Revised Code. 328

(36) "Send" in connection with any ~~writing, record, or~~ 329  
~~notice notification~~ means: 330

(a) To deposit in the mail ~~or~~, deliver for transmission, 331  
or transmit by any other usual means of communication with 332  
postage or cost of transmission provided for, ~~and properly~~ 333  
~~addressed and, in the case of an instrument, to an address~~ 334  
~~specified thereon or otherwise agreed, or if there be none~~ 335  
addressed to any address reasonable under the circumstances; or 336

~~(b) In any other way to cause to be received any record or~~ 337  
~~notice within the time it would have arrived if properly sent~~ 338  
To  
cause the record or notification to be received within the time 339  
it would have been received if properly sent under division (B) 340  
(36) (a) of this section. 341

(37) ~~"Signed" includes using any symbol executed or~~ 342  
~~adopted with present intention to adopt or accept a~~ 343  
writing "Sign," "signing," and "signature" mean, with present 344  
intent to authenticate or adopt a record, to do either of the 345  
following: 346

(a) Execute or adopt a tangible symbol; 347

(b) Attach to or logically associate with the record an 348  
electronic symbol, sound, or process. 349

(38) "State" means a state of the United States, the 350  
District of Columbia, Puerto Rico, the United States Virgin 351  
Islands, or any territory or insular possession subject to the 352  
jurisdiction of the United States. 353

(39) "Surety" includes a guarantor or any other secondary 354  
obligor. 355

(40) "Term" means a portion of an agreement that relates 356  
to a particular matter. 357

(41) "Unauthorized signature" means a signature made 358  
without actual, implied, or apparent authority. The term 359  
includes a forgery. 360

(42) "Warehouse receipt" means a document of title issued 361  
by a person engaged in the business of storing goods for hire. 362

(43) "Writing" includes printing, typewriting, or any 363  
other intentional reduction to tangible form. "Written" has a 364

corresponding meaning. 365

**Sec. 1301.204.** Value [UCC 1-204] 366

Except as otherwise provided in Chapters 1303., 1304., ~~and~~ 367  
1305., and 1314. of the Revised Code, a person gives value for 368  
rights if the person acquires them: 369

(A) In return for a binding commitment to extend credit or 370  
for the extension of immediately available credit, whether or 371  
not drawn upon and whether or not a charge-back is provided for 372  
in the event of difficulties in collection; 373

(B) As security for, or in total or partial satisfaction 374  
of, a preexisting claim; 375

(C) By accepting delivery under a preexisting contract for 376  
purchase; or 377

(D) In return for any consideration sufficient to support 378  
a simple contract. 379

**Sec. 1301.205.** Reasonable time; Seasonableness [UCC 1-205] 380

(A) Whether a time for taking an action required by 381  
Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., 382  
~~and 1310.,~~ and 1314. of the Revised Code is reasonable depends 383  
on the nature, purpose, and circumstances of the action. 384

(B) An action is taken seasonably if it is taken at or 385  
within the time agreed or, if no time is agreed, at or within a 386  
reasonable time. 387

**Sec. 1301.206.** Presumptions [UCC 1-206] 388

Whenever Chapter 1301., 1302., 1303., 1304., 1305., 1307., 389  
1308., 1309., ~~or 1310.,~~ or 1314. of the Revised Code creates a 390  
"presumption" with respect to a fact, or provides that a fact is 391

"presumed," the trier of fact must find the existence of the 392  
fact unless and until evidence is introduced that supports a 393  
finding of its nonexistence. 394

**Sec. 1301.301.** Territorial applicability; parties' power 395  
to choose applicable law [UCC 1-301] 396

(A) Except as otherwise provided in this section, when a 397  
transaction bears a reasonable relation to this state and also 398  
to another state or nation the parties may agree that the law 399  
either of this state or of such other state or nation shall 400  
govern their rights and duties. 401

(B) In the absence of an agreement effective under 402  
division (A) of this section, and except as provided in division 403  
(C) of this section, Chapters 1301., 1302., 1303., 1304., 1305., 404  
1307., 1308., 1309., ~~and 1310.~~, and 1314. of the Revised Code 405  
apply to transactions bearing an appropriate relation to this 406  
state. 407

(C) If one of the following provisions of Chapters 1301., 408  
1302., 1303., 1304., 1305., 1307., 1308., 1309., ~~and 1310.~~, and 409  
1314. of the Revised Code specifies the applicable law, that 410  
provision governs and a contrary agreement is effective only to 411  
the extent permitted by the law so specified: 412

(1) Section 1302.43 of the Revised Code; 413

(2) Sections 1310.03 and 1310.04 of the Revised Code; 414

(3) Section 1304.02 of the Revised Code; 415

(4) Section 1304.85 of the Revised Code; 416

(5) Section 1305.15 of the Revised Code; 417

(6) Section 1308.05 of the Revised Code; 418

(7) Sections 1309.301 to 1309.307 of the Revised Code;	419
<u>(8) Section 1314.107 of the Revised Code.</u>	420
<b>Sec. 1301.302.</b> Variation by agreement [UCC 1-302]	421
(A) Except as otherwise provided in division (B) of this	422
section or elsewhere in Chapter 1301., 1303., 1304., 1305.,	423
1307., 1308., 1309., <del>or</del> <u>1310., or 1314.</u> of the Revised Code, the	424
effect of provisions of Chapters 1301., 1303., 1304., 1305.,	425
1307., 1308., 1309., <del>and</del> <u>1310., and 1314.</u> of the Revised Code	426
may be varied by agreement.	427
(B) The obligations of good faith, diligence,	428
reasonableness, and care prescribed by Chapter 1301., 1302.,	429
1303., 1304., 1305., 1307., 1308., 1309., <del>or</del> <u>1310., or 1314.</u> of	430
the Revised Code may not be disclaimed by agreement. The	431
parties, by agreement, may determine the standards by which the	432
performance of those obligations is to be measured if those	433
standards are not manifestly unreasonable. Whenever Chapter	434
1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., <del>or</del>	435
<u>1310., or 1314.</u> of the Revised Code requires an action to be	436
taken within a reasonable time, a time that is not manifestly	437
unreasonable may be fixed by agreement.	438
(C) The presence in certain provisions of Chapter 1301.,	439
1302., 1303., 1304., 1305., 1307., 1308., 1309., <del>or</del> <u>1310., or</u>	440
<u>1314.</u> of the Revised Code of the phrase "unless otherwise	441
agreed", or words of similar import, does not imply that the	442
effect of other provisions may not be varied by agreement under	443
this section.	444
<b>Sec. 1301.304.</b> Obligation of good faith [UCC 1-304]	445
Every contract or duty within Chapters 1301., 1302.,	446
1303., 1304., 1305., 1307., 1308., 1309., <del>and</del> <u>1310., and 1314.</u>	447



of the Revised Code imposes an obligation of good faith in its performance and enforcement. 448  
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**Sec. 1301.305.** Remedies to be liberally administered [UCC 1-305] 450  
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(A) The remedies provided by Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., ~~and 1310.~~, and 1314. of the Revised Code must be liberally administered to the end that the aggrieved party may be put in as good a position as if the other party had fully performed but neither consequential or special damages nor penal damages may be had except as specifically provided in those chapters or by other rule of law. 452  
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(B) Any right or obligation declared by Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., ~~and 1310.~~, and 1314. of the Revised Code is enforceable by action unless the provision declaring it specifies a different and limited effect. 459  
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**Sec. 1301.306.** Waiver or renunciation of claim or right after breach [UCC 1-306] 463  
464

A claim or right arising out of an alleged breach may be discharged in whole or in part without consideration by agreement of the aggrieved party in ~~an authenticated~~ a signed record. 465  
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**Sec. 1302.01.** Definitions [UCC 2-103 to 2-106] 469

(A) As used in sections 1302.01 to 1302.98 of the Revised Code, unless the context otherwise requires: 470  
471

(1) "Buyer" means a person who buys or contracts to buy goods. 472  
473

(2) "Good faith" has the same meaning as in section 1301.201 of the Revised Code. 474  
475

(3) "Receipt" of goods means taking physical possession of them.	476 477
(4) "Seller" means a person who sells or contracts to sell goods.	478 479
(5) "Merchant" means a person who deals in goods of the kind or otherwise by the person's occupation holds the person out as having knowledge or skill peculiar to the practices or goods involved in the transaction or to whom such knowledge or skill may be attributed by the person's employment of an agent or broker or other intermediary who by the agent's, broker's, or other intermediary's occupation holds the person out as having such knowledge or skill.	480 481 482 483 484 485 486 487
(6) "Financing agency" means a bank, finance company, or other person who in the ordinary course of business make advances against goods or documents of title or who by arrangement with either the seller or the buyer intervenes in ordinary course to make or collect payment due or claimed under the contract for sale, as by purchasing or paying the seller's draft or making advances against it or by merely taking it for collection whether or not documents of title accompany or are associated with the draft. "Financing agency" includes also a bank or other person who similarly intervenes between persons who are in the position of seller and buyer in respect to the goods under section 1302.81 of the Revised Code.	488 489 490 491 492 493 494 495 496 497 498 499
(7) "Between merchants" means in any transaction with respect to which both parties are chargeable with the knowledge or skill of merchants.	500 501 502
(8) "Goods" means all things (including specially manufactured goods) which are movable at the time of	503 504

identification to the contract for sale other than the money in 505  
which the price is to be paid, investment securities, and things 506  
in action. "Goods" also includes the unborn young of animals and 507  
growing crops and other identified things attached to realty as 508  
described in section 1302.03 of the Revised Code. 509

Goods must be both existing and identified before any 510  
interest in them can pass. Goods which are not both existing and 511  
identified are "Future" goods. A purported present sale of 512  
future goods or of any interest therein operates as a contract 513  
to sell. 514

There may be a sale of a part interest in existing 515  
identified goods. 516

An undivided share in an identified bulk of fungible goods 517  
is sufficiently identified to be sold although the quantity of 518  
the bulk is not determined. Any agreed proportion of such a bulk 519  
or any quantity thereof agreed upon by number, weight, or other 520  
measure may to the extent of the seller's interest in the bulk 521  
be sold to the buyer who then becomes an owner in common. 522

(9) "Lot" means a parcel or a single article which is the 523  
subject matter of a separate sale or delivery, whether or not it 524  
is sufficient to perform the contract. 525

(10) "Commercial unit" means such a unit of goods as by 526  
commercial usage is a single whole for purposes of sale and 527  
division of which materially impairs its character or value on 528  
the market or in use. A commercial unit may be a single article 529  
(as a machine) or a set of articles (as a suite of furniture or 530  
an assortment of sizes) or a quantity (as a bale, gross, or 531  
carload) or any other unit treated in use or in the relevant 532  
market as a single whole. 533

(11) "Contract" and "agreement" are limited to those 534  
relating to the present or future sale of goods. "Contract for 535  
sale" includes both a present sale of goods and a contract to 536  
sell goods at a future time. A "sale" consists in the passing of 537  
title from the seller to the buyer for a price. A "present sale" 538  
means a sale which is accomplished by the making of the 539  
contract. 540

(12) Goods or conduct including any part of a performance 541  
are "conforming" or conform to the contract when they are in 542  
accordance with the obligations under the contract. 543

(13) "Termination" occurs when either party pursuant to a 544  
power created by agreement or law puts an end to the contract 545  
otherwise than for its breach. On "termination" all obligations 546  
which are still executory on both sides are discharged but any 547  
right based on prior breach or performance survives. 548

(14) "Cancellation" occurs when either party puts an end 549  
to the contract for breach by the other and its effect is the 550  
same as that of "termination" except that the cancelling party 551  
also retains any remedy for breach of the whole contract or any 552  
unperformed balance. 553

(15) "Hybrid transaction" means a single transaction 554  
involving a sale of goods and any of the following: 555

(a) The provision of services; 556

(b) A lease of other goods; 557

(c) A sale, lease, or license of property other than 558  
goods. 559

(B) Other definitions applying to sections 1302.01 to 560  
1302.98 of the Revised Code are: 561

(1) "Acceptance", as defined in section 1302.64 of the Revised Code;	562 563
(2) "Banker's credit", as defined in section 1302.38 of the Revised Code;	564 565
(3) "Confirmed credit", as defined in section 1302.38 of the Revised Code;	566 567
(4) "Cover", as defined in section 1302.86 of the Revised Code;	568 569
(5) "Entrusting", as defined in section 1302.44 of the Revised Code;	570 571
(6) "Identification", as defined in section 1302.45 of the Revised Code;	572 573
(7) "Installment contract", as defined in section 1302.70 of the Revised Code;	574 575
(8) "Letter of credit", as defined in section 1302.38 of the Revised Code;	576 577
(9) "Overseas", as defined in section 1302.36 of the Revised Code;	578 579
(10) "Person in position of a seller", as defined in section 1302.81 of the Revised Code;	580 581
(11) "Sale on approval", as defined in section 1302.39 of the Revised Code;	582 583
(12) "Sale or return", as defined in section 1302.39 of the Revised Code.	584 585
(C) As used in sections 1302.01 to 1302.98 of the Revised Code, "check" and "draft" have the meaning set forth in section 1303.03 of the Revised Code, "consignee" and "consignor" have	586 587 588

the meaning set forth in section 1307.102 of the Revised Code, 589  
"consumer goods" has the meaning set forth in section 1309.102 590  
of the Revised Code, "control" has the same meaning as set forth 591  
in section 1307.106 of the Revised Code, and "dishonor" has the 592  
meaning set forth in section 1303.62 of the Revised Code. 593

(D) In addition, Chapter 1301. of the Revised Code 594  
contains general definitions and principles of construction and 595  
interpretation applicable throughout this chapter. 596

Sec. 1302.02. Scope; certain security and other 597  
transactions excluded [UCC 2-102] 598

(A) Unless the context otherwise requires, and except as 599  
provided in division (C) of this section, sections 1302.01 to 600  
1302.98, ~~inclusive,~~ of the Revised Code, apply to transactions 601  
in goods; ~~they do not apply to any transaction which although in~~ 602  
~~the form of an unconditional contract to sell or present sale is~~ 603  
~~intended to operate only as a security transaction nor do~~ 604  
~~sections 1302.01 to 1302.98, inclusive, of the Revised Code~~ 605  
~~impair or repeal any statute regulating sales to consumers,~~ 606  
~~farmers, or other specified classes of buyers and, in the case~~ 607  
of a hybrid transaction, it applies to the extent provided under 608  
division (B) of this section. 609

(B) In a hybrid transaction: 610

(1) If the sale-of-goods aspects do not predominate, only 611  
the provisions of sections 1302.01 to 1302.98 of the Revised 612  
Code which relate primarily to the sale-of-goods aspects of the 613  
transactions apply, and the provisions that relate primarily to 614  
the transaction as a whole do not apply. 615

(2) If the sale-of-goods aspects predominate, sections 616  
1302.01 to 1302.98 of the Revised Code apply but do not preclude 617

application in the appropriate circumstances of other law to 618  
aspects of the transaction which do not relate to the sale of 619  
goods. 620

(C) Sections 1302.01 to 1302.98 of the Revised Code do 621  
not: 622

(1) Apply to a transaction that, even though in the form 623  
of an unconditional contract to sell or present sale, operates 624  
only to create a security interest; 625

(2) Impair or repeal a statute regulating sales to 626  
consumers, farmers, or other specified classes of buyers. 627

**Sec. 1302.04.** Formal requirements; statute of frauds [UCC- 628  
2-201] 629

(A) Except as otherwise provided in this section, a 630  
contract for the sale of goods for the price of five hundred 631  
dollars or more is not enforceable by way of action or defense 632  
unless there is ~~some writing~~ a record sufficient to indicate 633  
that a contract for sale has been made between the parties and 634  
signed by the party against whom enforcement is sought or by 635  
~~his~~ the party's authorized agent or broker-. A ~~writing~~ record is 636  
not insufficient because it omits or incorrectly states a term 637  
agreed upon but the contract is not enforceable under this 638  
division beyond the quantity of goods shown in ~~such writing~~ the 639  
record. 640

(B) Between merchants if within a reasonable time a 641  
~~writing~~ record in confirmation of the contract and sufficient 642  
against the sender is received and the party receiving it has 643  
reason to know its contents, it satisfies the requirements of 644  
division (A) of this section against ~~such~~ the party unless 645  
~~written notice~~ in a record of objection to its contents is given 646

within ten days after it is received. 647

(C) A contract which does not satisfy the requirements of 648  
division (A) of this section but which is valid in other 649  
respects is enforceable: 650

(1) if the goods are to be specially manufactured for the 651  
buyer and are not suitable for sale to others in the ordinary 652  
course of the seller's business and the seller, before notice of 653  
repudiation is received and under circumstances which reasonably 654  
indicate that the goods are for the buyer, has made either a 655  
substantial beginning of their manufacture or commitments for 656  
their procurement; or 657

(2) if the party against whom enforcement is sought admits 658  
in ~~his~~the party's pleading, testimony, or otherwise in court 659  
that a contract for sale was made, but the contract is not 660  
enforceable under this provision beyond the quantity of goods 661  
admitted; or 662

(3) with respect to goods for which payment has been made 663  
and accepted or which have been received and accepted in 664  
accordance with section 1302.64 of the Revised Code. 665

**Sec. 1302.05. Final expression: parol or extrinsic** 666  
**evidence [UCC 2-202]** 667

Terms with respect to which the confirmatory memoranda of 668  
the parties agree or which are otherwise set forth in a ~~writing~~ 669  
record intended by the parties as a final expression of their 670  
agreement with respect to such terms as are included therein may 671  
not be contradicted by evidence of any prior agreement or of a 672  
contemporaneous oral agreement but may be explained or 673  
supplemented: 674

(A) by course of performance, course of dealing, or usage 675



of trade as provided in section 1301.303 of the Revised Code; 676  
and 677

(B) by evidence of consistent additional terms unless the 678  
court finds the ~~writing-record~~ to have been intended also as a 679  
complete and exclusive statement of the terms of the agreement. 680

**Sec. 1302.06. Seals inoperative [UCC 2-203]** 681

The affixing of a seal to a ~~writing-record~~ evidencing a 682  
contract for sale or an offer to buy or sell goods does not 683  
constitute the ~~writing-record~~ a sealed instrument and the law 684  
with respect to sealed instruments does not apply to such a 685  
contract or offer. 686

**Sec. 1302.08. Firm offers [UCC 2-205]** 687

An offer by a merchant to buy or sell goods in a signed 688  
~~writing-record~~ which by its terms gives assurance that it will 689  
be held open is not revocable, for lack of consideration, during 690  
the time stated or if no time is stated for a reasonable time, 691  
but in no event may such period of irrevocability exceed three 692  
months; but any such term of assurance on a form supplied by the 693  
offeree must be separately signed by the offeror. 694

**Sec. 1302.12. Modification, rescission, and waiver [UCC 2-209]** 695  
696

(A) An agreement modifying a contract within sections 697  
1302.01 to 1302.98, ~~inclusive,~~ of the Revised Code, needs no 698  
consideration to be binding. 699

(B) A signed agreement which excludes modification or 700  
rescission except by a signed writing or other signed record 701  
cannot be otherwise modified or rescinded, but except as between 702  
merchants such a requirement on a form supplied by the merchant 703

must be separately signed by the other party. 704

(C) The requirements of section 1302.04 of the Revised 705  
Code, must be satisfied if the contract as modified is within 706  
its provisions. 707

(D) Although an attempt at modification or rescission does 708  
not satisfy the requirements of division (B) or (C) of this 709  
section, it can operate as a waiver. 710

(E) A party who has made a waiver affecting an executory 711  
portion of the contract may retract the waiver by reasonable 712  
notification received by the other party that strict performance 713  
will be required of any term waived, unless the retraction would 714  
be unjust in view of a material change of position in reliance 715  
on the waiver. 716

**Sec. 1303.01. Definitions [UCC 3-103]** 717

(A) As used in this chapter, unless the context otherwise 718  
requires: 719

(1) "Acceptor" means a drawee who has accepted a draft. 720

(2) "Consumer account" means an account established by an 721  
individual primarily for personal, family, or household 722  
purposes. 723

(3) "Consumer transaction" means a transaction in which an 724  
individual incurs an obligation primarily for personal, family, 725  
or household purposes. 726

(4) "Drawee" means a person ordered in a draft to make 727  
payment. 728

(5) "Drawer" means a person who signs or is identified in 729  
a draft as a person ordering payment. 730

(6) "Good faith" has the same meaning as in section	731
1301.201 of the Revised Code.	732
(7) "Issue" means <u>either of the following:</u>	733
<u>(a) The first delivery of an instrument by the maker or</u>	734
drawer to a holder or nonholder for the purpose of giving rights	735
of the instrument to any person;	736
<u>(b) If agreed by the payee, the first transmission by the</u>	737
<u>drawer to the payee of an image of an item and information</u>	738
<u>derived from the item that enables the depository bank to</u>	739
<u>collect the item by transferring or presenting under federal law</u>	740
<u>an electronic check.</u>	741
(8) "Issuer" means a maker or drawer of an issued or	742
unissued instrument.	743
(9) "Maker" means a person who signs or is identified in a	744
note as a person undertaking to pay.	745
(10) "Order" means a written instruction to pay money	746
signed by the person giving the instruction. The instruction may	747
be addressed to any person, including the person giving the	748
instruction, or to one or more persons jointly or in the	749
alternative but not in succession. "Order" does not mean an	750
authorization to pay unless the person authorized to pay also is	751
instructed to pay.	752
(11) "Ordinary care" in the case of a person engaged in	753
business means observance of the reasonable commercial standards	754
that are prevailing in the area in which the person is located	755
with respect to the business in which the person is engaged. In	756
the case of a bank that takes an instrument for processing for	757
collection or payment by automated means, reasonable commercial	758
standards do not require the bank to examine the instrument if	759

the failure to examine does not violate the bank's prescribed 760  
procedures, and the bank's procedures do not vary unreasonably 761  
from general banking usage not disapproved by this chapter or 762  
Chapter 1304. of the Revised Code. 763

(12) "Party" means a party to an instrument. 764

(13) "Principal obligor," with respect to an instrument, 765  
means the accommodated party or any other party to the 766  
instrument against whom a secondary obligor has recourse under 767  
this chapter. 768

(14) "Promise" means a written undertaking to pay money 769  
that is signed by the person undertaking to pay. "Promise" does 770  
not include an acknowledgment of an obligation by the obligor 771  
unless the obligor also undertakes to pay the obligation. 772

(15) "Prove," with respect to a fact, means to meet the 773  
burden of establishing the fact. 774

(16) "Remitter" means a person who purchases an instrument 775  
from its issuer if the instrument is payable to an identified 776  
person other than the purchaser. 777

(17) "Remotely-created consumer item" means an item drawn 778  
on a consumer account, which is not created by the payor bank 779  
and does not bear a handwritten signature purporting to be the 780  
signature of the drawer. 781

(18) "Secondary obligor," with respect to an instrument, 782  
means any of the following: 783

(a) An indorser or an accommodation party; 784

(b) A drawer having the obligation described in division 785  
(D) of section 1303.54 of the Revised Code; 786

(c) Any other party to the instrument that has recourse against another party to the instrument pursuant to division (B) of section 1303.14 of the Revised Code.	787 788 789
(B) As used in this chapter:	790
(1) "Acceptance" has the same meaning as in section 1303.46 of the Revised Code.	791 792
(2) "Accommodation party" and "accommodated party" have the same meanings as in section 1303.59 of the Revised Code.	793 794
(3) "Account" has the same meaning as in section 1304.01 of the Revised Code.	795 796
(4) "Alteration" has the same meaning as in section 1303.50 of the Revised Code.	797 798
(5) "Anomalous indorsement," "blank indorsement," and "special indorsement" have the same meanings as in section 1303.25 of the Revised Code.	799 800 801
(6) "Certificate of deposit," "cashier's check," "check," "draft," "instrument," "negotiable instrument," "note," "teller's check," and "traveler's check" have the same meanings as in section 1303.03 of the Revised Code.	802 803 804 805
(7) "Certified check" has the same meaning as in section 1303.46 of the Revised Code.	806 807
(8) "Consideration" and "value" have the same meanings as in section 1303.33 of the Revised Code.	808 809
(9) "Holder in due course" has the same meaning as in section 1303.32 of the Revised Code.	810 811
(10) "Incomplete instrument" has the same meaning as in section 1303.11 of the Revised Code.	812 813

(11) "Indorsement" and "indorser" have the same meanings as in section 1303.24 of the Revised Code.	814 815
(12) "Negotiation" has the same meaning as in section 1303.21 of the Revised Code.	816 817
(13) "Payable at a definite time" and "payable on demand" have the same meanings as in section 1303.07 of the Revised Code.	818 819 820
(14) "Payable to bearer" and "payable to order" have the same meanings as in section 1303.10 of the Revised Code.	821 822
(15) "Payment" has the same meaning as in section 1303.67 of the Revised Code.	823 824
(16) "Person entitled to enforce" has the same meaning as in section 1303.31 of the Revised Code.	825 826
(17) "Presentment" has the same meaning as in section 1303.61 of the Revised Code.	827 828
(18) "Reacquisition" has the same meaning as in section 1303.27 of the Revised Code.	829 830
(19) "Transfer of instrument" has the same meaning as in section 1303.22 of the Revised Code.	831 832
(C) As used in this chapter, "banking day," "clearing house," "collecting bank," "customer," "depository bank," "documentary draft," "intermediary bank," "item," "midnight deadline," "payor bank," and "suspends payments" have the same meanings as in section 1304.01 of the Revised Code.	833 834 835 836 837
(D) In addition, Chapter 1301. of the Revised Code contains general definitions and general principles of construction and interpretation applicable throughout this	838 839 840

chapter.	841
<b>Sec. 1303.03.</b> <u>Negotiable instrument [UCC 3-104]</u>	842
(A) Except as provided in divisions (C) and (D) of this section, "negotiable instrument" means an unconditional promise or order to pay a fixed amount of money, with or without interest or other charges described in the promise or order, if it meets all of the following requirements:	843 844 845 846 847
(1) It is payable to bearer or to order at the time it is issued or first comes into possession of a holder.	848 849
(2) It is payable on demand or at a definite time.	850
(3) It does not state any other undertaking or instruction by the person promising or ordering payment to do any act in addition to the payment of money, but the promise or order may contain any of the following:	851 852 853 854
(a) An undertaking or power to give, maintain, or protect collateral to secure payment;	855 856
(b) An authorization or power to the holder to confess judgment or realize on or dispose of collateral;	857 858
(c) A waiver of the benefit of any law intended for the advantage or protection of an obligor;	859 860
<u>(d) A term that specifies the law that governs the promise or order;</u>	861 862
<u>(e) An undertaking to resolve in a specified forum a dispute concerning the promise or order.</u>	863 864
(B) "Instrument" means a negotiable instrument.	865
(C) An order that meets all of the requirements of divisions (A) (2) and (3) of this section and otherwise falls	866 867

within the definition of "check" is a negotiable instrument and	868
a check.	869
(D) A promise or order other than a check is not an	870
instrument if, at the time it is issued or first comes into	871
possession of a holder, it contains a conspicuous statement,	872
however expressed, to the effect that the promise or order is	873
not negotiable or is not an instrument governed by this chapter.	874
(E) (1) "Note" means an instrument that is a promise.	875
(2) "Draft" means an instrument that is an order.	876
(3) If an instrument is both a "note" and a "draft," a	877
person entitled to enforce the instrument may treat it as	878
either.	879
(F) "Check" means either of the following:	880
(1) A draft, other than a documentary draft, payable on	881
demand and drawn on a bank;	882
(2) A cashier's check or teller's check.	883
An instrument may be a "check" even though it is described	884
on its face as a "money order" or by another term.	885
(G) "Cashier's check" means a draft with respect to which	886
the drawer and drawee are the same bank or branches of the same	887
bank.	888
(H) "Teller's check" means a draft drawn by a bank on	889
another bank or payable at or through a bank.	890
(I) "Traveler's check" means an instrument that meets all	891
of the following conditions:	892
(1) It is payable on demand.	893



(2) It is drawn on or payable at or through a bank.	894
(3) It is designated by the term "traveler's check" or by a substantially similar term.	895 896
(4) It requires, as a condition to payment, a countersignature by a person whose specimen signature appears on the instrument.	897 898 899
(J) "Certificate of deposit" means an instrument containing an acknowledgment by a bank that a sum of money has been received by the bank and a promise by the bank to repay the sum of money. A "certificate of deposit" is a note of the bank.	900 901 902 903
<b>Sec. 1303.41.</b> <del>(A)</del> <u>Signature necessary for liability on instrument [UCC 3-401]</u>	904 905
A person is not liable on an instrument unless the person signed the instrument or the person is represented by an agent or representative who signed the instrument and the signature is binding on the represented person pursuant to section 1303.42 of the Revised Code.	906 907 908 909 910
<del>(B) A signature may be made manually or by means of a device or machine and by the use of any name, including a trade or assumed name, or by a word, mark, or symbol executed or adopted by a person with present intention to authenticate a writing.</del>	911 912 913 914 915
<b>Sec. 1303.69.</b> <u>Discharge by cancellation or renunciation [UCC 3-604]</u>	916 917
(A) A person entitled to enforce an instrument, with or without consideration, may discharge the obligation of a party to pay the instrument in either of the following ways:	918 919 920
(1) By surrender of the instrument to the party,	921

destruction, mutilation, or cancellation of the instrument, 922  
cancellation or striking out of the party's signature, the 923  
addition of words to the instrument indicating discharge, or any 924  
other intentional voluntary act; 925

(2) By agreeing not to sue or otherwise renouncing rights 926  
against the party by a signed record. 927

(B) Cancellation or striking out of an indorsement 928  
pursuant to division (A) does not affect the status and rights 929  
of a party derived from the indorsement. 930

~~(C) As used in this section, "signed," with respect to a~~ 931  
~~record that is not a writing, includes the attachment to or~~ 932  
~~logical association with the record of an electronic symbol,~~ 933  
~~sound, or process with the present intent to adopt or accept the~~ 934  
~~record.~~The obligation of a party to pay a check is not discharged 935  
solely by destruction of the check in connection with a process 936  
in which information is extracted from the check and an image of 937  
the check is made and, subsequently, the information and image 938  
are transmitted for payment. 939

**Sec. 1304.51. Definitions [UCC 4A-103 to 4A-105]** 940

(A) As used in sections 1304.51 to 1304.85 of the Revised 941  
Code: 942

(1) "Authorized account" means a deposit account of a 943  
customer in a bank designated by the customer as a source of 944  
payment of payment orders issued by the customer to the bank. If 945  
a customer does not so designate an account, any account of the 946  
customer is an authorized account if payment of a payment order 947  
from that account is not inconsistent with a restriction on the 948  
use of that account. 949

(2) "Bank" means a person engaged in the business of 950

banking and includes a savings bank, savings and loan 951  
association, credit union, and trust company. A branch or 952  
separate office of a bank is a separate bank for purposes of 953  
sections 1304.51 to 1304.85 of the Revised Code. 954

(3) "Beneficiary" means the person to be paid by the 955  
beneficiary's bank. 956

(4) "Beneficiary's bank" means the bank identified in a 957  
payment order in which an account of the beneficiary is to be 958  
credited pursuant to the order or which otherwise is to make 959  
payment to the beneficiary if the order does not provide for 960  
payment to an account. 961

(5) "Customer" means a person, including a bank, having an 962  
account with a bank or from whom a bank has agreed to receive 963  
payment orders. 964

(6) "Funds transfer" means the series of transactions, 965  
beginning with the originator's payment order, made for the 966  
purpose of making payment to the beneficiary of the order. 967  
"Funds transfer" includes any payment order issued by the 968  
originator's bank or an intermediary bank intended to carry out 969  
the originator's payment order. A funds transfer is completed by 970  
acceptance by the beneficiary's bank of a payment order for the 971  
benefit of the beneficiary of the originator's payment order. 972

(7) "Funds-transfer business day" of a receiving bank 973  
means the part of a day during which the receiving bank is open 974  
for the receipt, processing, and transmittal of payment orders 975  
and cancellations and amendments of payment orders. 976

(8) "Funds-transfer system" means a wire transfer network, 977  
automated clearing house, or other communication system of a 978  
clearing house or other association of banks through which a 979

payment order by a bank may be transmitted to the bank to which 980  
the order is addressed. 981

(9) "Good faith" has the same meaning as in section 982  
1301.201 of the Revised Code. 983

(10) "Intermediary bank" means a receiving bank other than 984  
the originator's bank or the beneficiary's bank. 985

(11) "Originator" means the sender of the first payment 986  
order in a funds transfer. 987

(12) "Originator's bank" means the receiving bank to which 988  
the payment order of the originator is issued if the originator 989  
is not a bank, or the originator if the originator is a bank. 990

(13) (a) "Payment order" means an instruction of a sender 991  
to a receiving bank, transmitted orally, ~~electronically~~, or in 992  
~~writing~~ a record, to pay, or to cause another bank to pay, a 993  
fixed or determinable amount of money to a beneficiary if all of 994  
the following apply: 995

(i) The instruction does not state a condition to payment 996  
to the beneficiary other than time of payment. 997

(ii) The receiving bank is to be reimbursed by debiting an 998  
account of, or otherwise receiving payment from, the sender. 999

(iii) The instruction is transmitted by the sender 1000  
directly to the receiving bank or to an agent, funds-transfer 1001  
system, or communication system for transmittal to the receiving 1002  
bank. 1003

(b) If the instruction complying with division (A) (13) (a) 1004  
of this section is to make more than one payment to a 1005  
beneficiary, the instruction is a separate payment order with 1006  
respect to each payment. 1007

(c) A payment order is issued when it is sent to the receiving bank.	1008 1009
(14) "Prove," with respect to a fact, means to meet the burden of establishing the fact.	1010 1011
(15) "Receiving bank" means the bank to which the sender's instruction is addressed.	1012 1013
(16) "Sender" means the person giving the instruction to the receiving bank.	1014 1015
(B) Other definitions applying to sections 1304.51 to 1304.85 of the Revised Code are:	1016 1017
(1) "Acceptance" as defined in section 1304.64 of the Revised Code;	1018 1019
(2) "Executed" as defined in section 1304.68 of the Revised Code;	1020 1021
(3) "Execution date" as defined in section 1304.68 of the Revised Code;	1022 1023
(4) "Funds-transfer system rule" as defined in section 1304.79 of the Revised Code;	1024 1025
(5) "Payment by beneficiary's bank to beneficiary" as defined in section 1304.77 of the Revised Code;	1026 1027
(6) "Payment by originator to beneficiary" as defined in section 1304.78 of the Revised Code;	1028 1029
(7) "Payment by sender to receiving bank" as defined in section 1304.75 of the Revised Code;	1030 1031
(8) "Payment date" as defined in section 1304.73 of the Revised Code;	1032 1033

(9) "Security procedure" as defined in section 1304.56 of the Revised Code. 1034  
1035

(C) As used in sections 1304.51 to 1304.85 of the Revised Code, "clearing house," "item," and "suspends payments" have the same meanings as in section 1304.01 of the Revised Code. 1036  
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1038

(D) In addition, Chapter 1301. of the Revised Code contains general definitions and principles of construction and interpretation applicable throughout sections 1304.51 to 1304.85 of the Revised Code. 1039  
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**Sec. 1304.56. Security procedure [UCC 4A-201]** 1043

"Security procedure" means a procedure established by agreement of a customer and a receiving bank for the purpose of verifying that a payment order or communication amending or cancelling a payment order is that of the customer, or detecting error in the transmission or the content of the payment order or communication. A security procedure may impose an obligation on the receiving bank or customer and may require the use of algorithms or other codes, identifying words ~~or~~, numbers, symbols, sounds, biometrics, encryption, callback procedures, or similar security devices. Comparison of a signature on a payment order or communication with an authorized specimen signature of the customer or requiring a payment order to be sent from a known electronic mail address, internet protocol address, or telephone number is not by itself a security procedure. 1044  
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**Sec. 1304.57. Authorized and verified payment orders [UCC 4A-202]** 1058  
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(A) A payment order received by the receiving bank is the authorized order of the person identified as sender if that person authorized the order or is otherwise bound by it under 1060  
1061  
1062

the law of agency. 1063

(B) (1) If a bank and its customer have agreed that the 1064  
authenticity of payment orders issued to the bank in the name of 1065  
the customer as sender will be verified pursuant to a security 1066  
procedure, a payment order received by the receiving bank is 1067  
effective as the order of the customer, whether or not 1068  
authorized, if both of the following apply: 1069

(a) The security procedure is a commercially reasonable 1070  
method of providing security against unauthorized payment 1071  
orders. 1072

(b) The bank proves that it accepted the payment order in 1073  
good faith and in compliance with the bank's obligations under 1074  
the security procedure and any ~~written~~ agreement or instruction 1075  
of the customer, evidenced by a record, restricting acceptance 1076  
of payment orders issued in the name of the customer. 1077

(2) The bank is not required to follow an instruction that 1078  
violates ~~a written~~ an agreement with the customer, evidenced by 1079  
a record, or notice of which is not received at a time and in a 1080  
manner affording the bank a reasonable opportunity to act on it 1081  
before the payment order is accepted. 1082

(C) (1) Commercial reasonableness of a security procedure 1083  
is a question of law to be determined by considering all of the 1084  
following: 1085

(a) The wishes of the customer expressed to the bank; 1086

(b) The circumstances of the customer known to the bank, 1087  
including the size, type, and frequency of payment orders 1088  
normally issued by the customer to the bank; 1089

(c) Alternative security procedures offered to the 1090

customer;	1091
(d) Security procedures in general use by customers and receiving banks similarly situated.	1092 1093
(2) A security procedure is deemed to be commercially reasonable if both of the following apply:	1094 1095
(a) The security procedure was chosen by the customer after the bank offered, and the customer refused, a security procedure that was commercially reasonable for that customer.	1096 1097 1098
(b) The customer expressly agreed in <del>writing a record</del> to be bound by any payment order, whether or not authorized, issued in its name and accepted by the bank in compliance with <u>the bank's obligations under</u> the security procedure chosen by the customer.	1099 1100 1101 1102 1103
(D) As used in sections 1304.51 to 1304.85 of the Revised Code, "sender" includes the customer in whose name a payment order is issued if the order is the authorized order of the customer under division (A) of this section, or is effective as the order of the customer under division (B) of this section.	1104 1105 1106 1107 1108
(E) This section applies to amendments and cancellations of payment orders to the same extent it applies to payment orders.	1109 1110 1111
(F) Except as provided in this section and in division (A) (1) of section 1304.58 of the Revised Code, rights and obligations arising under this section or section 1304.58 of the Revised Code may not be varied by agreement.	1112 1113 1114 1115
<b>Sec. 1304.58. <u>Unenforceability of certain verified payment orders [UCC 4A-203]</u></b>	1116 1117
(A) If an accepted payment order is not an authorized	1118



order of a customer identified as sender under division (A) of 1119  
section 1304.57 of the Revised Code, but is effective as an 1120  
order of the customer under division (B) of that section, both 1121  
of the following apply: 1122

(1) By express ~~written~~ agreement evidenced by a record, 1123  
the receiving bank may limit the extent to which it is entitled 1124  
to enforce or retain payment of the payment order. 1125

(2) The receiving bank may not enforce or retain payment 1126  
of the payment order if the customer proves that the order was 1127  
not caused, directly or indirectly, by either of the following: 1128

(a) A person entrusted at any time with duties to act for 1129  
the customer with respect to payment orders or the security 1130  
procedure; 1131

(b) A person who obtained access to transmitting 1132  
facilities of the customer or who obtained, from a source 1133  
controlled by the customer and without authority of the 1134  
receiving bank, information facilitating breach of the security 1135  
procedure, regardless of how the information was obtained or 1136  
whether the customer was at fault. As used in division (A) (2) (b) 1137  
of this section, "information" includes any access device, 1138  
computer software, or the like. 1139

(B) This section applies to amendments of payment orders 1140  
to the same extent it applies to payment orders. 1141

**Sec. 1304.62. Misdescription of beneficiary [UCC 4A-207]** 1142

(A) Subject to division (B) of this section, if, in a 1143  
payment order received by the beneficiary's bank, the name, bank 1144  
account number, or other identification of the beneficiary 1145  
refers to a nonexistent or unidentifiable person or account, no 1146  
person has rights as a beneficiary of the order and acceptance 1147

of the order cannot occur. 1148

(B) If a payment order received by the beneficiary's bank 1149  
identifies the beneficiary by name and an identifying or bank 1150  
account number, and the name and number identify different 1151  
persons, both of the following apply: 1152

(1) Except as otherwise provided in division (C) of this 1153  
section, if the beneficiary's bank does not know that the name 1154  
and number refer to different persons, it may rely on the number 1155  
as the proper identification of the beneficiary of the order. 1156  
The beneficiary's bank need not determine whether the name and 1157  
number refer to the same person. 1158

(2) If the beneficiary's bank pays the person identified 1159  
by name or knows that the name and number identify different 1160  
persons, no person has rights as beneficiary except the person 1161  
paid by the beneficiary's bank if that person was entitled to 1162  
receive payment from the originator of the funds transfer. If no 1163  
person has rights as beneficiary, acceptance of the order cannot 1164  
occur. 1165

(C) If a payment order described in division (B) of this 1166  
section is accepted, the originator's payment order described 1167  
the beneficiary inconsistently by name and number, and the 1168  
beneficiary's bank pays the person identified by number as 1169  
permitted by division (B) (1) of this section, both of the 1170  
following apply: 1171

(1) If the originator is a bank, the originator shall pay 1172  
its order. 1173

(2) If the originator is not a bank and proves that the 1174  
person identified by number was not entitled to receive payment 1175  
from the originator, the originator is not obliged to pay its 1176

order unless the originator's bank proves that the originator, 1177  
before acceptance of the originator's order, had notice that 1178  
payment of a payment order issued by the originator might be 1179  
made by the beneficiary's bank on the basis of an identifying or 1180  
bank account number even if it identifies a person different 1181  
from the named beneficiary. Proof of notice may be made by any 1182  
admissible evidence. The originator's bank satisfies the burden 1183  
of proof if it proves that the originator, before the payment 1184  
order was accepted, signed a ~~writing~~-record stating the 1185  
information to which the notice relates. 1186

(D) In a case governed by division (B) (1) of this section, 1187  
if the beneficiary's bank rightfully pays the person identified 1188  
by number and that person was not entitled to receive payment 1189  
from the originator, the amount paid may be recovered from that 1190  
person to the extent allowed by the law governing mistake and 1191  
restitution as follows: 1192

(1) If the originator is obliged to pay its payment order 1193  
as stated in division (C) of this section, the originator may 1194  
recover. 1195

(2) If the originator is not a bank and is not obliged to 1196  
pay its payment order, the originator's bank may recover. 1197

**Sec. 1304.63. Misdescription of intermediary bank or** 1198  
**beneficiary's bank [UCC 4A-208]** 1199

(A) (1) Divisions (A) (2) and (3) of this section apply to a 1200  
payment order identifying an intermediary bank or the 1201  
beneficiary's bank only by an identifying number. 1202

(2) The receiving bank may rely on the number as the 1203  
proper identification of the intermediary or beneficiary's bank 1204  
and need not determine whether the number identifies a bank. 1205

(3) The sender shall compensate the receiving bank for any 1206  
loss and expenses incurred by the receiving bank as a result of 1207  
its reliance on the number in executing or attempting to execute 1208  
the order. 1209

(B) (1) Divisions (B) (2) to (5) of this section apply to a 1210  
payment order identifying an intermediary bank or the 1211  
beneficiary's bank both by name and an identifying number if the 1212  
name and number identify different persons. 1213

(2) If the sender is a bank, the receiving bank may rely 1214  
on the number as the proper identification of the intermediary 1215  
or beneficiary's bank if the receiving bank, when it executes 1216  
the sender's order, does not know that the name and number 1217  
identify different persons. The receiving bank need not 1218  
determine whether the name and number refer to the same person 1219  
or whether the number refers to a bank. The sender shall 1220  
compensate the receiving bank for any loss and expenses incurred 1221  
by the receiving bank as a result of its reliance on the number 1222  
in executing or attempting to execute the order. 1223

(3) If the sender is not a bank, and the receiving bank 1224  
proves that the sender, before the payment order was accepted, 1225  
had notice that the receiving bank might rely on the number as 1226  
the proper identification of the intermediary or beneficiary's 1227  
bank even if it identifies a person different from the bank 1228  
identified by name, the rights and obligations of the sender and 1229  
the receiving bank are governed by division (B) (2) of this 1230  
section, as though the sender were a bank. Proof of notice may 1231  
be made by any admissible evidence. The receiving bank satisfies 1232  
the burden of proof ~~if~~ it proves that the sender, before the 1233  
payment order was accepted, signed a ~~writing~~ record stating the 1234  
information to which the notice relates. 1235

(4) Regardless of whether the sender is a bank, the receiving bank may rely on the name as the proper identification of the intermediary or beneficiary's bank if the receiving bank, at the time it executes the sender's order, does not know that the name and number identify different persons. The receiving bank need not determine whether the name and number refer to the same person.

(5) If the receiving bank knows that the name and number identify different persons, reliance on either the name or the number in executing the sender's payment order is a breach of the obligation as provided in division (A)(1) of section 1304.69 of the Revised Code.

**Sec. 1304.65. Rejection of payment order [UCC 4A-210]**

(A) A payment order is rejected by the receiving bank by a notice of rejection transmitted to the sender orally, ~~electronically,~~ or in writing a record. A notice of rejection need not use any particular words and is sufficient if it indicates that the receiving bank is rejecting the order or will not execute or pay the order. Rejection is effective when the notice is given if transmission is by a means that is reasonable in the circumstances. If notice of rejection is given by a means that is not reasonable, rejection is effective when the notice is received. If an agreement of the sender and receiving bank establishes the means to be used to reject a payment order, any means complying with the agreement is reasonable, and any means not complying is not reasonable unless no significant delay in receipt of the notice resulted from the use of the noncomplying means.

(B) This division applies if a receiving bank other than the beneficiary's bank fails to execute a payment order despite

the existence on the execution date of a withdrawable credit 1266  
balance in an authorized account of the sender sufficient to 1267  
cover the order. If the sender does not receive notice of 1268  
rejection of the order on the execution date and the authorized 1269  
account of the sender does not bear interest, the bank shall pay 1270  
interest to the sender on the amount of the order for the number 1271  
of days elapsing after the execution date to the earlier of the 1272  
day the order is canceled pursuant to division (D) of section 1273  
1304.66 of the Revised Code or the day the sender receives 1274  
notice or learns that the order was not executed, counting the 1275  
final day of the period as an elapsed day. If the withdrawable 1276  
credit balance during that period falls below the amount of the 1277  
order, the amount of interest is reduced accordingly. 1278

(C) If a receiving bank suspends payments, all unaccepted 1279  
payment orders issued to it are deemed rejected at the time the 1280  
bank suspends payments. 1281

(D) Acceptance of a payment order precludes a later 1282  
rejection of the order. Rejection of a payment order precludes a 1283  
later acceptance of the order. 1284

**Sec. 1304.66. Cancellation and amendment of payment order** 1285  
**[UCC 4A-211]** 1286

(A) A communication of the sender of a payment order 1287  
canceling or amending the order may be transmitted to the 1288  
receiving bank orally, ~~electronically,~~ or in writing ~~a record~~. If 1289  
a security procedure is in effect between the sender and the 1290  
receiving bank, the communication is not effective to cancel or 1291  
amend the order unless the communication is verified pursuant to 1292  
the security procedure or the bank agrees to the cancellation or 1293  
amendment. 1294

(B) Subject to division (A) of this section, a communication by the sender canceling or amending a payment order is effective to cancel or amend the order if notice of the communication is received at a time and in a manner affording the receiving bank a reasonable opportunity to act on the communication before the bank accepts the payment order.

(C) (1) After a payment order has been accepted, cancellation or amendment of the order is not effective unless the receiving bank agrees or a funds-transfer system rule allows cancellation or amendment without agreement of the bank.

(2) With respect to a payment order accepted by a receiving bank other than the beneficiary's bank, cancellation or amendment is not effective unless a conforming cancellation or amendment of the payment order issued by the receiving bank is also made.

(3) With respect to a payment order accepted by the beneficiary's bank, cancellation or amendment is not effective unless the order was issued in execution of an unauthorized payment order, or because of a mistake by a sender in the funds transfer that resulted in the issuance of a payment order that is a duplicate of a payment order previously issued by the sender, that orders payment to a beneficiary not entitled to receive payment from the originator, or that orders payment in an amount greater than the amount the beneficiary was entitled to receive from the originator. If the payment order is canceled or amended, the beneficiary's bank may recover from the beneficiary any amount paid to the beneficiary to the extent allowed by the law governing mistake and restitution.

(D) An unaccepted payment order is canceled by operation of law at the close of the fifth funds-transfer business day of

the receiving bank after the execution date or payment date of 1325  
the order. 1326

(E) A canceled payment order cannot be accepted. If an 1327  
accepted payment order is canceled, the acceptance is nullified, 1328  
and no person has any right or obligation based on the 1329  
acceptance. Amendment of a payment order is deemed to be 1330  
cancellation of the original order at the time of amendment and 1331  
issue of a new payment order in the amended form at the same 1332  
time. 1333

(F) Unless otherwise provided in an agreement of the 1334  
parties or in a funds-transfer system rule, if the receiving 1335  
bank, after accepting a payment order, agrees to cancellation or 1336  
amendment of the order by the sender or is bound by a funds- 1337  
transfer system rule allowing cancellation or amendment without 1338  
the bank's agreement, the sender, whether or not cancellation or 1339  
amendment is effective, is liable to the bank for any loss and 1340  
expenses, including reasonable attorney's fees, incurred by the 1341  
bank as a result of the cancellation, amendment, or attempted 1342  
cancellation or amendment. 1343

(G) A payment order is not revoked by the death or legal 1344  
incapacity of the sender unless the receiving bank knows of the 1345  
death or of an adjudication of incapacity by a court of 1346  
competent jurisdiction and has reasonable opportunity to act 1347  
before acceptance of the order. 1348

(H) A funds-transfer system rule is not effective to the 1349  
extent it conflicts with division (C) (3) of this section. 1350

**Sec. 1304.72. Liability for late or improper execution or** 1351  
**failure to execute payment order [UCC 4A-305]** 1352

(A) If a funds transfer is completed but execution of a 1353



payment order by the receiving bank without compliance with 1354  
section 1304.69 of the Revised Code results in delay in payment 1355  
to the beneficiary, the bank shall pay interest to either the 1356  
originator or the beneficiary of the funds transfer for the 1357  
period of delay caused by the improper execution. Except as 1358  
provided in division (C) of this section, additional damages are 1359  
not recoverable. 1360

(B) If execution of a payment order by a receiving bank 1361  
without compliance with section 1304.69 of the Revised Code 1362  
results in noncompletion of the funds transfer, failure to use 1363  
an intermediary bank designated by the originator, or issuance 1364  
of a payment order that does not comply with the terms of the 1365  
payment order of the originator, the bank is liable to the 1366  
originator for its expenses in the funds transfer and for 1367  
incidental expenses and interest losses, to the extent not 1368  
covered by division (A) of this section, resulting from the 1369  
improper execution. Except as provided in division (C) of this 1370  
section, additional damages are not recoverable. 1371

(C) In addition to the amounts payable under divisions (A) 1372  
and (B) of this section, damages, including consequential 1373  
damages, are recoverable to the extent provided in an express 1374  
~~written~~ agreement of the receiving bank, evidenced by a record. 1375

(D) If a receiving bank fails to execute a payment order 1376  
it was obliged by express agreement to execute, the receiving 1377  
bank is liable to the sender for its expenses in the transaction 1378  
and for incidental expenses and interest losses resulting from 1379  
the failure to execute. Additional damages, including 1380  
consequential damages, are recoverable to the extent provided in 1381  
an express ~~written~~ agreement of the receiving bank, evidenced by 1382  
a record, but are not otherwise recoverable. 1383

(E) Reasonable attorney's fees are recoverable if demand 1384  
for compensation under division (A) or (B) of this section is 1385  
made and refused before an action is brought on the claim. If a 1386  
claim is made for breach of an agreement under division (D) of 1387  
this section and the agreement does not provide for damages, 1388  
reasonable attorney's fees are recoverable if demand for 1389  
compensation under division (D) of this section is made and 1390  
refused before an action is brought on the claim. 1391

(F) Except as stated in this section, the liability of a 1392  
receiving bank under divisions (A) and (B) of this section may 1393  
not be varied by agreement. 1394

**Sec. 1305.03. Formal requirements [UCC 5-104]** 1395

A letter of credit, confirmation, advice, transfer, 1396  
amendment, or cancellation may be issued in any form that is a 1397  
signed record ~~and is authenticated by a signature or in~~ 1398  
~~accordance with the agreement of the parties or the standard~~ 1399  
~~practice referred to in division (E) of section 1305.07 of the~~ 1400  
~~Revised Code.~~ 1401

**Sec. 1305.15. Choice of law and forum [UCC 5-116]** 1402

(A) The liability of an issuer, nominated person, or 1403  
adviser for action or omission is governed by the law of the 1404  
jurisdiction chosen by an agreement in the form of a record 1405  
~~signed or otherwise authenticated by the affected parties in the~~ 1406  
~~manner provided in section 1305.03 of the Revised Code or by a~~ 1407  
provision in the person's letter of credit, confirmation, or 1408  
other undertaking. The jurisdiction whose law is chosen need not 1409  
bear any relation to the transaction. 1410

(B) Unless division (A) of this section applies, the 1411  
liability of an issuer, nominated person, or adviser for action 1412

or omission is governed by the law of the jurisdiction in which 1413  
the person is located. The person is considered to be located at 1414  
the address indicated in the person's undertaking. If more than 1415  
one address is indicated, the person is considered to be located 1416  
at the address from which the person's undertaking was issued. 1417  
~~For~~ 1418

(C) For the purpose of jurisdiction, choice of law, and 1419  
recognition of interbranch letters of credit, but not 1420  
enforcement of a judgment, all branches of a bank are considered 1421  
separate juridical entities and a bank is considered to be 1422  
located at the place where its relevant branch is considered to 1423  
be located under ~~this~~ division (D) of this section. 1424

~~(C)-(D)~~ A branch of a bank is considered to be located at 1425  
the address indicated in the branch's undertaking. If more than 1426  
one address is indicated, the branch is considered to be located 1427  
at the address from which the undertaking was issued. 1428

(E) Except as otherwise provided in this division, the 1429  
liability of an issuer, nominated person, or adviser is governed 1430  
by any rules of custom or practice, such as the uniform customs 1431  
and practice for documentary credits, to which the letter of 1432  
credit, confirmation, or other undertaking is expressly made 1433  
subject. If (1) this chapter would govern the liability of an 1434  
issuer, nominated person, or adviser under division (A) or (B) 1435  
of this section, (2) the relevant undertaking incorporates rules 1436  
of custom or practice, and (3) there is conflict between this 1437  
chapter and those rules as applied to that undertaking, those 1438  
rules govern except to the extent of any conflict with the 1439  
nonvariable provisions specified in division (C) of section 1440  
1305.02 of the Revised Code. 1441

~~(D)-(E)~~ (F) If there is conflict between this chapter and 1442

Chapter 1303., 1304., or 1309. of the Revised Code, this chapter governs.	1443 1444
<del>(E)</del> <u>(G)</u> The forum for settling disputes arising out of an undertaking within this chapter may be chosen in the manner and with the binding effect that governing law may be chosen in accordance with division (A) of this section.	1445 1446 1447 1448
<b>Sec. 1307.102.</b> Definitions and index of definitions [UCC 7-102]	1449 1450
(A) As used in sections 1307.101 to 1307.603 of the Revised Code, unless the context otherwise requires:	1451 1452
(1) "Bailee" means a person that by a warehouse receipt, bill of lading, or other document of the title acknowledges possession of goods and contracts to deliver them.	1453 1454 1455
(2) "Carrier" means a person that issues a bill of lading.	1456
(3) "Consignee" means a person named in a bill of lading to which or to whose order the bill promises delivery.	1457 1458
(4) "Consignor" means a person named in a bill of lading as the person from which the goods have been received for shipment.	1459 1460 1461
(5) "Delivery order" means a record that contains an order to deliver goods directed to a warehouse, carrier, or other person that in the ordinary course of business issues warehouse receipts or bills of lading.	1462 1463 1464 1465
(6) "Good faith" has the same meaning as in section 1301.201 of the Revised Code.	1466 1467
(7) "Goods" means all things that are treated as movable for the purposes of a contract of storage or transportation.	1468 1469

(8) "Issuer" means a bailee that issues a document of title or, in the case of an unaccepted delivery order, the person that orders the possessor of goods to deliver. The term includes a person for which an agent or employee purports to act in issuing a document if the agent or employee has real or apparent authority to issue documents, even if the issuer did not receive any goods, the goods were misdescribed, or in any other respect the agent or employee violated the issuer's instructions.

(9) "Person entitled under the document" means the holder, in the case of a negotiable document of title, or the person to which delivery of the goods is to be made by the terms of, or pursuant to instructions in a record under, a nonnegotiable document of title.

~~(10) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.~~[Reserved.]

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

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

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

(12) "Shipper" means a person that enters into a contract of transportation with a carrier.

(13) "Warehouse" means a person engaged in the business of storing of goods for hire.

(B) As used in sections 1307.101 to 1307.603 of the Revised Code, "contract for sale" and "receipt" of goods have

the meaning set forth in section 1302.01 of the Revised Code, 1498  
and "lessee in the ordinary course of business" has the meaning 1499  
set forth in section 1310.01 of the Revised Code. 1500

(C) In addition, Chapter 1301. of the Revised Code 1501  
contains general definitions and principles of construction and 1502  
interpretation applicable throughout this chapter. 1503

**Sec. 1307.106.** Control of electronic document of title 1504  
[UCC 7-106] 1505

(A) A person has control of an electronic document of 1506  
title if a system employed for evidencing the transfer of 1507  
interests in the electronic document reliably establishes that 1508  
person as the person to which the electronic document was issued 1509  
or transferred. 1510

(B) A system satisfies division (A) of this section, and a 1511  
person ~~is deemed to have~~ has control of an electronic document 1512  
of title, if the document is created, stored, and ~~assigned-~~ 1513  
transferred in such a manner that: 1514

(1) A single authoritative copy of the document exists 1515  
which is unique, identifiable, and, except as otherwise provided 1516  
in divisions (B)(4), (5), and (6) of this section, unalterable; 1517

(2) The authoritative copy identifies the person asserting 1518  
control as: 1519

(a) The person to which the document was issued; or 1520

(b) If the authoritative copy indicates that the document 1521  
has been transferred, the person to which the document was most 1522  
recently transferred. 1523

(3) The authoritative copy is communicated to and 1524  
maintained by the person asserting control or its designated 1525

custodian; 1526

(4) Copies or amendments that add or change an identified 1527  
~~assignee~~transferee of the authoritative copy can be made only 1528  
with the consent of the person asserting control; 1529

(5) Each copy of the authoritative copy and any copy of a 1530  
copy is readily identifiable as a copy that is not the 1531  
authoritative copy; and 1532

(6) Any amendment of the authoritative copy is readily 1533  
identifiable as authorized or unauthorized. 1534

(C) A system satisfies division (A) of this section, and a 1535  
person has control of an electronic document of title, if an 1536  
authoritative electronic copy of the document, a record attached 1537  
to or logically associated with the electronic copy, or a system 1538  
in which the electronic copy is recorded does all of the 1539  
following: 1540

(1) Enables the person to readily identify each electronic 1541  
copy as either an authoritative or nonauthoritative copy; 1542

(2) Enables the person to readily identify itself in any 1543  
way, including by name, identifying number, cryptographic key, 1544  
office, or account number, as the person to which each 1545  
authoritative electronic copy was issued or transferred; 1546

(3) Gives the person exclusive power, subject to division 1547  
(D) of this section, to do both of the following: 1548

(a) Prevent others from adding or changing the person to 1549  
which each authoritative electronic copy has been issued or 1550  
transferred; 1551

(b) Transfer control of each authoritative electronic 1552  
copy. 1553

(D) Subject to division (E) of this section, a power is 1554  
exclusive under divisions (C) (3) (a) and (b) of this section even 1555  
if one or both of the following apply: 1556

(1) The authoritative electronic copy, a record attached 1557  
to or logically associated with the authoritative electronic 1558  
copy, or a system in which the authoritative electronic copy is 1559  
recorded limits the use of the document of title or has a 1560  
protocol that is programmed to cause a change, including a 1561  
transfer or loss of control; 1562

(2) The power is shared with another person. 1563

(E) A power of a person is not shared with another person 1564  
under division (D) (2) of this section and the person's power is 1565  
not exclusive if both of the following apply: 1566

(1) The person can exercise the power only if the power is 1567  
also exercised by the other person; 1568

(2) The other person either: 1569

(a) Can exercise the power without exercise of the power 1570  
by the person; 1571

(b) Is the transferor to the person of an interest in the 1572  
document of title. 1573

(F) If a person has the powers specified in divisions (C) 1574  
(3) (a) and (b) of this section, the powers are presumed to be 1575  
exclusive. 1576

(G) A person has control of an electronic document of 1577  
title if another person, other than the transferor to the person 1578  
of an interest in the document, either: 1579

(1) Has control of the document and acknowledges that it 1580



has control on behalf of the person; 1581

(2) Obtains control of the document after having 1582  
acknowledged that it will obtain control of the document on 1583  
behalf of the person. 1584

(H) A person that has control under this section is not 1585  
required to acknowledge that it has control on behalf of another 1586  
person. 1587

(I) If a person acknowledges that it has or will obtain 1588  
control on behalf of another person, unless the person otherwise 1589  
agrees or law other than this chapter or Chapter 1309. of the 1590  
Revised Code otherwise provides, the person does not owe any 1591  
duty to the other person and is not required to confirm the 1592  
acknowledgment to any person. 1593

**Sec. 1308.01.** Definitions and index of definitions [UCC 8- 1594  
1021] 1595

(A) In this chapter: 1596

(1) "Adverse claim" means a claim that a claimant has a 1597  
property interest in a financial asset and that it is a 1598  
violation of the rights of the claimant for another person to 1599  
hold, transfer, or deal with the financial asset. 1600

(2) "Bearer form," as applied to a certificated security, 1601  
means a form in which the security is payable to the bearer of 1602  
the security certificate according to its terms but not by 1603  
reason of an indorsement. 1604

(3) "Broker" means a person defined as a broker or dealer 1605  
under the federal securities laws, but without excluding a bank 1606  
acting in that capacity. 1607

(4) "Certificated security" means a security that is 1608

- represented by a certificate. 1609
- (5) "Clearing corporation" means: 1610
- (a) A person that is registered as a "clearing agency" 1611  
under the federal securities laws; 1612
- (b) A federal reserve bank; or 1613
- (c) Any other person that provides clearance or settlement 1614  
services with respect to financial assets that would require it 1615  
to register as a clearing agency under the federal securities 1616  
laws but for an exclusion or exemption from the registration 1617  
requirement, if its activities as a clearing corporation, 1618  
including promulgation of rules, are subject to regulation by a 1619  
federal or state governmental authority. 1620
- (6) "Communicate" means to: 1621
- (a) Send a signed ~~writing~~record; or 1622
- (b) Transmit information by any mechanism agreed upon by 1623  
the persons transmitting and receiving the information. 1624
- (7) "Entitlement holder" means a person identified in the 1625  
records of a securities intermediary as the person having a 1626  
security entitlement against the securities intermediary. If a 1627  
person acquires a security entitlement by virtue of division (B) 1628  
(2) or (3) of section 1308.51 of the Revised Code, that person 1629  
is the entitlement holder. 1630
- (8) "Entitlement order" means a notification communicated 1631  
to a securities intermediary directing transfer or redemption of 1632  
a financial asset to which the entitlement holder has a security 1633  
entitlement. 1634
- (9) "Financial asset," except as otherwise provided in 1635

section 1308.02 of the Revised Code, means: 1636

(a) A security; 1637

(b) An obligation of a person or a share, participation, 1638  
or other interest in a person or in property or an enterprise of 1639  
a person, which is, or is of a type, dealt in or traded on 1640  
financial markets, or which is recognized in any area in which 1641  
it is issued or dealt in as a medium for investment; or 1642

(c) Any property that is held by a securities intermediary 1643  
for another person in a securities account if the securities 1644  
intermediary has expressly agreed with the other person that the 1645  
property is to be treated as a financial asset under this 1646  
chapter. 1647

As context requires, the term means either the interest 1648  
itself or the means by which a person's claim to it is 1649  
evidenced, including a certificated or uncertificated security, 1650  
a security certificate, or a security entitlement. 1651

(10) "Good faith" has the same meaning as in section 1652  
1301.201 of the Revised Code. 1653

(11) "Indorsement" means a signature that alone or 1654  
accompanied by other words is made on a security certificate in 1655  
registered form or on a separate document for the purpose of 1656  
assigning, transferring, or redeeming the security or granting a 1657  
power to assign, transfer, or redeem it. 1658

(12) "Instruction" means a notification communicated to 1659  
the issuer of an uncertificated security which directs that the 1660  
transfer of the security be registered or that the security be 1661  
redeemed. 1662

(13) "Registered form," as applied to a certificated 1663

security, means a form in which: 1664

(a) The security certificate specifies a person entitled 1665  
to the security; and 1666

(b) A transfer of the security may be registered upon 1667  
books maintained for that purpose by or on behalf of the issuer, 1668  
or the security certificate so states. 1669

(14) "Securities intermediary" means: 1670

(a) A clearing corporation; or 1671

(b) A person, including a bank or broker, that in the 1672  
ordinary course of its business maintains securities accounts 1673  
for others and is acting in that capacity. 1674

(15) "Security," except as otherwise provided in section 1675  
1308.02 of the Revised Code, means an obligation of an issuer or 1676  
a share, participation, or other interest in an issuer or in 1677  
property or an enterprise of an issuer: 1678

(a) Which is represented by a security certificate in 1679  
bearer or registered form, or the transfer of which may be 1680  
registered upon books maintained for that purpose by or on 1681  
behalf of the issuer; 1682

(b) Which is one of a class or series or by its terms is 1683  
divisible into a class or series of shares, participations, 1684  
interests, or obligations; and 1685

(c) Which: 1686

(i) Is, or is of a type, dealt in or traded on securities 1687  
exchanges or securities markets; or 1688

(ii) Is a medium for investment and by its terms expressly 1689  
provides that it is a security governed by this chapter. 1690

(16) "Security certificate" means a certificate representing a security.	1691 1692
(17) "Security entitlement" means the rights and property interest of an entitlement holder with respect to a financial asset specified in sections 1308.51 to 1308.61 of the Revised Code.	1693 1694 1695 1696
(18) "Uncertificated security" means a security that is not represented by a certificate.	1697 1698
(B) Other definitions applying to this chapter and the sections in which they appear are:	1699 1700
(1) "Appropriate person," as defined in section 1308.23 of the Revised Code.	1701 1702
(2) "Control," as defined in section 1308.24 of the Revised Code.	1703 1704
(3) <u>"Controllable account," as defined in section 1309.102 of the Revised Code.</u>	1705 1706
<u>(4) "Controllable electronic record," as defined in section 1314.102 of the Revised Code.</u>	1707 1708
<u>(5) "Controllable payment intangible," as defined in section 1309.102 of the Revised Code.</u>	1709 1710
<u>(6) "Delivery," as defined in section 1308.27 of the Revised Code.</u>	1711 1712
<del>(4)</del> <u>(7) "Investment company security," as defined in section 1308.02 of the Revised Code.</u>	1713 1714
<del>(5)</del> <u>(8) "Issuer," as defined in section 1308.08 of the Revised Code.</u>	1715 1716
<del>(6)</del> <u>(9) "Overissue," as defined in section 1308.03 of the</u>	1717

Revised Code.	1718
<del>(7)</del> <u>(10)</u> "Protected purchaser," as defined in section 1308.17 of the Revised Code.	1719 1720
<del>(8)</del> <u>(11)</u> "Securities account," as defined in section 1308.51 of the Revised Code.	1721 1722
(C) In addition, Chapter 1301. of the Revised Code contains general definitions and principles of construction and interpretation applicable throughout this chapter.	1723 1724 1725
(D) The characterization of a person, business, or transaction for purposes of this chapter does not determine the characterization of the person, business, or transaction for purposes of any other law, regulation, or rule.	1726 1727 1728 1729
<b>Sec. 1308.02. <u>Rules for determining whether certain obligations and interests are securities or financial assets</u></b> <u>[UCC 8-103]</u>	1730 1731 1732
(A) A share or similar equity interest issued by a corporation, business trust, joint stock company, or similar entity is a security.	1733 1734 1735
(B) An "investment company security" is a security. "Investment company security" means a share or similar equity interest issued by an entity that is registered as an investment company under the federal investment company laws, an interest in a unit investment trust that is so registered, or a face-amount certificate issued by a face-amount certificate company that is so registered. Investment company security does not include an insurance policy or endowment policy or annuity contract issued by an insurance company.	1736 1737 1738 1739 1740 1741 1742 1743 1744
(C) An interest in a partnership or limited liability	1745

company is not a security unless it is dealt in or traded on 1746  
securities exchanges or in securities markets, its terms 1747  
expressly provide that it is a security governed by this 1748  
chapter, or it is an investment company security. However, an 1749  
interest in a partnership or limited liability company is a 1750  
financial asset if it is held in a securities account. 1751

(D) A writing that is a security certificate is governed 1752  
by this chapter and not by Chapter 1303. of the Revised Code, 1753  
even though it also meets the requirements of that chapter. 1754  
However, a negotiable instrument governed by Chapter 1303. of 1755  
the Revised Code is a financial asset if it is held in a 1756  
securities account. 1757

(E) An option or similar obligation issued by a clearing 1758  
corporation to its participants is not a security, but is a 1759  
financial asset. 1760

(F) A commodity contract, as defined in ~~division (A) (15)~~ 1761  
~~of~~ section 1309.102 of the Revised Code, is not a security or a 1762  
financial asset. 1763

(G) A document of title is not a financial asset unless 1764  
division (A) (9) (c) of section 1308.01 of the Revised Code 1765  
applies. 1766

(H) A controllable account, controllable electronic 1767  
record, or controllable payment is not a financial asset unless 1768  
division (A) (9) (c) of section 1308.01 of the Revised Code 1769  
applies. 1770

**Sec. 1308.05. Applicability; choice of law [UCC 8-110]** 1771

(A) The local law of the issuer's jurisdiction, as 1772  
specified in division (D) of this section, governs: 1773

(1) The validity of a security;	1774
(2) The rights and duties of the issuer with respect to registration of transfer;	1775 1776
(3) The effectiveness of registration of transfer by the issuer;	1777 1778
(4) Whether the issuer owes any duties to an adverse claimant to a security; and	1779 1780
(5) Whether an adverse claim can be asserted against a person to whom transfer of a certificated or uncertificated security is registered or a person who obtains control of an uncertificated security.	1781 1782 1783 1784
(B) The local law of the securities intermediary's jurisdiction, as specified in division (E) of this section, governs:	1785 1786 1787
(1) Acquisition of a security entitlement from the securities intermediary;	1788 1789
(2) The rights and duties of the securities intermediary and entitlement holder arising out of a security entitlement;	1790 1791
(3) Whether the securities intermediary owes any duties to an adverse claimant to a security entitlement; and	1792 1793
(4) Whether an adverse claim can be asserted against a person who acquires a security entitlement from the securities intermediary or a person who purchases a security entitlement or interest therein from an entitlement holder.	1794 1795 1796 1797
(C) The local law of the jurisdiction in which a security certificate is located at the time of delivery governs whether an adverse claim can be asserted against a person to whom the	1798 1799 1800



security certificate is delivered. 1801

(D) "Issuer's jurisdiction" means the jurisdiction under 1802  
which the issuer of the security is organized or, if permitted 1803  
by the law of that jurisdiction, the law of another jurisdiction 1804  
specified by the issuer. An issuer organized under the law of 1805  
this state may specify the law of another jurisdiction as the 1806  
law governing the matters specified in divisions (A) (2) to (5) 1807  
of this section. 1808

(E) The following rules determine a "securities 1809  
intermediary's jurisdiction" for purposes of this section: 1810

(1) If an agreement between the securities intermediary 1811  
and its entitlement holder governing the securities account 1812  
expressly provides that a particular jurisdiction is the 1813  
securities intermediary's jurisdiction for purposes of Chapter 1814  
1308. or 1309. of the Revised Code, that jurisdiction is the 1815  
securities intermediary's jurisdiction. 1816

(2) If division (E) (1) of this section does not apply and 1817  
an agreement between the securities intermediary and its 1818  
entitlement holder governing the securities account expressly 1819  
provides that the agreement is governed by the law of a 1820  
particular jurisdiction, that jurisdiction is the securities 1821  
intermediary's jurisdiction. 1822

(3) If divisions (E) (1) and (2) of this section do not 1823  
apply and an agreement between the securities intermediary and 1824  
its entitlement holder governing the securities account 1825  
expressly provides that the securities account is maintained at 1826  
an office in a particular jurisdiction, that jurisdiction is the 1827  
securities intermediary's jurisdiction. 1828

(4) If divisions (E) (1), (2), and (3) of this section do 1829

not apply, the securities intermediary's jurisdiction is the 1830  
jurisdiction in which the office identified in an account 1831  
statement as the office serving the entitlement holder's account 1832  
is located. 1833

(5) If divisions (E) (1), (2), (3), and (4) of this section 1834  
do not apply, the securities intermediary's jurisdiction is the 1835  
jurisdiction in which the chief executive office of the 1836  
securities intermediary is located. 1837

(F) A securities intermediary's jurisdiction is not 1838  
determined by the physical location of certificates representing 1839  
financial assets, or by the jurisdiction in which is organized 1840  
the issuer of the financial asset with respect to which an 1841  
entitlement holder has a security entitlement, or by the 1842  
location of facilities for data processing or other record 1843  
keeping concerning the account. 1844

(G) The local law of the issuer's jurisdiction or the 1845  
securities intermediary's jurisdiction governs a matter or 1846  
transaction specified in division (A) or (B) of this section, 1847  
even if the matter or transaction does not bear any relation to 1848  
the jurisdiction. 1849

**Sec. 1308.17. Protected purchaser [8-303]** 1850

(A) A "protected purchaser" means a purchaser of a 1851  
certificated or uncertificated security, or of an interest 1852  
therein, who: 1853

(1) Gives value; 1854

(2) Does not have notice of any adverse claim to the 1855  
security; and 1856

(3) Obtains control of the certificated or uncertificated 1857

security. 1858

(B) ~~In addition to acquiring the rights of a purchaser, a~~ 1859  
A protected purchaser ~~also~~ acquires its interest in the security 1860  
free of any adverse claim. 1861

**Sec. 1308.24. Control [UCC 8-106]** 1862

(A) A purchaser has "control" of a certificated security 1863  
in bearer form if the certificated security is delivered to the 1864  
purchaser. 1865

(B) A purchaser has "control" of a certificated security 1866  
in registered form if the certificated security is delivered to 1867  
the purchaser, and: 1868

(1) The certificate is indorsed to the purchaser or in 1869  
blank by an effective indorsement; or 1870

(2) The certificate is registered in the name of the 1871  
purchaser, upon original issue or registration of transfer by 1872  
the issuer. 1873

(C) A purchaser has "control" of an uncertificated 1874  
security if: 1875

(1) The uncertificated security is delivered to the 1876  
purchaser; or 1877

(2) The issuer has agreed that it will comply with 1878  
instructions originated by the purchaser without further consent 1879  
by the registered owner. 1880

(D) A purchaser has "control" of a security entitlement 1881  
if: 1882

(1) The purchaser becomes the entitlement holder; or 1883

(2) The securities intermediary has agreed that it will 1884

comply with entitlement orders originated by the purchaser 1885  
without further consent by the entitlement holder; or 1886

~~(3) Another person has control of the security entitlement~~ 1887  
~~on behalf of the purchaser or, having previously acquired~~ 1888  
~~control of the security entitlement, acknowledges having control~~ 1889  
~~on behalf of the purchaser, other than the transferor to the~~ 1890  
purchaser of an interest in the security entitlement: 1891

(a) Has control of the security entitlement and 1892  
acknowledges that it has control on behalf of the purchaser; or 1893

(b) Obtains control of the security entitlement after 1894  
having acknowledged that it will obtain control of the security 1895  
entitlement on behalf of the purchaser. 1896

(E) If an interest in a security entitlement is granted by 1897  
the entitlement holder to the entitlement holder's own 1898  
securities intermediary, the securities intermediary has 1899  
control. 1900

(F) A purchaser who has satisfied the requirements of 1901  
division (C) or (D) of this section has control even if the 1902  
registered owner in the case of division (C) of this section or 1903  
the entitlement holder in the case of division (D) of this 1904  
section retains the right to make substitutions for the 1905  
uncertificated security or security entitlement, to originate 1906  
instructions or entitlement orders to the issuer or securities 1907  
intermediary, or otherwise to deal with the uncertificated 1908  
security or security entitlement. 1909

(G) An issuer or a securities intermediary may not enter 1910  
into an agreement of the kind described in division (C) (2) or 1911  
(D) (2) of this section without the consent of the registered 1912  
owner or entitlement holder, but an issuer or a securities 1913

intermediary is not required to enter into such an agreement 1914  
even though the registered owner or entitlement holder so 1915  
directs. An issuer or securities intermediary that has entered 1916  
into such an agreement is not required to confirm the existence 1917  
of the agreement to another party unless requested to do so by 1918  
the registered owner or entitlement holder. 1919

(H) A person that has control under this section is not 1920  
required to acknowledge that it has control on behalf of a 1921  
purchaser. 1922

(I) If a person acknowledges that it has or will obtain 1923  
control on behalf of a purchaser, unless the person otherwise 1924  
agrees or law other than this chapter or Chapter 1309. of the 1925  
Revised Code otherwise provides, the person does not owe any 1926  
duty to the purchaser and is not required to confirm the 1927  
acknowledgement to any other person. 1928

**Sec. 1309.102. Definitions and index of definitions [UCC 1929  
9-102] 1930**

(A) As used in this chapter, unless the context requires 1931  
otherwise: 1932

(1) "Accession" means goods that are physically united 1933  
with other goods in such a manner that the identity of the 1934  
original goods is not lost. 1935

(2) (a) "Account," except as used in "account for," 1936  
"account statement," "account to," "commodity account," 1937  
"customer's account," "deposit account," and "statement of 1938  
account," means a right to payment of a monetary obligation, 1939  
whether or not earned by performance, (i) for property that has 1940  
been or is to be sold, leased, licensed, assigned, or otherwise 1941  
disposed of, (ii) for services rendered or to be rendered, (iii) 1942

for a policy of insurance issued or to be issued, (iv) for a 1943  
secondary obligation incurred or to be incurred, (v) for energy 1944  
provided or to be provided, (vi) for the use or hire of a vessel 1945  
under a charter or other contract, (vii) arising out of the use 1946  
of a credit or charge card or information contained on or for 1947  
use with the card, or (viii) as winnings in a lottery or other 1948  
game of chance operated or sponsored by a state, governmental 1949  
unit of a state, or person licensed or authorized to operate the 1950  
game by a state or governmental unit of a state. 1951

(b) "Account" includes controllable accounts and health- 1952  
care insurance receivables. 1953

(c) "Account" does not include (i) ~~rights to payment~~ 1954  
~~evidenced by chattel paper or an instrument~~, (ii) commercial 1955  
tort claims, (iii) deposit accounts, (iv) investment property, 1956  
(v) letter-of-credit rights or letters of credit, ~~or~~ (vi) rights 1957  
to payment for money or funds advanced or sold, other than 1958  
rights arising out of the use of a credit or charge card or 1959  
information contained on or for use with the card, or (vii) 1960  
rights to payment evidenced by an instrument. 1961

(3) "Account debtor" means a person who is obligated on an 1962  
account, chattel paper, or general intangible. "Account debtor" 1963  
does not include a person who is obligated to pay a negotiable 1964  
instrument, even if the negotiable instrument ~~constitutes part~~ 1965  
~~of evidences~~ chattel paper. 1966

(4) "Accounting," except as used in "accounting for," 1967  
means a record: 1968

(a) ~~Authenticated~~ Signed by a secured party; 1969

(b) Indicating the aggregate unpaid secured obligations as 1970  
of a date not more than thirty-five days earlier or thirty-five 1971

days later than the date of the record; and	1972
(c) Identifying the components of the obligations in reasonable detail.	1973 1974
(5) "Agricultural lien" means an interest, other than a security interest, in farm products:	1975 1976
(a) That secures payment or performance of an obligation for:	1977 1978
(i) Goods or services furnished in connection with a debtor's farming operation; or	1979 1980
(ii) Rent on real property leased by a debtor in connection with its farming operation.	1981 1982
(b) That is created by statute in favor of a person who:	1983
(i) In the ordinary course of business, furnished goods or services to a debtor in connection with the debtor's farming operation; or	1984 1985 1986
(ii) Leased real property to a debtor in connection with the debtor's farming operation; and	1987 1988
(c) Whose effectiveness does not depend on the person's possession of the personal property.	1989 1990
(6) "As-extracted collateral" means:	1991
(a) Oil, gas, or other minerals that are subject to a security interest that:	1992 1993
(i) Is created by a debtor having an interest in the minerals before extraction; and	1994 1995
(ii) Attaches to the minerals as extracted; or	1996
(b) Accounts arising out of the sale at the wellhead or	1997

minehead of oil, gas, or other minerals in which the debtor had an interest before extraction.	1998 1999
(7) <del>"Authenticate" means:</del>	2000
<del>(a) To sign; or</del>	2001
<del>(b) With present intent to adopt or accept a record, to attach to or logically associate with the record an electronic sound, symbol, or process[Reserved.]</del>	2002 2003 2004
<u>(a) "Assignee," except as used in "assignee for benefit of creditors," means a person (i) in whose favor a security interest that secures an obligation is created or provided for under a security agreement, whether or not the obligation is outstanding, or (ii) to which an account, chattel paper, payment intangible, or promissory note has been sold. The term includes a person to which a security interest has been transferred by a secured party.</u>	2005 2006 2007 2008 2009 2010 2011 2012
<u>(b) "Assignor" means a person that (i) under a security agreement creates or provides for a security interest that secures an obligation, or (ii) sells an account, chattel paper, payment intangible, or promissory note. The term includes a secured party that has transferred a security interest to another person.</u>	2013 2014 2015 2016 2017 2018
(8) "Bank" means an organization that is engaged in the business of banking. "Bank" includes savings banks, savings and loan associations, credit unions, and trust companies.	2019 2020 2021
(9) "Cash proceeds" means proceeds that are money, checks, deposit accounts, or the like.	2022 2023
(10) "Certificate of title" means a certificate of title with respect to which a statute provides for the security	2024 2025



interest in question to be indicated on the certificate as a 2026  
condition or result of the security interest's obtaining 2027  
priority over the rights of a lien creditor with respect to the 2028  
collateral. The term includes another record maintained as an 2029  
alternative to a certificate of title by the governmental unit 2030  
that issues certificates of title if a statute permits the 2031  
security interest in question to be indicated on the record as a 2032  
condition or result of the security interest's obtaining 2033  
priority over the rights of a lien creditor with respect to the 2034  
collateral. 2035

~~(11)(a) (11) "Chattel paper" means a record that evidences 2036  
both a monetary obligation and a security interest in specific 2037  
goods, a security interest in specific goods and software used 2038  
in the goods, a security interest in specific goods and license 2039  
of software used in the goods, a lease of specific goods, or a 2040  
lease of specific goods and license of software used in the 2041  
goods. 2042~~

~~As used in division (A) (11)(a) of this section, "monetary 2043  
obligation" means a monetary obligation secured by the goods or 2044  
owed under a lease of the goods and includes a monetary 2045  
obligation with respect to software used in the goods. 2046~~

~~(b) If a transaction is evidenced by records that include 2047  
an instrument or series of instruments, the group of records 2048  
taken together constitutes chattel paper. 2049~~

~~(c) "Chattel paper" does not include (i) charters or other 2050  
contracts involving the use or hire of a vessel or (ii) records 2051  
that evidence a right to payment arising out of the use of a 2052  
credit or charge card or information contained on or for use 2053  
with the card either of the following: 2054~~

(a) A right to payment of a monetary obligation secured by specific goods, if the right to payment and security agreement are evidenced by a record; 2055  
2056  
2057

(b) A right to payment of a monetary obligation owed by a lessee under a lease agreement with respect to specific goods and a monetary obligation owed by the lessee in connection with the transaction giving rise to the lease, if both of the following apply: 2058  
2059  
2060  
2061  
2062

(i) The right to payment and lease agreement are evidenced by a record; 2063  
2064

(ii) The predominant purpose of the transaction giving rise to the lease was to give the lessee the right to possession and use of goods. 2065  
2066  
2067

The term does not include a right to payment arising out of a charter or other contract involving the use or hire of a vessel, or a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card. 2068  
2069  
2070  
2071  
2072

(12) "Collateral" means the property subject to a security interest or agricultural lien, including: 2073  
2074

(a) Proceeds to which a security interest attaches; 2075

(b) Accounts, chattel paper, payment intangibles, and promissory notes that have been sold; and 2076  
2077

(c) Goods that are the subject of a consignment. 2078

(13) "Commercial tort claim" means a claim arising in tort with respect to which: 2079  
2080

(a) The claimant is an organization; or 2081

(b) The claimant is an individual, and the claim:	2082
(i) Arose in the course of the claimant's business or profession; and	2083 2084
(ii) Does not include damages arising out of personal injury to or the death of an individual.	2085 2086
(14) "Commodity account" means an account maintained by a commodity intermediary in which a commodity contract is carried for a commodity customer.	2087 2088 2089
(15) "Commodity contract" means a commodity futures contract, an option on a commodity futures contract, a commodity option, or another contract if the contract or option is:	2090 2091 2092
(a) Traded on or subject to the rules of a board of trade that has been designated as a contract market for such a contract pursuant to the federal commodities laws; or	2093 2094 2095
(b) Traded on a foreign commodity board of trade, exchange, or market and is carried on the books of a commodity intermediary for a commodity customer.	2096 2097 2098
(16) "Commodity customer" means a person for whom a commodity intermediary carries a commodity contract on its books.	2099 2100 2101
(17) "Commodity intermediary" means a person that:	2102
(a) Is registered as a futures commission merchant under the federal commodities laws; or	2103 2104
(b) In the ordinary course of its business provides clearance or settlement services for a board of trade that has been designated as a contract market pursuant to the federal commodities laws.	2105 2106 2107 2108

(18) "Communicate" means:	2109
(a) To send a written or other tangible record;	2110
(b) To transmit a record by any means agreed upon by the persons sending and receiving the record; or	2111 2112
(c) In the case of transmission of a record to or by a filing office, to transmit a record by any means prescribed by filing-office rule.	2113 2114 2115
(19) "Consignee" means a merchant to whom goods are delivered in a consignment.	2116 2117
(20) "Consignment" means a transaction, regardless of its form, in which a person delivers goods to a merchant for the purpose of sale and:	2118 2119 2120
(a) The merchant:	2121
(i) Deals in goods of that kind under a name other than the name of the person making delivery;	2122 2123
(ii) Is not an auctioneer; and	2124
(iii) Is not generally known by its creditors to be substantially engaged in selling the goods of others;	2125 2126
(b) With respect to each delivery, the aggregate value of the goods is one thousand dollars or more at the time of delivery.	2127 2128 2129
(c) The goods are not consumer goods immediately before delivery; and	2130 2131
(d) The transaction does not create a security interest that secures an obligation.	2132 2133
(21) "Consignor" means a person that delivers goods to a	2134

consignee in a consignment.	2135
(22) "Consumer debtor" means a debtor in a consumer transaction.	2136 2137
(23) "Consumer goods" means goods that are used or bought for use primarily for personal, family, or household purposes.	2138 2139
(24) "Consumer-goods transaction" means a consumer transaction in which:	2140 2141
(a) An individual incurs an obligation primarily for personal, family, or household purposes; and	2142 2143
(b) A security interest in consumer goods secures the obligation.	2144 2145
(25) "Consumer obligor" means an obligor who is an individual and who incurred the obligation as part of a transaction entered into primarily for personal, family, or household purposes.	2146 2147 2148 2149
(26) "Consumer transaction" means a transaction in which:	2150
(a) an individual incurs an obligation primarily for personal, family, or household purposes, (b) a security interest secures the obligation, and (c) the collateral is held or acquired primarily for personal, family, or household purposes. "Consumer transaction" includes consumer-goods transactions.	2151 2152 2153 2154 2155
<del>(27)</del> <u>(27) (a)</u> "Continuation statement" means an amendment of a financing statement that:	2156 2157
<del>(a)</del> <u>(i)</u> Identifies, by its file number, the initial financing statement to which it relates; and	2158 2159
<del>(b)</del> <u>(ii)</u> Indicates that it is a continuation statement for, or that it is filed to continue the effectiveness of, the	2160 2161

identified financing statement. 2162

(b) "Controllable account" means an account evidenced by a 2163  
controllable electronic record that provides that the account 2164  
debtor undertakes to pay the person that has control under 2165  
section 1314.105 of the Revised Code of the controllable account 2166  
record. 2167

(c) "Controllable payment intangible" means a payment 2168  
intangible evidenced by a controllable electronic record that 2169  
provides that the account debtor undertakes to pay the person 2170  
that has control under section 1314.105 of the Revised Code of 2171  
the controllable electronic record. 2172

(28) "Debtor" means: 2173

(a) A person having an interest, other than a security 2174  
interest or other lien, in the collateral, whether or not the 2175  
person is an obligor; 2176

(b) A seller of accounts, chattel paper, payment 2177  
intangibles, or promissory notes; or 2178

(c) A consignee. 2179

(29) "Deposit account" means a demand, time, savings, 2180  
passbook, or similar account maintained with a bank but does not 2181  
include investment property or accounts evidenced by an 2182  
instrument. 2183

(30) "Document" means a document of title or a receipt of 2184  
the type described in division (B) of section 1307.201 of the 2185  
Revised Code. 2186

(31) ~~"Electronic chattel paper" means chattel paper~~ 2187  
~~evidenced by a record consisting of information stored in an~~ 2188  
~~electronic medium~~[Reserved.] 2189

<u>(a) "Electronic money" means money in an electronic form.</u>	2190
(32) "Encumbrance" means a right, other than an ownership interest, in real property. "Encumbrance" includes mortgages and other liens on real property.	2191 2192 2193
(33) "Equipment" means goods other than inventory, farm products, or consumer goods.	2194 2195
(34) "Farm products" means goods, other than standing timber, with respect to which the debtor is engaged in a farming operation and that are:	2196 2197 2198
(a) Crops grown, growing, or to be grown, including:	2199
(i) Crops produced on trees, vines, and bushes;	2200
(ii) Aquatic goods produced in aquacultural operations;	2201
(iii) Algacultural products as defined in section 901.511 of the Revised Code that are produced as a result of aglaculture meaning the farming of algae.	2202 2203 2204
(b) Livestock, born or unborn, including aquatic goods produced in aquacultural operations;	2205 2206
(c) Supplies used or produced in a farming operation; or	2207
(d) Products of crops or livestock in their unmanufactured states.	2208 2209
(35) "Farming operation" means raising, cultivating, propagating, fattening, grazing, or any other farming, livestock, or aquacultural operation.	2210 2211 2212
(36) "File number" means the number assigned to an initial financing statement under division (A) of section 1309.519 of the Revised Code.	2213 2214 2215

(37) "Filing office" means an office designated in section 2216  
1309.501 of the Revised Code as the place to file a financing 2217  
statement. 2218

(38) "Filing-office rule" means a rule adopted under 2219  
section 1309.526 of the Revised Code. 2220

(39) "Financing statement" means a record composed of an 2221  
initial financing statement and any filed record or records 2222  
relating to the initial financing statement. For the purposes of 2223  
this chapter, financing statements filed for recording with the 2224  
secretary of state shall not be required to include social 2225  
security or employer identification numbers. 2226

(40) "Fixture filing" means the filing of a financing 2227  
statement covering goods that are or are to become fixtures and 2228  
satisfying divisions (A) and (B) of section 1309.502 of the 2229  
Revised Code. "Fixture filing" includes the filing of a 2230  
financing statement covering goods of a transmitting utility 2231  
that are or are to become fixtures. 2232

(41) "Fixtures" means goods that have become so related to 2233  
particular real property that an interest in them arises under 2234  
real property law. 2235

(42) "General intangible" means any personal property, 2236  
including things in action, other than accounts, chattel paper, 2237  
commercial tort claims, deposit accounts, documents, goods, 2238  
instruments, investment property, letter-of-credit rights, 2239  
letters of credit, money, and oil, gas, or other minerals before 2240  
extraction. "General intangible" includes controllable 2241  
electronic records, payment intangibles, and software. 2242

(43) ~~"Good faith" has the same meaning as in section~~ 2243  
~~1301.201 of the Revised Code.~~ [Reserved.] 2244



(44) (a) "Goods" means all things that are movable when a security interest attaches. "Goods" includes (i) fixtures, (ii) standing timber that is to be cut and removed under a conveyance or contract for sale, (iii) the unborn young of animals, (iv) crops grown, growing, or to be grown, even if the crops are produced on trees, vines, or bushes, and (v) manufactured homes.

(b) "Goods" also includes a computer program embedded in goods and any supporting information provided in connection with a transaction relating to the program if (i) the program is associated with the goods in such a manner that it customarily is considered part of the goods, or (ii) by becoming the owner of the goods, a person acquires a right to use the program in connection with the goods.

(c) "Goods" does not include a computer program embedded in goods that consist solely of the medium in which the program is embedded. "Goods" does not include accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, instruments, investment property, letter-of-credit rights, letters of credit, money, or oil, gas, or other minerals before extraction.

(45) "Governmental unit" means a subdivision, agency, department, county, parish, municipal corporation, or other unit of the government of the United States, a state, or a foreign country. "Governmental unit" includes an organization having a separate corporate existence if the organization is eligible to issue debt on which interest is exempt from income taxation under the laws of the United States.

(46) "Health-care-insurance receivable" means an interest in or claim under a policy of insurance that is a right to payment of a monetary obligation for health-care goods or

services provided. 2275

(47) (a) "Instrument" means a negotiable instrument or any 2276  
other writing that evidences a right to the payment of a 2277  
monetary obligation, is not itself a security agreement or 2278  
lease, and is of a type that in ordinary course of business is 2279  
transferred by delivery with any necessary indorsement or 2280  
assignment. 2281

(b) "Instrument" does not include (i) investment property, 2282  
(ii) letters of credit, ~~or~~ (iii) writings that evidence a right 2283  
to payment arising out of the use of a credit or charge card or 2284  
information contained on or for use with the card, or (iv) 2285  
writings that evidence chattel paper. 2286

(48) "Inventory" means goods, other than farm products, 2287  
that: 2288

(a) Are leased by a person as lessor; 2289

(b) Are held by a person for sale or lease or to be 2290  
furnished under a contract of service; 2291

(c) Are furnished by a person under a contract of service; 2292  
or 2293

(d) Consist of raw materials, work in process, or 2294  
materials used or consumed in a business. 2295

(49) "Investment property" means a security, whether 2296  
certificated or uncertificated, a security entitlement, a 2297  
securities account, a commodity contract, or a commodity 2298  
account. 2299

(50) "Jurisdiction of organization," with respect to a 2300  
registered organization, means the jurisdiction under whose law 2301  
the organization is formed or organized. 2302

(51) "Letter-of-credit right" means a right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance. "Letter-of-credit right" does not include the right of a beneficiary to demand payment or performance under a letter of credit.

(52) "Lien creditor" means: 2309

(a) A creditor who has acquired a lien on the property involved by attachment, levy or the like; 2310  
2311

(b) An assignee for benefit of creditors from the time of assignment; 2312  
2313

(c) A trustee in bankruptcy from the date of the filing of the petition; or 2314  
2315

(d) A receiver in equity from the time of appointment. 2316

(53) "Manufactured home" means a structure, transportable in one or more sections, that, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and that is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained in the structure. "Manufactured home" includes any structure that meets all of the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the United States secretary of housing and urban development and complies with the standards established under Title 42 of the United States Code.

<del>(54)</del> <u>(54) (a)</u> "Manufactured-home transaction" means a	2332
secured transaction:	2333
<del>(a)</del> <u>(i)</u> That creates a purchase-money security interest in	2334
a manufactured home, other than a manufactured home held as	2335
inventory; or	2336
<del>(b)</del> <u>(ii)</u> In which a manufactured home, other than a	2337
manufactured home held as inventory, is the primary collateral.	2338
<u>(b) "Money" has the same meaning as in section 1301.201 of</u>	2339
<u>the Revised Code, but does not include either of the following:</u>	2340
<u>(i) A deposit account;</u>	2341
<u>(ii) Money in an electronic form that cannot be subjected</u>	2342
<u>to control under section 1309.105 of the Revised Code.</u>	2343
(55) "Mortgage" means a consensual interest in real	2344
property, including fixtures, that secures payment or	2345
performance of an obligation.	2346
(56) "New debtor" means a person that becomes bound as	2347
debtor under division (D) of section 1309.203 of the Revised	2348
Code by a security agreement previously entered into by another	2349
person.	2350
(57) (a) "New value" means (i) money, (ii) money's worth in	2351
property, services, or new credit, or (iii) release by a	2352
transferee of an interest in property previously transferred to	2353
the transferee.	2354
(b) "New value" does not include an obligation substituted	2355
for another obligation.	2356
(58) "Noncash proceeds" means proceeds other than cash	2357
proceeds.	2358

(59) (a) "Obligor" means a person who, with respect to an obligation secured by a security interest in or an agricultural lien on the collateral, (i) owes payment or other performance of the obligation, (ii) has provided property other than the collateral to secure payment or other performance of the obligation, or (iii) is otherwise accountable in whole or in part for payment or other performance of the obligation.

(b) "Obligor" does not include issuers or nominated persons under a letter of credit.

(60) "Original debtor," except as used in division (C) of section 1309.310 of the Revised Code, means a person who, as debtor, entered into a security agreement to which a new debtor has become bound under division (D) of section 1309.203 of the Revised Code.

(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.

(62) "Person related to," with respect to an individual, means:

(a) The spouse of the individual;

(b) A brother, brother-in-law, sister, or sister-in-law of the individual;

(c) An ancestor or lineal descendant of the individual or the individual's spouse; or

(d) Any other relative, by blood or marriage, of the individual or the individual's spouse who shares the same home with the individual.

(63) "Person related to," with respect to an organization,

means:	2387
(a) A person directly or indirectly controlling,	2388
controlled by, or under common control with the organization;	2389
(b) An officer or director of, or a person performing	2390
similar functions with respect to, the organization;	2391
(c) An officer or director of, or a person performing	2392
similar functions with respect to, a person described in	2393
division (A) (63) (a) of this section;	2394
(d) The spouse of an individual described in division (A)	2395
(63) (a), (b), or (c) of this section; or	2396
(e) An individual who is related by blood or marriage to	2397
an individual described in division (A) (63) (a), (b), (c), or (d)	2398
of this section and shares the same home with the individual.	2399
(64) "Proceeds," except as used in division (B) of section	2400
1309.609 of the Revised Code, means the following property:	2401
(a) Whatever is acquired upon the sale, lease, license,	2402
exchange, or other disposition of collateral;	2403
(b) Whatever is collected on, or distributed on account	2404
of, collateral;	2405
(c) Rights arising out of collateral;	2406
(d) To the extent of the value of collateral, claims	2407
arising out of the loss, nonconformity, or interference with the	2408
use of, defects or infringement of rights in, or damage to the	2409
collateral; or	2410
(e) To the extent of the value of collateral and to the	2411
extent payable to the debtor or the secured party, insurance	2412
payable by reason of the loss or nonconformity of, defects or	2413

infringement of rights in, or damage to the collateral. 2414

(65) "Promissory note" means an instrument that evidences 2415  
a promise to pay a monetary obligation, does not evidence an 2416  
order to pay, and does not contain an acknowledgment by a bank 2417  
that the bank has received for deposit a sum of money or funds. 2418

(66) "Proposal" means a record ~~authenticated~~ signed by a 2419  
secured party that includes the terms on which the secured party 2420  
is willing to accept collateral in full or partial satisfaction 2421  
of the obligation it secures pursuant to sections 1309.620, 2422  
1309.621, and 1309.622 of the Revised Code. 2423

(67) "Public-finance transaction" means a secured 2424  
transaction in connection with which: 2425

(a) Debt securities are issued; 2426

(b) All or a portion of the securities issued have an 2427  
initial stated maturity of at least twenty years; and 2428

(c) The debtor, obligor, secured party, account debtor or 2429  
other person obligated on collateral, assignor or assignee of a 2430  
secured obligation, or assignor or assignee of a security 2431  
interest is a state or a governmental unit of a state. 2432

(68) "Public organic record" means a record that is 2433  
available to the public for inspection and is: 2434

(a) A record consisting of the record initially filed with 2435  
or issued by a state or the United States to form or organize an 2436  
organization and any record filed with or issued by the state or 2437  
the United States that amends or restates the initial record; 2438

(b) An organic record of a business trust consisting of 2439  
the record initially filed with a state and any record filed 2440  
with the state that amends or restates the initial record, if a 2441

statute of the state governing business trusts requires that the 2442  
record be filed with the state; or 2443

(c) A record consisting of legislation enacted by the 2444  
legislature of a state or the congress of the United States that 2445  
forms or organizes an organization, any record amending the 2446  
legislation, and any record filed with or issued by the state or 2447  
the United States that amends or restates the name of the 2448  
organization. 2449

(69) "Pursuant to commitment," with respect to an advance 2450  
made or other value given by a secured party, means pursuant to 2451  
the secured party's obligation, whether or not a subsequent 2452  
event of default or other event not within the secured party's 2453  
control has relieved or may relieve the secured party from its 2454  
obligation. 2455

(70) "Record," except as used in "for record," "of 2456  
record," "record or legal title," and "record owner," means 2457  
information that is inscribed on a tangible medium or that is 2458  
stored in an electronic or other medium and is retrievable in 2459  
perceivable form. 2460

(71) "Registered organization" means an organization 2461  
formed or organized solely under the law of a single state or 2462  
the United States by the filing of a public organic record with, 2463  
the issuance of a public organic record by, or the enactment of 2464  
legislation by the state or the United States. The term includes 2465  
a business trust that is formed or organized under the law of a 2466  
single state if a statute of the state governing business trusts 2467  
requires that the business trust's organic record be filed with 2468  
the state. 2469

(72) "Secondary obligor" means an obligor to the extent 2470



that:	2471
(a) The obligor's obligation is secondary; or	2472
(b) The obligor has a right of recourse with respect to an obligation secured by collateral against the debtor, another obligor, or property of either.	2473 2474 2475
(73) "Secured party" means:	2476
(a) A person in whose favor a security interest is created or provided for under a security agreement, whether or not any obligation to be secured is outstanding;	2477 2478 2479
(b) A person that holds an agricultural lien;	2480
(c) A consignor;	2481
(d) A person to whom accounts, chattel paper, payment intangibles, or promissory notes have been sold;	2482 2483
(e) A trustee, indenture trustee, agent, collateral agent, or other representative in whose favor a security interest or agricultural lien is created or provided for; or	2484 2485 2486
(f) A person who holds a security interest arising under section 1302.42, 1302.49, 1302.85, 1304.20, 1305.18, or 1310.54 of the Revised Code.	2487 2488 2489
(74) "Security agreement" means an agreement that creates or provides for a security interest.	2490 2491
(75) <del>"Send," in connection with a record or notification, means:</del>	2492 2493
<del>(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</del>	2494 2495 2496 2497

<del>(b) To cause the record or notification to be received</del>	2498
<del>within the time that it would have been received if properly</del>	2499
<del>sent under division (A) (74) (a) of this section</del> <u>[Reserved.]</u>	2500
(76) "Software" means a computer program and any	2501
supporting information provided in connection with a transaction	2502
relating to the program. "Software" does not include a computer	2503
program that is included in the definition of goods.	2504
(77) "State" means a state of the United States, the	2505
District of Columbia, Puerto Rico, the United States Virgin	2506
Islands, or any territory or insular possession subject to the	2507
jurisdiction of the United States.	2508
(78) "Supporting obligation" means a letter-of-credit	2509
right or secondary obligation that supports the payment or	2510
performance of an account, chattel paper, a document, a general	2511
intangible, an instrument, or investment property.	2512
(79) <del>"Tangible chattel paper" means chattel paper</del>	2513
<del>evidenced by a record consisting of information that is</del>	2514
<del>inscribed on a tangible medium</del> <u>[Reserved.]</u>	2515
<u>(a) "Tangible money" means money in a tangible form.</u>	2516
(80) "Termination statement" means an amendment of a	2517
financing statement that:	2518
(a) Identifies, by its file number, the initial financing	2519
statement to which it relates; and	2520
(b) Indicates either that it is a termination statement or	2521
that the identified financing statement is no longer effective.	2522
(81) "Transmitting utility" means a person primarily	2523
engaged in the business of:	2524

(a) Operating a railroad, subway, street railway, or trolley bus;	2525 2526
(b) Transmitting communications electrically, electromagnetically, or by light;	2527 2528
(c) Transmitting goods by pipeline or sewer; or	2529
(d) Transmitting or producing and transmitting electricity, steam, gas, or water.	2530 2531
(B) Other definitions applying to this chapter are:	2532
(1) "Applicant" has the same meaning as in section 1305.01 of the Revised Code.	2533 2534
(2) "Beneficiary" has the same meaning as in section 1305.01 of the Revised Code.	2535 2536
(3) "Broker" has the same meaning as in section 1308.01 of the Revised Code.	2537 2538
(4) "Certificated security" has the same meaning as in section 1308.01 of the Revised Code.	2539 2540
(5) "Check" has the same meaning as in section 1303.03 of the Revised Code.	2541 2542
(6) "Clearing corporation" has the same meaning as in section 1308.01 of the Revised Code.	2543 2544
(7) "Contract for sale" has the same meaning as in section 1302.01 of the Revised Code.	2545 2546
(8) "Control" with respect to a document of title, has the same meaning as in section 1307.106 of the Revised Code.	2547 2548
(9) <u>"Controllable electronic record" has the same meaning as in section 1314.102 of the Revised Code.</u>	2549 2550

<u>(10)</u> "Customer" has the same meaning as in section 1304.01 of the Revised Code.	2551 2552
<del>(10)</del> <u>(11)</u> "Entitlement holder" has the same meaning as in section 1308.01 of the Revised Code.	2553 2554
<del>(11)</del> <u>(12)</u> "Financial asset" has the same meaning as in section 1308.01 of the Revised Code.	2555 2556
<del>(12)</del> <u>(13)</u> "Holder in due course" has the same meaning as in section 1303.32 of the Revised Code.	2557 2558
<del>(13)</del> <u>(14)</u> "Issuer," with respect to a letter of credit or letter-of-credit right, has the same meaning as in section 1305.01 of the Revised Code.	2559 2560 2561
<del>(14)</del> <u>(15)</u> "Issuer," with respect to a security, has the same meaning as in section 1308.08 of the Revised Code.	2562 2563
<del>(15)</del> <u>(16)</u> "Issuer," with respect to a document of title, has the same meaning as in section 1307.102 of the Revised Code.	2564 2565
<del>(16)</del> <u>(17)</u> "Lease," "lease agreement," "lease contract," "leasehold interest," "lessee," "lessee in ordinary course of business," "lessor," and "lessor's residual interest" have the same meanings as in section 1310.01 of the Revised Code.	2566 2567 2568 2569
<del>(17)</del> <u>(18)</u> "Letter of credit" has the same meaning as in section 1305.01 of the Revised Code.	2570 2571
<del>(18)</del> <u>(19)</u> "Merchant" has the same meaning as in section 1302.01 of the Revised Code.	2572 2573
<del>(19)</del> <u>(20)</u> "Negotiable instrument" has the same meaning as in section 1303.03 of the Revised Code.	2574 2575
<del>(20)</del> <u>(21)</u> "Nominated person" has the same meaning as in section 1305.01 of the Revised Code.	2576 2577

<del>(21)</del> <u>(22)</u> "Note" has the same meaning as in section 1303.03 of the Revised Code.	2578 2579
<del>(22)</del> <u>(23)</u> "Proceeds of a letter of credit" has the same meaning as in section 1305.13 of the Revised Code.	2580 2581
<u>(24) "Protected purchaser" has the same meaning as in section 1308.17 of the Revised Code.</u>	2582 2583
<del>(23)</del> <u>(25)</u> "Prove" has the same meaning as in section 1303.01 of the Revised Code.	2584 2585
<u>(26) "Qualifying purchaser" has the same meaning as in section 1314.102 of the Revised Code.</u>	2586 2587
<del>(24)</del> <u>(27)</u> "Sale" has the same meaning as in division (A) (11) of section 1302.01 of the Revised Code.	2588 2589
<del>(25)</del> <u>(28)</u> "Securities account" has the same meaning as in section 1308.51 of the Revised Code.	2590 2591
<del>(26)</del> <u>(29)</u> "Securities intermediary," "security," "security certificate," "security entitlement," and "uncertificated security" have the same meanings as in section 1308.01 of the Revised Code.	2592 2593 2594 2595
(C) In addition, Chapter 1301. of the Revised Code contains general definitions and principles of construction and interpretations applicable throughout this chapter.	2596 2597 2598
<b>Sec. 1309.104. <u>Control of deposit account [UCC 9-104]</u></b>	2599
(A) A secured party has control of a deposit account if:	2600
(1) The secured party is the bank with which the deposit account is maintained;	2601 2602
(2) The debtor, secured party, and bank have agreed in <del>an</del> <u>authenticated a signed</u> record that the bank will comply with	2603 2604

instructions originated by the secured party directing 2605  
disposition of the funds in the deposit account without further 2606  
consent by the debtor; ~~or~~ 2607

(3) The secured party becomes the bank's customer with 2608  
respect to the deposit account; or 2609

(4) Another person other than the debtor: 2610

(a) Has control of the deposit account and acknowledges 2611  
that it has control on behalf of the secured party; or 2612

(b) Obtains control of the deposit account after having 2613  
acknowledged that it will obtain control of the deposit account 2614  
on behalf of the secured party. 2615

(B) A secured party that has satisfied division (A) of 2616  
this section has control of a deposit account, even if the 2617  
debtor retains the right to direct the disposition of funds from 2618  
the deposit account. 2619

**Sec. 1309.105. Control of electronic copy of record** 2620  
**evidencing chattel paper [UCC 9-105]** 2621

(A) A ~~secured party purchaser~~ has control of ~~electronic an~~ 2622  
authoritative electronic copy of a record evidencing chattel 2623  
paper if a system employed for evidencing the ~~transfer~~ 2624  
assignment of interests in the chattel paper reliably 2625  
establishes the ~~secured party purchaser~~ as the person to which 2626  
the ~~chattel paper authoritative electronic copy~~ was assigned. 2627

(B) A system satisfies division (A) of this section if the 2628  
record or records ~~comprising evidencing~~ the chattel paper are 2629  
created, stored, and assigned in such a manner that: 2630

(1) A single authoritative copy of the record or records 2631  
exists that is unique, identifiable, and, except as otherwise 2632

provided in divisions (B) (4), (5), and (6) of this section, 2633  
unalterable; 2634

(2) The authoritative copy identifies the ~~secured party~~ 2635  
purchaser as the assignee of the record or records; 2636

(3) The authoritative copy is communicated to and 2637  
maintained by the ~~secured party purchaser~~ or its designated 2638  
custodian; 2639

(4) Copies or amendments that add or change an identified 2640  
assignee of the authoritative copy may be made only with the 2641  
consent of the ~~secured party purchaser~~; 2642

(5) Each copy of the authoritative copy and any copy of a 2643  
copy is readily identifiable as a copy that is not the 2644  
authoritative copy; and 2645

(6) Any amendment of the authoritative copy is readily 2646  
identifiable as authorized or unauthorized. 2647

(C) A system satisfies division (A) of this section, and a 2648  
purchaser has control of an authoritative electronic copy of a 2649  
record evidencing chattel paper, if the electronic copy, a 2650  
record attached to or logically associated with the electronic 2651  
copy, or a system in which the electronic copy is recorded: 2652

(1) Enables the purchaser to readily identify each 2653  
electronic copy as either an authoritative copy or a 2654  
nonauthoritative copy; 2655

(2) Enables the purchaser to readily identify itself in 2656  
any way, including by name, identifying number, cryptographic 2657  
key, office, or account number, as the assignee of the 2658  
authoritative electronic copy; and 2659

(3) Gives the purchaser exclusive power, subject to 2660

division (D) of this section, to: 2661

(a) Prevent others from adding or changing an identified assignee of the authoritative electronic copy; and 2662  
2663

(b) Transfer control of the authoritative electronic copy. 2664

(D) Subject to division (E) of this section, a power is exclusive under divisions (C) (3) (a) and (b) of this section even if: 2665  
2666  
2667

(1) The authoritative electronic copy, a record attached to or logically associated with the authoritative electronic copy, or a system in which the authoritative electronic copy is recorded limits the use of the authoritative electronic copy or has a protocol programmed to cause a change, including a transfer or loss of control; or 2668  
2669  
2670  
2671  
2672  
2673

(2) The power is shared with another person. 2674

(E) A power of a purchaser is not shared with another person under division (D) (2) of this section and the purchaser's power is not exclusive if: 2675  
2676  
2677

(1) The purchaser can exercise the power only if the power is also exercised by the other person; and 2678  
2679

(2) The other person: 2680

(a) Can exercise power without exercise of the power of the purchaser; or 2681  
2682

(b) Is the transferor to the purchaser of an interest in the chattel paper. 2683  
2684

(F) If a purchaser has the powers specified in divisions (C) (3) (a) and (b) of this section, the powers are presumed to be exclusive. 2685  
2686  
2687



(G) A purchaser has control of an authoritative electronic copy of a record evidencing chattel paper if another person, other than the transferor to the purchaser of an interest in the chattel paper: 2688  
2689  
2690  
2691

(1) Has control of the authoritative electronic copy and acknowledges that it has control on behalf of the purchaser; or 2692  
2693

(2) Obtains control of the authoritative electronic copy after having acknowledged that it will obtain control of the electronic copy on behalf of the purchaser. 2694  
2695  
2696

**Sec. 1309.111. Control of electronic money [UCC 9-105A]** 2697

(A) A person has control of electronic money if both of the following apply: 2698  
2699

(1) The electronic money, a record attached to or logically associated with the electronic money, or a system in which the electronic money is recorded gives the person both of the following: 2700  
2701  
2702  
2703

(a) Power to avail itself of substantially all the benefits from the electronic money; 2704  
2705

(b) Exclusive power, subject to division (B) of this section, to do both of the following: 2706  
2707

(i) Prevent others from availing themselves of substantially all the benefit from the electronic money; 2708  
2709

(ii) Transfer control of the electronic money to another person or cause another person to obtain control of other electronic money as a result of the transfer of the electronic money. 2710  
2711  
2712  
2713

(2) The electronic money, a record attached to or 2714

logically associated with the electronic money, or a system in 2715  
which the electronic money is recorded enables the person to 2716  
readily identify itself in any way, including by name, 2717  
identifying number, cryptographic key, office, or account 2718  
number, as having the powers under division (A)(1) of this 2719  
section. 2720

(B) Subject to division (C) of this section, a power is 2721  
exclusive under divisions (A)(1)(b)(i) and (ii) of this section 2722  
even if either or both of the following apply: 2723

(1) The electronic money, a record attached to or 2724  
logically associated with the electronic money, or a system in 2725  
which the electronic money is recorded limits the use of the 2726  
electronic money or has a protocol programmed to cause a change, 2727  
including a transfer or loss of control; 2728

(2) The power is shared with another person. 2729

(C) A power of a person is not shared with another person 2730  
under division (B)(2) of this section and the person's power is 2731  
not exclusive if both of the following apply: 2732

(1) The person can exercise the power only if the power is 2733  
also exercised by the other person. 2734

(2) The other person either: 2735

(a) Can exercise the power without exercise of the power 2736  
by the person; 2737

(b) Is the transferor to the person of an interest in the 2738  
electronic money. 2739

(D) If a person has the powers specified in divisions (A) 2740  
(1)(b)(i) and (ii) of this section, the powers are presumed to 2741  
be exclusive. 2742

(E) A person has control of electronic money if another 2743  
person, other than the transferor to the person of an interest 2744  
in the electronic money, either: 2745

(1) Has control of the electronic money and acknowledges 2746  
that it has control on behalf of the person; 2747

(2) Obtains control of the electronic money after having 2748  
acknowledged that it will obtain control of the electronic money 2749  
on behalf of the person. 2750

**Sec. 1309.112. Control of controllable electronic record,** 2751  
**controllable account, or controllable payment intangible [UCC 9-** 2752  
**107A]** 2753

(A) A secured party has control of a controllable 2754  
electronic record as provided in section 1314.105 of the Revised 2755  
Code. 2756

(B) A secured party has control of a controllable account 2757  
or controllable payment intangible if the secured party has 2758  
control of the controllable electronic record that evidences the 2759  
controllable account or controllable payment intangible. 2760

**Sec. 1309.113. No requirement to acknowledge or confirm;** 2761  
**no duties [UCC 9-107B]** 2762

(A) A person that has control under section 1309.104 or 2763  
1309.105 of the Revised Code is not required to acknowledge that 2764  
it has control on behalf of another person. 2765

(B) If a person acknowledges that it has or will obtain 2766  
control on behalf of another person, unless the person otherwise 2767  
agrees or law other than this chapter otherwise provides, the 2768  
person does not owe any duty to the other person and is not 2769  
required to confirm the acknowledgment to any other person. 2770

**Sec. 1309.203.** Attachment and enforceability of security interest; proceeds; supporting obligations; formal requisites [UCC 9-203] 2771  
2772  
2773

(A) A security interest attaches to collateral when it becomes enforceable against the debtor with respect to the collateral, unless an agreement expressly postpones the time of attachment. 2774  
2775  
2776  
2777

(B) Except as otherwise provided in divisions (C) to (I) of this section, a security interest is enforceable against the debtor and third parties with respect to the collateral only if: 2778  
2779  
2780

(1) Value has been given; 2781

(2) The debtor has rights in the collateral or the power to transfer rights in the collateral to a secured party; and 2782  
2783

(3) One of the following conditions is met: 2784

(a) The debtor has ~~authenticated~~ signed a security agreement that provides a description of the collateral and, if the security interest covers timber to be cut, a description of the land concerned; 2785  
2786  
2787  
2788

(b) The collateral is not a certificated security and is in the possession of the secured party under section 1309.313 of the Revised Code pursuant to the debtor's security agreement; 2789  
2790  
2791

(c) The collateral is a certificated security in registered form and the security certificate has been delivered to the secured party under section 1308.27 of the Revised Code pursuant to the debtor's security agreement; ~~or~~ 2792  
2793  
2794  
2795

(d) The collateral is controllable accounts, controllable electronic records, controllable payment intangibles, deposit accounts, electronic ~~chattel paper~~ documents, electronic money, 2796  
2797  
2798

investment property, or letter-of-credit rights, ~~or electronic~~ 2799  
~~documents,~~ and the secured party has control under section 2800  
1307.106, 1309.104, 1309.105, 1309.106, ~~or~~ 1309.107, 1309.111, 2801  
or 1309.112 of the Revised Code pursuant to the debtor's 2802  
security agreement; 2803

(e) The collateral is chattel paper and the secured party 2804  
has possession and control under section 1309.345 of the Revised 2805  
Code pursuant to the debtor's security agreement. 2806

(C) Division (B) of this section is subject to section 2807  
1304.20 of the Revised Code on the security interest of a 2808  
collecting bank, section 1305.18 of the Revised Code on the 2809  
security interest of a letter-of-credit issuer or nominated 2810  
person, section 1309.110 of the Revised Code on a security 2811  
interest arising under Chapter 1302. or 1310. of the Revised 2812  
Code, and section 1309.206 of the Revised Code on security 2813  
interests in investment property. 2814

(D) A person becomes bound as debtor by a security 2815  
agreement entered into by another person if, by operation of law 2816  
other than this article or by contract: 2817

(1) The security agreement becomes effective to create a 2818  
security interest in the person's property; or 2819

(2) The person becomes generally obligated for the 2820  
obligations of the other person, including the obligation 2821  
secured under the security agreement, and acquires or succeeds 2822  
to all or substantially all of the assets of the other person. 2823

(E) If a new debtor becomes bound as debtor by a security 2824  
agreement entered into by another person: 2825

(1) The agreement satisfies division (B) (3) of this 2826  
section with respect to existing or after-acquired property of 2827

the new debtor to the extent the property is described in the 2828  
agreement; and 2829

(2) Another agreement is not necessary to make a security 2830  
interest in the property enforceable. 2831

(F) The attachment of a security interest in collateral 2832  
gives the secured party the rights to proceeds provided by 2833  
section 1309.315 of the Revised Code and is also attachment of a 2834  
security interest in a supporting obligation for the collateral. 2835

(G) The attachment of a security interest in a right to 2836  
payment or performance secured by a security interest or other 2837  
lien on personal or real property is also attachment of a 2838  
security interest in the security interest, mortgage, or other 2839  
lien. 2840

(H) The attachment of a security interest in a securities 2841  
account is also attachment of a security interest in the 2842  
security entitlements carried in the securities account. 2843

(I) The attachment of a security interest in a commodity 2844  
account is also attachment of a security interest in the 2845  
commodity contracts carried in the commodity account. 2846

**Sec. 1309.204. After-acquired property; future advances** 2847  
**[UCC 9-204]** 2848

(A) Except as provided in division (B) of this section, a 2849  
security agreement may create or provide for a security interest 2850  
in after-acquired collateral. 2851

(B) ~~A~~ Subject to division (D) of this section, a security 2852  
interest does not attach under a term constituting an after- 2853  
acquired property clause to: 2854

(1) Consumer goods other than accessions when given as 2855

additional security unless the debtor acquires rights in them	2856
within ten days after the secured party gives value; or	2857
(2) A commercial tort claim.	2858
(C) A security agreement may provide that collateral	2859
secures, or that accounts, chattel paper, payment intangibles,	2860
or promissory notes are sold in connection with, future advances	2861
or other value, whether or not the advances or value are given	2862
pursuant to commitment.	2863
<u>(D) Division (B) of this section does not prevent a</u>	2864
<u>security interest from attaching to any of the following:</u>	2865
<u>(1) To consumer goods as proceeds under section 1309.315</u>	2866
<u>of the Revised Code or as commingled goods under section</u>	2867
<u>1309.336 of the Revised Code;</u>	2868
<u>(2) To a commercial tort claim as proceeds under section</u>	2869
<u>1309.315 of the Revised Code;</u>	2870
<u>(3) Under an after-acquired property clause to property</u>	2871
<u>that is proceeds of consumer goods or a commercial tort claim.</u>	2872
<b>Sec. 1309.207. <u>Rights and duties of secured party having</u></b>	2873
<u>possession or control of collateral [UCC 9-207]</u>	2874
(A) Except as otherwise provided in division (D) of this	2875
section, a secured party shall use reasonable care in the	2876
custody and preservation of collateral in the secured party's	2877
possession. In the case of an instrument or chattel paper,	2878
reasonable care includes taking necessary steps to preserve	2879
rights against prior parties unless otherwise agreed.	2880
(B) Except as otherwise provided in division (D) of this	2881
section, if a secured party has possession of collateral:	2882

- (1) Reasonable expenses, including the cost of insurance 2883  
and payment of taxes or other charges, incurred in the custody, 2884  
preservation, use, or operation of the collateral are chargeable 2885  
to the debtor and are secured by the collateral; 2886
- (2) The risk of accidental loss or damage is on the debtor 2887  
to the extent of a deficiency in any effective insurance 2888  
coverage; 2889
- (3) The secured party shall keep the collateral 2890  
identifiable but fungible collateral may be commingled; and 2891
- (4) The secured party may use or operate the collateral: 2892
- (a) For the purpose of preserving the collateral or its 2893  
value; 2894
- (b) As permitted by an order of a court having competent 2895  
jurisdiction; or 2896
- (c) Except in the case of consumer goods, in the manner 2897  
and to the extent agreed by the debtor. 2898
- (C) Except as otherwise provided in division (D) of this 2899  
section, a secured party having possession of collateral or 2900  
control of collateral under section 1307.106, 1309.104, 2901  
1309.105, 1309.106, ~~or~~ 1309.107, 1309.111, or 1309.112 of the 2902  
Revised Code: 2903
- (1) May hold as additional security any proceeds, except 2904  
money or funds, received from the collateral; 2905
- (2) Shall apply money or funds received from the 2906  
collateral to reduce the secured obligation, unless remitted to 2907  
the debtor; and 2908
- (3) May create a security interest in the collateral. 2909



(D) If the secured party is a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor:	2910
	2911
(1) Division (A) of this section does not apply unless the secured party is entitled under an agreement:	2912
	2913
(a) To charge back uncollected collateral; or	2914
(b) Otherwise to full or limited recourse against the debtor or a secondary obligor based on the nonpayment or other default of an account debtor or other obligor on the collateral; and	2915
	2916
	2917
	2918
(2) Divisions (B) and (C) of this section do not apply.	2919
<b>Sec. 1309.208. <u>Additional duties of secured party having control of collateral [UCC 9-208]</u></b>	2920
	2921
(A) This section applies to cases in which there is no outstanding secured obligation and the secured party is not committed to make advances, incur obligations, or otherwise give value.	2922
	2923
	2924
	2925
(B) Within ten days after receiving <del>an authenticated a</del> <u>signed</u> demand by the debtor:	2926
	2927
(1) A secured party having control of a deposit account under division (A) (2) of section 1309.104 of the Revised Code shall send to the bank with which the deposit account is maintained <del>an authenticated statement</del> <u>a signed record</u> that releases the bank from any further obligation to comply with instructions originated by the secured party.	2928
	2929
	2930
	2931
	2932
	2933
(2) A secured party having control of a deposit account under division (A) (3) of section 1309.104 of the Revised Code shall:	2934
	2935
	2936

(a) Pay the debtor the balance on deposit in the deposit account; or

(b) Transfer the balance on deposit into a deposit account in the debtor's name.

(3) A secured party, other than a buyer, having control under section 1309.105 of the Revised Code of an authoritative electronic copy of a record evidencing chattel paper ~~under section 1309.105 of the Revised Code shall:~~

~~(a) Communicate the authoritative copy of the electronic chattel paper to the debtor or its designated custodian;~~

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

~~(c) Take appropriate action to enable the debtor or its designated custodian to make copies of or revisions to the authoritative copy that add or change an identified assignee of the authoritative copy without the consent of the secured party.~~

transfer control of the electronic copy to the debtor or a person designated by the debtor;

(4) A secured party having control of investment property under division (D) (2) of section 1308.24 or division (B) of section 1309.106 of the Revised Code shall send to the securities intermediary or commodity intermediary with which the security entitlement or commodity contract is maintained ~~an~~

~~authenticated a signed~~ record that releases the securities 2966  
intermediary or commodity intermediary from any further 2967  
obligation to comply with entitlement orders or directions 2968  
originated by the secured party; ~~and~~ 2969

(5) A secured party having control of a letter-of-credit 2970  
right under section 1309.107 of the Revised Code shall send to 2971  
each person having an unfulfilled obligation to pay or deliver 2972  
proceeds of the letter of credit to the secured party ~~an~~ 2973  
~~authenticated a signed~~ release from any further obligation to 2974  
pay or deliver proceeds of the letter of credit to the secured 2975  
party. ~~;~~ 2976

(6) A secured party having control under section 1307.106 2977  
of the Revised Code of an authoritative electronic copy of an 2978  
electronic document shall. 2979

~~(a) Give control of the electronic document to the debtor~~ 2980  
~~or its designated custodian;~~ 2981

~~(b) If the debtor designates a custodian that is the~~ 2982  
~~designated custodian with which the authoritative copy of the~~ 2983  
~~electronic document is maintained for the secured party,~~ 2984  
~~communicate to the custodian an authenticated record releasing~~ 2985  
~~the designated custodian from any further obligation to comply~~ 2986  
~~with instructions originated by the secured party and~~ 2987  
~~instructing the custodian to comply with instructions originated~~ 2988  
~~by the debtor; and~~ 2989

~~(c) Take appropriate action to enable the debtor or its~~ 2990  
~~designated custodian to make copies of or revisions to the~~ 2991  
~~authoritative copy which add or change an identified assignee of~~ 2992  
~~the authoritative copy without the consent of the secured party~~ 2993  
transfer control of the electronic copy to the debtor or a 2994

person designated by the debtor; 2995

(7) A secured party having control under section 1309.111 2996  
of the Revised Code of electronic money shall transfer control 2997  
of the electronic money to the debtor or a person designated by 2998  
the debtor; and 2999

(8) A secured party having control under section 1314.105 3000  
of the Revised Code of a controllable electronic record, other 3001  
than a buyer of a controllable account or a controllable payment 3002  
intangible evidenced by the controllable electronic record, 3003  
shall transfer control of the controllable electronic record to 3004  
the debtor or a person designated by the debtor. 3005

**Sec. 1309.209.** Duties of secured party if account debtor 3006  
has been notified of assignment [UCC 9-209] 3007

(A) Except as otherwise provided in division (C) of this 3008  
section, this section applies if: 3009

(1) There is no outstanding secured obligation; and 3010

(2) The secured party is not committed to make advances, 3011  
incur obligations, or otherwise give value. 3012

(B) Within ten days after receiving ~~an authenticated a~~ 3013  
signed demand by the debtor, a secured party shall send to an 3014  
account debtor that has received notification under section 3015  
1309.406 or 1314.106 of the Revised Code of an assignment to the 3016  
secured party as assignee ~~under division (A) of section 1309.406~~ 3017  
~~of the Revised Code an authenticated a signed~~ record that 3018  
releases the account debtor from any further obligation to the 3019  
secured party. 3020

(C) This section does not apply to an assignment 3021  
constituting the sale of an account, chattel paper, or payment 3022

intangible.	3023
<b>Sec. 1309.210.</b> <u>Request for accounting; request regarding</u>	3024
<u>list of collateral or statement of account [UCC 9-210]</u>	3025
(A) As used in this section:	3026
(1) "Request" means a record of a type described in	3027
division (A)(2), (3), or (4) of this section.	3028
(2) "Request for an accounting" means a record	3029
<del>authenticated</del> - <u>signed</u> by a debtor requesting that the recipient	3030
provide an accounting of the unpaid obligations secured by	3031
collateral and reasonably identifying the transaction or	3032
relationship that is the subject of the request.	3033
(3) "Request regarding a list of collateral" means a	3034
record <del>authenticated</del> - <u>signed</u> by a debtor requesting that the	3035
recipient approve or correct a list of what the debtor believes	3036
to be the collateral securing an obligation and reasonably	3037
identifying the transaction or relationship that is the subject	3038
of the request.	3039
(4) "Request regarding a statement of account" means a	3040
record <del>authenticated</del> - <u>signed</u> by a debtor requesting that the	3041
recipient approve or correct a statement indicating what the	3042
debtor believes to be the aggregate amount of unpaid obligations	3043
secured by collateral as of a specified date and reasonably	3044
identifying the transaction or relationship that is the subject	3045
of the request.	3046
(B) Subject to divisions (C), (D), (E), and (F) of this	3047
section, a secured party, other than a buyer of accounts,	3048
chattel paper, payment intangibles, or promissory notes or a	3049
consignor, shall comply with a request within fourteen days	3050
after receipt:	3051

(1) In the case of a request for an accounting, by 3052  
~~authenticating~~ signing and sending to the debtor an accounting; 3053  
and 3054

(2) In the case of a request regarding a list of 3055  
collateral or a request regarding a statement of account, by 3056  
~~authenticating~~ signing and sending to the debtor an approval or 3057  
correction. 3058

(C) A secured party that claims a security interest in all 3059  
of a particular type of collateral owned by the debtor may 3060  
comply with a request regarding a list of collateral by sending 3061  
to the debtor ~~an authenticated~~ a signed record including a 3062  
statement to that effect within fourteen days after receipt. 3063

(D) A person that receives a request regarding a list of 3064  
collateral, claims no interest in the collateral when it 3065  
receives the request, and claimed an interest in the collateral 3066  
at an earlier time shall comply with the request within fourteen 3067  
days after receipt by sending to the debtor ~~an authenticated~~ a 3068  
signed record: 3069

(1) Disclaiming any interest in the collateral; and 3070

(2) If known to the recipient, providing the name and 3071  
mailing address of any assignee of or successor to the 3072  
recipient's interest in the collateral. 3073

(E) A person that receives a request for an accounting or 3074  
a request regarding a statement of account, claims no interest 3075  
in the obligations when it receives the request, and claimed an 3076  
interest in the obligations at an earlier time shall comply with 3077  
the request within fourteen days after receipt by sending to the 3078  
debtor ~~an authenticated~~ a signed record: 3079

(1) Disclaiming any interest in the obligations; and 3080

(2) If known to the recipient, providing the name and 3081  
mailing address of any assignee of or successor to the 3082  
recipient's interest in the obligations. 3083

(F) A debtor is entitled without charge to one response to 3084  
a request under this section during any six-month period. The 3085  
secured party may require payment of a charge not exceeding 3086  
twenty-five dollars for each additional response. 3087

**Sec. 1309.301. Law governing perfection and priority of** 3088  
**security interests [UCC 9-301]** 3089

Except as otherwise provided in sections 1309.303 to 3090  
1309.306 and section 1309.344 of the Revised Code, the following 3091  
rules determine the law governing perfection, the effect of 3092  
perfection or nonperfection, and the priority of a security 3093  
interest in collateral: 3094

(A) Except as otherwise provided in this section, while a 3095  
debtor is located in a jurisdiction, the local law of that 3096  
jurisdiction governs perfection, the effect of perfection or 3097  
nonperfection, and the priority of a security interest in 3098  
collateral. 3099

(B) While collateral is located in a jurisdiction, the 3100  
local law of that jurisdiction governs perfection, the effect of 3101  
perfection or nonperfection, and the priority of a possessory 3102  
security interest in that collateral. 3103

(C) Except as otherwise provided in division (D) of this 3104  
section, while ~~tangible~~-negotiable tangible documents, goods, 3105  
instruments, or tangible money, ~~or tangible chattel paper~~ is 3106  
located in a jurisdiction, the local law of that jurisdiction 3107  
governs: 3108

(1) Perfection of a security interest in the goods by 3109

filing a fixture filing;	3110
(2) Perfection of a security interest in timber to be cut;	3111
and	3112
(3) The effect of perfection or nonperfection and the	3113
priority of a nonpossessory security interest in the collateral.	3114
(D) The local law of the jurisdiction in which the	3115
wellhead or minehead is located governs perfection, the effect	3116
of perfection or nonperfection, and the priority of a security	3117
interest in as-extracted collateral.	3118
<b>Sec. 1309.304. <u>Law governing perfection and priority of</u></b>	3119
<b><u>security interests in deposit accounts [UCC 9-304]</u></b>	3120
(A) The local law of a bank's jurisdiction governs	3121
perfection, the effect of perfection or nonperfection, and the	3122
priority of a security interest in a deposit account maintained	3123
with that bank <u>even if the transaction does not bear any</u>	3124
<u>relation to the bank's jurisdiction.</u>	3125
(B) The following rules determine a bank's jurisdiction	3126
for purposes of this section:	3127
(1) If an agreement between the bank and the debtor	3128
governing the deposit account expressly provides that a	3129
particular jurisdiction is the bank's jurisdiction for purposes	3130
of this chapter or Chapters 1301. to 1305. and 1307. to 1310. of	3131
the Revised Code, that jurisdiction is the bank's jurisdiction.	3132
(2) If division (B) (1) of this section does not apply and	3133
an agreement between the bank and its customer governing the	3134
deposit account expressly provides that the agreement is	3135
governed by the law of a particular jurisdiction, that	3136
jurisdiction is the bank's jurisdiction.	3137



(3) If neither division (B) (1) nor (2) of this section 3138  
applies and an agreement between the bank and its customer 3139  
governing the deposit account expressly provides that the 3140  
deposit account is maintained at an office in a particular 3141  
jurisdiction, that jurisdiction is the bank's jurisdiction. 3142

(4) If neither division (B) (1), (2), nor (3) of this 3143  
section applies, the bank's jurisdiction is the jurisdiction in 3144  
which the office identified in an account statement as the 3145  
office serving the customer's account is located. 3146

(5) If neither division (B) (1), (2), (3), nor (4) of this 3147  
section applies, the bank's jurisdiction is the jurisdiction in 3148  
which the chief executive office of the bank is located. 3149

**Sec. 1309.305.** Law governing perfection and priority of 3150  
security interests in investment property [UCC 9-305] 3151

(A) Except as otherwise provided in division (C) of this 3152  
section, the following rules apply: 3153

(1) While a security certificate is located in a 3154  
jurisdiction, the local law of that jurisdiction governs 3155  
perfection, the effect of perfection or nonperfection, and the 3156  
priority of a security interest in the certificated security 3157  
represented thereby. 3158

(2) The local law of the issuer's jurisdiction as 3159  
specified in division (D) of section 1308.05 of the Revised Code 3160  
governs perfection, the effect of perfection or nonperfection, 3161  
and the priority of a security interest in an uncertificated 3162  
security. 3163

(3) The local law of the securities intermediary's 3164  
jurisdiction as specified in division (E) of section 1308.05 of 3165  
the Revised Code governs perfection, the effect of perfection or 3166

nonperfection, and the priority of a security interest in a 3167  
security entitlement or securities account. 3168

(4) The local law of the commodity intermediary's 3169  
jurisdiction governs perfection, the effect of perfection or 3170  
nonperfection, and the priority of a security interest in a 3171  
commodity contract or commodity account. 3172

(5) Divisions (A) (2), (3), and (4) of this section apply 3173  
even if the transaction does not bear any relation to the 3174  
jurisdiction. 3175

(B) The following rules determine a commodity 3176  
intermediary's jurisdiction for purposes of sections 1309.301 to 3177  
1309.342 of the Revised Code: 3178

(1) If an agreement between the commodity intermediary and 3179  
commodity customer governing the commodity account expressly 3180  
provides that a particular jurisdiction is the commodity 3181  
intermediary's jurisdiction for purposes of sections 1309.301 to 3182  
1309.342 of the Revised Code, this chapter, or Chapters 1301., 3183  
1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of 3184  
the Revised Code, that jurisdiction is the commodity 3185  
intermediary's jurisdiction. 3186

(2) If division (B) (1) of this section does not apply and 3187  
an agreement between the commodity intermediary and commodity 3188  
customer governing the commodity account expressly provides that 3189  
the agreement is governed by the law of a particular 3190  
jurisdiction, that jurisdiction is the commodity intermediary's 3191  
jurisdiction. 3192

(3) If neither division (B) (1) nor (2) of this section 3193  
applies and an agreement between the commodity intermediary and 3194  
commodity customer governing the commodity account expressly 3195

provides that the commodity account is maintained at an office 3196  
in a particular jurisdiction, that jurisdiction is the commodity 3197  
intermediary's jurisdiction. 3198

(4) If neither division (B) (1), (2), nor (3) of this 3199  
section applies, the commodity intermediary's jurisdiction is 3200  
the jurisdiction in which the office identified in an account 3201  
statement as the office serving the commodity customer's account 3202  
is located. 3203

(5) If neither division (B) (1), (2), (3), nor (4) of this 3204  
section applies, the commodity intermediary's jurisdiction is 3205  
the jurisdiction in which the chief executive office of the 3206  
commodity intermediary is located. 3207

(C) The local law of the jurisdiction in which the debtor 3208  
is located governs: 3209

(1) Perfection of a security interest in investment 3210  
property by filing; 3211

(2) Automatic perfection of a security interest in 3212  
investment property created by a broker or securities 3213  
intermediary; and 3214

(3) Automatic perfection of a security interest in a 3215  
commodity contract or commodity account created by a commodity 3216  
intermediary. 3217

**Sec. 1309.310.** When filing required to perfect security 3218  
interest or agricultural lien; security interests and 3219  
agricultural liens to which filing provisions do not apply [UCC 3220  
9-310] 3221

(A) Except as otherwise provided in division (B) of this 3222  
section and division (B) of section 1309.312 of the Revised 3223

Code, a financing statement must be filed to perfect all	3224
security interests and agricultural liens.	3225
(B) The filing of a financing statement is not necessary	3226
to perfect a security interest:	3227
(1) That is perfected under division (D), (E), (F), or (G)	3228
of section 1309.308 of the Revised Code;	3229
(2) That is perfected under section 1309.309 of the	3230
Revised Code when it attaches;	3231
(3) In property subject to a statute, regulation, or	3232
treaty described in division (A) of section 1309.311 of the	3233
Revised Code;	3234
(4) In goods in possession of a bailee which is perfected	3235
under division (D) (1) or (2) of section 1309.312 of the Revised	3236
Code;	3237
(5) In certificated securities, documents, goods, or	3238
instruments which is perfected without filing, control, or	3239
possession under division (E), (F), or (G) of section 1309.312	3240
of the Revised Code;	3241
(6) In collateral in the secured party's possession under	3242
section 1309.313 of the Revised Code;	3243
(7) In a certificated security perfected by delivery of	3244
the security certificate to the secured party under section	3245
1309.313 of the Revised Code;	3246
<del>(8)</del> (8) (a) In <u>controllable accounts, controllable</u>	3247
<u>electronic records, controllable payment intangibles, deposit</u>	3248
<u>accounts, electronic chattel paper, electronic documents,</u>	3249
investment property, or letter-of-credit rights perfected by	3250
control under section 1309.314 of the Revised Code;	3251

<u>(b) In chattel paper which is perfected by possession and control under section 1309.345 of the Revised Code.</u>	3252
	3253
(9) In proceeds which is perfected under section 1309.315 of the Revised Code; <del>or</del>	3254
	3255
(10) That is perfected under section 1309.316 of the Revised Code.	3256
	3257
(C) If a secured party assigns a perfected security interest or agricultural lien, a filing under this chapter is not required to continue the perfected status of the security interest against creditors of and transferees from the original debtor.	3258
	3259
	3260
	3261
	3262
<b>Sec. 1309.312.</b> <u>Perfection of security interests in chattel paper, controllable accounts, controllable electronic records, controllable payment intangibles, deposit accounts, negotiable documents, goods covered by documents, instruments, investment property, letter-of-credit rights, and money; perfection by permissive filing; temporary perfection without filing or transfer of possession [UCC 9-312]</u>	3263
	3264
	3265
	3266
	3267
	3268
	3269
(A) A security interest in chattel paper, <del>negotiable documents</del> <u>controllable accounts, controllable electronic records, controllable payment intangibles, instruments,</u> <del>or</del> investment property, <u>or negotiable documents</u> may be perfected by filing.	3270
	3271
	3272
	3273
(B) Except as otherwise provided in divisions (C) and (D) of section 1309.315 of the Revised Code for proceeds:	3274
	3275
(1) A security interest in a deposit account may be perfected only by control under section 1309.314 of the Revised Code;	3276
	3277
	3278
(2) <del>And except</del> <u>Except</u> as otherwise provided in division	3279

(D) of section 1309.308 of the Revised Code, a security interest	3280
in a letter-of-credit right may be perfected only by control	3281
under section 1309.314 of the Revised Code; <del>and</del>	3282
(3) A security interest in <u>tangible</u> money may be perfected	3283
only by the secured party's taking possession under section	3284
1309.313 of the Revised Code;	3285
<u>(4) A security interest in electronic money may be</u>	3286
<u>perfected only by control under section 1309.314 of the Revised</u>	3287
<u>Code.</u>	3288
(C) While goods are in the possession of a bailee that has	3289
issued a negotiable document covering the goods:	3290
(1) A security interest in the goods may be perfected by	3291
perfecting a security interest in the document; and	3292
(2) A security interest perfected in the document has	3293
priority over any security interest that becomes perfected in	3294
the goods by another method during that time.	3295
(D) While goods are in the possession of a bailee that has	3296
issued a non-negotiable document covering the goods, a security	3297
interest in the goods may be perfected by:	3298
(1) Issuance of a document in the name of the secured	3299
party;	3300
(2) The bailee's receipt of notification of the secured	3301
party's interest; or	3302
(3) Filing as to the goods.	3303
(E) A security interest in certificated securities, or	3304
negotiable documents, or instruments is perfected without filing	3305
or the taking of possession or control for a period of twenty	3306

days from the time it attaches to the extent that it arises for 3307  
new value given under ~~an authenticated~~ a signed security 3308  
agreement. 3309

(F) A perfected security interest in a negotiable document 3310  
or goods in possession of a bailee, other than one that has 3311  
issued a negotiable document for the goods, remains perfected 3312  
for a period of twenty days without filing if the secured party 3313  
makes available to the debtor the goods or documents 3314  
representing the goods for the purpose of: 3315

(1) Ultimate sale or exchange; or 3316

(2) Loading, unloading, storing, shipping, trans-shipping, 3317  
manufacturing, processing, or otherwise dealing with them in a 3318  
manner preliminary to their sale or exchange. 3319

(G) A perfected security interest in an instrument or 3320  
certificated security remains perfected for twenty days without 3321  
filing if the secured party delivers the security certificate or 3322  
instrument to the debtor for the purpose of: 3323

(1) Ultimate sale or exchange; or 3324

(2) Presentation, collection, enforcement, renewal, or 3325  
registration of transfer. 3326

(H) After the twenty-day period specified in divisions 3327  
(E), (F), or (G) of this section expires, perfection depends 3328  
upon compliance with this chapter. 3329

**Sec. 1309.313.** When possession by or delivery to secured 3330  
party perfects security interest without filing [UCC 9-313] 3331

(A) Except as otherwise provided in division (B) of this 3332  
section, a secured party may perfect a security interest in 3333  
~~tangible negotiable documents, goods, instruments, negotiable~~ 3334

~~tangible documents, or tangible money, or tangible chattel paper~~ 3335  
by taking possession of the collateral. A secured party may 3336  
perfect a security interest in certificated securities by taking 3337  
delivery of the certificated securities under section 1308.27 of 3338  
the Revised Code. 3339

(B) With respect to goods covered by a certificate of 3340  
title issued by this state, a secured party may perfect a 3341  
security interest in the goods by taking possession of the goods 3342  
only in the circumstances described in division (D) of section 3343  
1309.316 of the Revised Code. 3344

(C) With respect to collateral other than certificated 3345  
securities and goods covered by a document, a secured party 3346  
takes possession of collateral in the possession of a person 3347  
other than the debtor, the secured party, or a lessee of the 3348  
collateral from the debtor in the ordinary course of the 3349  
debtor's business, when: 3350

(1) The person in possession ~~authenticates~~ signs a record 3351  
acknowledging that the person holds possession of the collateral 3352  
for the secured party's benefit; or 3353

(2) The person takes possession of the collateral after 3354  
having ~~authenticated~~ signed a record acknowledging that the 3355  
person will hold possession of the collateral for the secured 3356  
party's benefit. 3357

(D) If perfection of a security interest depends upon 3358  
possession of the collateral by a secured party, perfection 3359  
occurs ~~no~~ not earlier than the time the secured party takes 3360  
possession and continues only while the secured party retains 3361  
possession. 3362

(E) A security interest in a certificated security in 3363



registered form is perfected by delivery when delivery of the 3364  
certificated security occurs under section 1308.27 of the 3365  
Revised Code and remains perfected by delivery until the debtor 3366  
obtains possession of the security certificate. 3367

(F) A person in possession of collateral is not required 3368  
to acknowledge that the person holds possession for a secured 3369  
party's benefit. 3370

(G) If a person acknowledges that the person holds 3371  
possession for the secured party's benefit: 3372

(1) The acknowledgment is effective under division (C) of 3373  
this section or division (A) of section 1308.27 of the Revised 3374  
Code, even if the acknowledgment violates the rights of a 3375  
debtor; and 3376

(2) Unless the person otherwise agrees or law other than 3377  
this chapter otherwise provides, the person does not owe any 3378  
duty to the secured party and is not required to confirm the 3379  
acknowledgment to another person. 3380

(H) A secured party having possession of collateral does 3381  
not relinquish possession by delivering the collateral to a 3382  
person other than the debtor or a lessee of the collateral from 3383  
the debtor in the ordinary course of the debtor's business if 3384  
the person was instructed before the delivery or is instructed 3385  
contemporaneously with the delivery: 3386

(1) To hold possession of the collateral for the secured 3387  
party's benefit; or 3388

(2) To redeliver the collateral to the secured party. 3389

(I) A secured party does not relinquish possession, even 3390  
if a delivery under division (H) of this section violates the 3391

rights of a debtor. A person to whom collateral is delivered 3392  
under division (H) of this section does not owe any duty to the 3393  
secured party and is not required to confirm the delivery to 3394  
another person unless the person otherwise agrees or law other 3395  
than this chapter otherwise provides. 3396

**Sec. 1309.314. Perfection by control [UCC 9-314]** 3397

(A) A security interest in ~~investment property, deposit~~ 3398  
~~accounts, letter of credit rights, electronic chattel paper, or~~ 3399  
~~electronic documents~~ controllable accounts, controllable 3400  
electronic records, controllable payment intangibles, deposit 3401  
accounts, electronic documents, electronic money, investment 3402  
property, or letter-of-credit rights may be perfected by control 3403  
of the collateral under section 1307.106, 1309.104, ~~1309.105,~~ 3404  
1309.106, ~~or~~ 1309.107, 1309.111, or 1309.112 of the Revised 3405  
Code. 3406

(B) A security interest in ~~deposit accounts, electronic~~ 3407  
~~chattel paper, letter of credit rights, or electronic documents~~ 3408  
controllable accounts, controllable electronic records, 3409  
controllable payment intangibles, deposit accounts, electronic 3410  
documents, electronic money, or letter-of-credit rights is 3411  
perfected by control under section 1307.106, 1309.104, ~~1309.105,~~ 3412  
~~or~~ 1309.107, 1309.111, or 1309.112 of the Revised Code ~~when not~~ 3413  
earlier than the time the secured party obtains control and 3414  
remains perfected by control only while the secured party 3415  
retains control. 3416

(C) A security interest in investment property is 3417  
perfected by control under section 1309.106 of the Revised Code 3418  
~~from not earlier than~~ the time the secured party obtains control 3419  
and remains perfected by control until: 3420

(1) The secured party does not have control; and	3421
(2) One of the following occurs:	3422
(a) If the collateral is a certificated security, the debtor has or acquires possession of the security certificate;	3423 3424
(b) If the collateral is an uncertificated security, the issuer has registered or registers the debtor as the registered owner; or	3425 3426 3427
(c) If the collateral is a security entitlement, the debtor is or becomes the entitlement holder.	3428 3429
<b>Sec. 1309.316. <u>Continued perfection of security interest following change in governing law [UCC 9-316]</u></b>	3430 3431
(A) A security interest perfected pursuant to the law of the jurisdiction designated in division (A) of section 1309.301 <del>or, division (C) of section 1309.305, division (D) of section 1309.343, or division (B) of section 1309.344</del> of the Revised Code remains perfected until the earliest of:	3432 3433 3434 3435 3436
(1) The time perfection would have ceased under the law of that jurisdiction;	3437 3438
(2) The expiration of four months after a change of the debtor's location to another jurisdiction; or	3439 3440
(3) The expiration of one year after a transfer of collateral to a person that thereby becomes a debtor and is located in another jurisdiction.	3441 3442 3443
(B) If a security interest described in division (A) of this section becomes perfected under the law of the other jurisdiction before the earliest time or event described in that division, it remains perfected thereafter. If the security	3444 3445 3446 3447

interest does not become perfected under the law of the other 3448  
jurisdiction before that earliest time or event, it becomes 3449  
unperfected and is deemed never to have been perfected as 3450  
against a purchaser of the collateral for value. 3451

(C) A possessory security interest in collateral, other 3452  
than goods covered by a certificate of title and as-extracted 3453  
collateral consisting of goods, remains continuously perfected 3454  
if: 3455

(1) The collateral is located in one jurisdiction and 3456  
subject to a security interest perfected under the law of that 3457  
jurisdiction; 3458

(2) Thereafter, the collateral is brought into another 3459  
jurisdiction; and 3460

(3) Upon entry into the other jurisdiction, the security 3461  
interest is perfected under the law of the other jurisdiction. 3462

(D) Except as otherwise provided in division (E) of this 3463  
section, a security interest in goods covered by a certificate 3464  
of title that is perfected by any method under the law of 3465  
another jurisdiction when the goods become covered by a 3466  
certificate of title from this state remains perfected until the 3467  
security interest would have become unperfected under the law of 3468  
the other jurisdiction had the goods not become so covered. 3469

(E) A security interest described in division (D) of this 3470  
section becomes unperfected as against a purchaser of the goods 3471  
for value and is deemed never to have been perfected as against 3472  
a purchaser of the goods for value if the applicable 3473  
requirements for perfection under division (B) of section 3474  
1309.311 or section 1309.313 of the Revised Code are not 3475  
satisfied before the earlier of: 3476

(1) The time the security interest would have become 3477  
unperfected under the law of the other jurisdiction had the 3478  
goods not become covered by a certificate of title from this 3479  
state; or 3480

(2) The expiration of four months after the goods had 3481  
become so covered. 3482

(F) A security interest in chattel paper, controllable 3483  
accounts, controllable electronic records, controllable payment 3484  
intangibles, deposit accounts, letter-of-credit rights, or 3485  
investment property that is perfected under the law of the 3486  
chattel paper's jurisdiction, the controllable electronic 3487  
record's jurisdiction, the bank's jurisdiction, the issuer's 3488  
jurisdiction, a nominated person's jurisdiction, the securities 3489  
intermediary's jurisdiction, or the commodity intermediary's 3490  
jurisdiction, as applicable, remains perfected until the earlier 3491  
of: 3492

(1) The time the security interest would have become 3493  
unperfected under the law of that jurisdiction; or 3494

(2) The expiration of four months after a change of the 3495  
applicable jurisdiction to another jurisdiction. 3496

(G) If a security interest described in division (F) of 3497  
this section becomes perfected under the law of the other 3498  
jurisdiction before the earlier of the time or the end of the 3499  
period described in that division, it remains perfected 3500  
thereafter. If the security interest does not become perfected 3501  
under the law of the other jurisdiction before the earlier of 3502  
that time or the end of that period, it becomes unperfected and 3503  
is deemed never to have been perfected as against a purchaser of 3504  
the collateral for value. 3505

(H) The following rules apply to collateral to which a security interest attaches within four months after the debtor changes its location to another jurisdiction:

(1) A financing statement filed before the change pursuant to the law of the jurisdiction designated in division (A) of section 1309.301 or division (C) of section 1309.305 of the Revised Code is effective to perfect a security interest in the collateral if the financing statement would have been effective to perfect a security interest in the collateral had the debtor not changed its location.

(2) If a security interest perfected by a financing statement that is effective under division (H)(1) of this section becomes perfected under the law of the other jurisdiction before the earlier of the time the financing statement would have become ineffective under the law of the jurisdiction designated in division (A) of section 1309.301 or division (C) of section 1309.305 of the Revised Code or the expiration of the four-month period, it remains perfected thereafter. If the security interest does not become perfected under the law of the other jurisdiction before the earlier time or event, it becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

(I) If a financing statement naming an original debtor is filed pursuant to the law of the jurisdiction designated in division (A) of section 1309.301 or division (C) of section 1309.305 of the Revised Code and the new debtor is located in another jurisdiction, the following rules apply:

(1) The financing statement is effective to perfect a security interest in collateral acquired by the new debtor

before, and within four months after, the new debtor becomes 3536  
bound under division (D) of section 1309.203 of the Revised 3537  
Code, if the financing statement would have been effective to 3538  
perfect a security interest in the collateral had the collateral 3539  
been acquired by the original debtor. 3540

(2) A security interest perfected by the financing 3541  
statement and that becomes perfected under the law of the other 3542  
jurisdiction before the earlier of the time the financing 3543  
statement would have become ineffective under the law of the 3544  
jurisdiction designated in division (A) of section 1309.301 or 3545  
division (C) of section 1309.305 of the Revised Code or the 3546  
expiration of the four-month period remains perfected 3547  
thereafter. A security interest that is perfected by the 3548  
financing statement but that does not become perfected under the 3549  
law of the other jurisdiction before the earlier time or event 3550  
becomes unperfected and is deemed never to have been perfected 3551  
as against a purchaser of the collateral for value. 3552

**Sec. 1309.317.** Interests that take priority over or take 3553  
free of security interest or agricultural lien [UCC 9-317] 3554

(A) A security interest or agricultural lien is 3555  
subordinate to the rights of: 3556

(1) A person entitled to priority under section 1309.322 3557  
of the Revised Code; and 3558

(2) Except as otherwise provided in division (E) of this 3559  
section, a person who becomes a lien creditor before the earlier 3560  
of the time: 3561

(a) The security interest or agricultural lien is 3562  
perfected; or 3563

(b) One of the conditions specified in division (B) (3) of 3564

section 1309.203 of the Revised Code is met and a financing 3565  
statement covering the collateral is filed. 3566

(B) Except as otherwise provided in division (E) of this 3567  
section, a buyer, other than a secured party, of ~~tangible~~ 3568  
~~chattel paper, tangible documents,~~ goods, instruments, tangible 3569  
documents, or a certificated security takes free of a security 3570  
interest or agricultural lien if the buyer gives value and 3571  
receives delivery of the collateral without knowledge of the 3572  
security interest or agricultural lien and before it is 3573  
perfected. 3574

(C) Except as otherwise provided in division (E) of this 3575  
section, a lessee of goods takes free of a security interest or 3576  
agricultural lien if the lessee gives value and receives 3577  
delivery of the collateral without knowledge of the security 3578  
interest or agricultural lien and before it is perfected. 3579

(D) ~~A-Subject to divisions (F) to (I) of this section, a~~ 3580  
licensee of a general intangible or a buyer, other than a 3581  
secured party, of collateral other than ~~tangible chattel~~ 3582  
~~paper~~ electronic money, ~~tangible documents,~~ goods, instruments, 3583  
tangible documents, or a certificated security takes free of a 3584  
security interest if the licensee or buyer gives value without 3585  
knowledge of the security interest and before it is perfected. 3586

(E) Except as otherwise provided in sections 1309.320 and 3587  
1309.321 of the Revised Code, if a person files a financing 3588  
statement with respect to a purchase money security interest 3589  
before or within twenty days after the debtor receives delivery 3590  
of the collateral, the security interest takes priority over the 3591  
rights of a buyer, lessee, or lien creditor that arise between 3592  
the time the security interest attaches and the time of filing. 3593



(F) A buyer, other than a secured party, of chattel paper 3594  
takes free of a security interest if, without knowledge of the 3595  
security interest and before it is perfected, the buyer gives 3596  
value and: 3597

(1) Receives delivery of each authoritative copy of the 3598  
record evidencing the chattel paper; and 3599

(2) If each authoritative electronic copy of the record 3600  
evidencing the chattel paper can be subjected to control under 3601  
section 1309.105 of the Revised Code, obtains control of each 3602  
authoritative electronic copy. 3603

(G) A buyer of an electronic document takes free of a 3604  
security interest if, without knowledge of the security interest 3605  
and before it is perfected, the buyer gives value and, if each 3606  
authoritative electronic copy of the document can be subjected 3607  
to control under section 1307.106 of the Revised Code, obtains 3608  
control of each authoritative electronic copy. 3609

(H) A buyer of a controllable electronic record takes free 3610  
of a security interest if, without knowledge of the security 3611  
interest and before it is perfected, the buyer gives value and 3612  
obtains control of the controllable electronic record. 3613

(I) A buyer, other than a secured party, of a controllable 3614  
account or a controllable payment intangible takes free of a 3615  
security interest if, without knowledge of the security interest 3616  
and before it is perfected, the buyer gives value and obtains 3617  
control of the controllable account or controllable payment 3618  
intangible. 3619

**Sec. 1309.323. Future advances [UCC 9-323]** 3620

(A) Except as otherwise provided in division (C) of this 3621  
section, for purposes of determining the priority of a perfected 3622

security interest under division (A) (1) of section 1309.322 of 3623  
the Revised Code, perfection of the security interest dates from 3624  
the time an advance is made to the extent that the security 3625  
interest secures an advance that: 3626

(1) Is made while the security interest is perfected only: 3627

(a) Under section 1309.309 of the Revised Code when it 3628  
attaches; or 3629

(b) Temporarily under division (E), (F), or (G) of section 3630  
1309.312 of the Revised Code. 3631

(2) Is not made pursuant to a commitment entered into 3632  
before or while the security interest is perfected by a method 3633  
other than under section 1309.309 or division (E), (F), or (G) 3634  
of section 1309.312 of the Revised Code. 3635

(B) Except as otherwise provided in division (C) of this 3636  
section, a security interest is subordinate to the rights of a 3637  
person that becomes a lien creditor to the extent that the 3638  
security interest secures advances made more than forty-five 3639  
days after the person becomes a lien creditor unless the advance 3640  
is made: 3641

(1) Without knowledge of the lien; or 3642

(2) Pursuant to a commitment entered into without 3643  
knowledge of the lien. 3644

(C) Divisions (A) and (B) of this section do not apply to 3645  
a security interest held by a secured party that is a buyer of 3646  
accounts, chattel paper, payment intangibles, or promissory 3647  
notes or a consignor. 3648

(D) Except as otherwise provided in division (E) of this 3649  
section, a buyer of goods ~~other than a buyer in ordinary course~~ 3650

~~of business~~ takes free of a security interest to the extent that 3651  
it secures advances made after the earlier of: 3652

(1) The time the secured party acquires knowledge of the 3653  
buyer's purchase; or 3654

(2) Forty-five days after the purchase. 3655

(E) Division (D) of this section does not apply if the 3656  
advance is made pursuant to a commitment entered into without 3657  
knowledge of the buyer's purchase and before the expiration of 3658  
the forty-five-day period. 3659

(F) Except as otherwise provided in division (G) of this 3660  
section, a lessee of goods, ~~other than a lessee in ordinary~~ 3661  
~~course of business,~~ takes the leasehold interest free of a 3662  
security interest to the extent that it secures advances made 3663  
after the earlier of: 3664

(1) The time the secured party acquires knowledge of the 3665  
lease; or 3666

(2) Forty-five days after the lease contract becomes 3667  
enforceable. 3668

(G) Division (F) of this section does not apply if the 3669  
advance is made pursuant to a commitment entered into without 3670  
knowledge of the lease and before the expiration of the forty- 3671  
five-day period. 3672

**Sec. 1309.324. Priority of purchase-money security** 3673  
**interests [UCC 9-324]** 3674

(A) Except as otherwise provided in division (G) of this 3675  
section, a perfected purchase money security interest in goods 3676  
other than inventory or livestock has priority over a 3677  
conflicting security interest in the same goods, and, except as 3678

otherwise provided in section 1309.327 of the Revised Code, a 3679  
perfected security interest in its identifiable proceeds also 3680  
has priority, if the purchase money security interest is 3681  
perfected when the debtor receives possession of the collateral 3682  
or within twenty days thereafter. 3683

(B) Subject to division (C) of this section and except as 3684  
otherwise provided in division (G) of this section, a perfected 3685  
purchase money security interest in inventory has priority over 3686  
a conflicting security interest in the same inventory, has 3687  
priority over a conflicting security in chattel paper or an 3688  
instrument constituting proceeds of the inventory and in 3689  
proceeds of the chattel paper, if provided in section 1309.330 3690  
of the Revised Code, and, except as otherwise provided in 3691  
section 1309.327 of the Revised Code, also has priority in 3692  
identifiable cash proceeds of the inventory to the extent the 3693  
identifiable cash proceeds are received on or before the 3694  
delivery of the inventory to a buyer if: 3695

(1) The purchase money security interest is perfected when 3696  
the debtor receives possession of the inventory; 3697

(2) The purchase money secured party sends ~~an~~ 3698  
~~authenticated~~ a signed notification to the holder of the 3699  
conflicting security interest; 3700

(3) The holder of the conflicting security interest 3701  
receives the notification within five years before the debtor 3702  
receives possession of the inventory; and 3703

(4) The notification states that the person sending the 3704  
notification has or expects to acquire a purchase money security 3705  
interest in inventory of the debtor and describes the inventory. 3706

(C) Divisions (B) (2), (3), and (4) of this section apply 3707

only if the holder of the conflicting security interest filed a financing statement covering the same types of inventory: 3708  
3709

(1) If the purchase money security interest is perfected by filing, before the date of the filing; or 3710  
3711

(2) If the purchase money security interest is temporarily perfected without filing or possession under division (F) of section 1309.312 of the Revised Code, before the beginning of the twenty-day period. 3712  
3713  
3714  
3715

(D) Subject to division (E) of this section and except as otherwise provided in division (G) of this section, a perfected purchase money security interest in livestock that are farm products has priority over a conflicting security interest in the same livestock, and, except as otherwise provided in section 1309.327 of the Revised Code, a perfected security interest in their identifiable proceeds and identifiable products in their unmanufactured states also has priority, if: 3716  
3717  
3718  
3719  
3720  
3721  
3722  
3723

(1) The purchase money security interest is perfected when the debtor receives possession of the livestock; 3724  
3725

(2) The purchase money secured party sends ~~an~~ authenticated ~~a signed~~ notification to the holder of the conflicting security interest; 3726  
3727  
3728

(3) The holder of the conflicting security interest receives the notification within six months before the debtor receives possession of the livestock; and 3729  
3730  
3731

(4) The notification states that the person sending the notification has or expects to acquire a purchase money security interest in livestock of the debtor and describes the livestock. 3732  
3733  
3734

(E) Divisions (D) (2), (3), and (4) of this section apply 3735

only if the holder of the conflicting security interest had 3736  
filed a financing statement covering the same types of 3737  
livestock: 3738

(1) If the purchase money security interest is perfected 3739  
by filing, before the date of the filing; or 3740

(2) If the purchase money security interest is temporarily 3741  
perfected without filing or possession under division (F) of 3742  
section 1309.312 of the Revised Code, before the beginning of 3743  
the twenty-day period. 3744

(F) Except as otherwise provided in division (G) of this 3745  
section, a perfected purchase money security interest in 3746  
software has priority over a conflicting security interest in 3747  
the same collateral, and, except as otherwise provided in 3748  
section 1309.327 of the Revised Code, a perfected security 3749  
interest in its identifiable proceeds also has priority, to the 3750  
extent that the purchase money security interest in the goods in 3751  
which the software was acquired for use has priority in the 3752  
goods and proceeds of the goods under this section. 3753

(G) If more than one security interest qualifies for 3754  
priority in the same collateral under division (A), (B), (D), or 3755  
(F) of this section: 3756

(1) A security interest securing an obligation incurred as 3757  
all or part of the price of the collateral has priority over a 3758  
security interest securing an obligation incurred for value 3759  
given to enable the debtor to acquire rights in or the use of 3760  
collateral; and 3761

(2) In all other cases, division (A) of section 1309.322 3762  
of the Revised Code applies to the qualifying security 3763  
interests. 3764

Sec. 1309.330. Priority of purchaser of chattel paper or instrument [UCC 9-330] 3765  
3766

(A) A purchaser of chattel paper has priority over a security interest in the chattel paper that is claimed merely as proceeds of inventory subject to a security interest if: 3767  
3768  
3769

(1) In good faith and in the ordinary course of the purchaser's business, the purchaser gives new value ~~and~~, takes possession of each authoritative tangible copy of the record evidencing the chattel paper ~~or~~, and obtains control ~~of the chattel paper~~ under section 1309.105 of the Revised Code of each authoritative electronic copy of the record evidencing the chattel paper; and 3770  
3771  
3772  
3773  
3774  
3775  
3776

(2) The authoritative copies of the record evidencing the chattel paper ~~does~~ do not indicate that ~~it~~ the chattel paper has been assigned to an identified assignee other than the purchaser. 3777  
3778  
3779  
3780

(B) A purchaser of chattel paper has priority over a security interest in the chattel paper that is claimed other than merely as proceeds of inventory subject to a security interest if the purchaser gives new value ~~and~~, takes possession of each authoritative tangible copy of the record evidencing the chattel paper ~~or~~, and obtains control ~~of the chattel paper~~ under section 1309.105 of the Revised Code of each authoritative electronic copy of the record evidencing the chattel paper in good faith, in the ordinary course of the purchaser's business, and without knowledge that the purchase violates the rights of the secured party. 3781  
3782  
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(C) Except as otherwise provided in section 1309.327 of the Revised Code, a purchaser having priority in chattel paper 3792  
3793

under division (A) or (B) of this section also has priority in 3794  
proceeds of the chattel paper to the extent that: 3795

(1) Section 1309.322 of the Revised Code provides for 3796  
priority in the proceeds; or 3797

(2) The proceeds consist of the specific goods covered by 3798  
the chattel paper or cash proceeds of the specific goods, even 3799  
if the purchaser's security interest in the proceeds is 3800  
unperfected. 3801

(D) Except as otherwise provided in division (A) of 3802  
section 1309.331 of the Revised Code, a purchaser of an 3803  
instrument has priority over a security interest in the 3804  
instrument perfected by a method other than possession if the 3805  
purchaser gives value and takes possession of the instrument in 3806  
good faith and without knowledge that the purchase violates the 3807  
rights of the secured party. 3808

(E) For purposes of divisions (A) and (B) of this section, 3809  
the holder of a purchase money security interest in inventory 3810  
gives new value for chattel paper constituting proceeds of the 3811  
inventory. 3812

(F) For purposes of divisions (B) and (D) of this section, 3813  
if the authoritative copies of the record evidencing chattel 3814  
paper or an instrument ~~indicates~~ indicate that ~~it the chattel~~ 3815  
paper or instrument has been assigned to an identified secured 3816  
party other than the purchaser, a purchaser of the chattel paper 3817  
or instrument has knowledge that the purchase violates the 3818  
rights of the secured party. 3819

**Sec. 1309.331.** Priority of rights of purchasers of 3820  
controllable accounts, controllable electronic records, 3821  
controllable payment intangibles, documents, instruments, and 3822



securities under other chapters; priority of interests in 3823  
financial assets and security entitlements and protection 3824  
against assertion of claim under Chapters 1303., 1307., 1308., 3825  
and 1314. of the Revised Code [UCC 9-331] 3826

(A) This chapter does not limit the rights of a holder in 3827  
due course of a negotiable instrument, as defined in section 3828  
1303.32 of the Revised Code, or a holder to whom a negotiable 3829  
document of title has been duly negotiated under section 3830  
1307.501 of the Revised Code, ~~or~~ a protected purchaser of a 3831  
security under section 1308.17 of the Revised Code, or a 3832  
qualifying purchaser of a controllable account, controllable 3833  
electronic record, or controllable payment intangible. These 3834  
holders or purchasers take priority over an earlier security 3835  
interest, even though perfected, to the extent provided in 3836  
Chapters 1303., 1307., ~~and 1308.,~~ and 1314. of the Revised Code. 3837

(B) This chapter does not limit the rights of or impose 3838  
liability on a person to the extent that the person is protected 3839  
against the assertion of a claim under ~~Chapter~~ Chapters 1308. 3840  
and 1314. of the Revised Code. 3841

(C) Filing under this chapter does not constitute notice 3842  
of a claim or defense to the holders, purchasers, or persons 3843  
described in divisions (A) and (B) of this section. 3844

**Sec. 1309.332.** Transfer of money; transfer of funds from 3845  
deposit account [UCC 9-332] 3846

(A) A transferee of tangible money takes the money free of 3847  
a security interest ~~unless if~~ the transferee ~~acts receives~~ 3848  
possession of the money without acting in collusion with the 3849  
debtor in violating the rights of the secured party. 3850

(B) A transferee of funds from a deposit account takes the 3851

funds free of a security interest in the deposit account ~~unless~~ 3852  
if the transferee acts receives the funds without acting in 3853  
collusion with the debtor in violating the rights of the secured 3854  
party. 3855

(C) A transferee of electronic money takes the money free 3856  
of a security interest if the transferee obtains control of the 3857  
money without acting in collusion with the debtor in violating 3858  
the rights of the secured party. 3859

**Sec. 1309.334. Priority of security interests in fixtures** 3860  
**and crops [UCC 9-334]** 3861

(A) A security interest under this chapter may be created 3862  
in goods that are fixtures or may continue in goods that become 3863  
fixtures. A security interest does not exist under this chapter 3864  
in ordinary building materials incorporated into an improvement 3865  
on land. 3866

(B) This chapter does not prevent creation of an 3867  
encumbrance upon fixtures pursuant to real property law. 3868

(C) In cases not governed by divisions (D) to (H) of this 3869  
section, a security interest in fixtures is subordinate to a 3870  
conflicting interest of an encumbrancer or owner of the related 3871  
real property other than the debtor. 3872

(D) Except as otherwise provided in division (H) of this 3873  
section, a perfected security interest in fixtures has priority 3874  
over a conflicting interest of an encumbrancer or owner of the 3875  
real property if the debtor has an interest of record in or is 3876  
in possession of the real property and: 3877

(1) The security interest is a purchase money security 3878  
interest; 3879

(2) The interest of the encumbrancer or owner arises	3880
before the goods become fixtures; and	3881
(3) The security interest is perfected by a fixture filing	3882
before the goods become fixtures or within twenty days	3883
thereafter.	3884
(E) A perfected security interest in fixtures has priority	3885
over a conflicting interest of an encumbrancer or owner of the	3886
real property if:	3887
(1) The debtor has an interest of record in the real	3888
property or is in possession of the real property, and the	3889
security interest:	3890
(a) Is perfected by a fixture filing before the interest	3891
of the encumbrancer or owner is of record; and	3892
(b) Has priority over any conflicting interest of a	3893
predecessor in title of the encumbrancer or owner;	3894
(2) Before the goods became fixtures, the security	3895
interest is perfected by any method permitted by this chapter,	3896
and the fixtures are readily removable:	3897
(a) Factory or office machines;	3898
(b) Equipment that is not primarily used or leased for use	3899
in the operation of the real property; or	3900
(c) Replacements of domestic appliances that are consumer	3901
goods;	3902
(3) The conflicting interest is a lien on the real	3903
property obtained by legal or equitable proceedings after the	3904
security interest was perfected by any method permitted by this	3905
chapter; or	3906

(4) The security interest is:	3907
(a) Created in a manufactured home in a manufactured home transaction; and	3908 3909
(b) Perfected pursuant to a section listed in division (A) (2) of section 1309.311 of the Revised Code.	3910 3911
(F) A security interest in fixtures, whether or not perfected, has priority over the conflicting interest of an encumbrancer or owner of the real property if:	3912 3913 3914
(1) The encumbrancer or owner has, in <del>an authenticated a</del> <u>signed record</u> , consented to the security interest or disclaimed an interest in the goods as fixtures; or	3915 3916 3917
(2) The debtor has a right to remove the goods as against the encumbrancer or owner.	3918 3919
(G) The priority of the security interest under division (F) (2) of this section continues for a reasonable time if the debtor's right to remove the goods as against the encumbrancer or owner terminates.	3920 3921 3922 3923
(H) A mortgage is a construction mortgage to the extent that it secures an obligation incurred for the construction of an improvement on land, including the acquisition cost of the land, if a recorded record of the mortgage so indicates. Except as otherwise provided in divisions (E) and (F) of this section, a security interest in fixtures is subordinate to a construction mortgage if a record of the mortgage is recorded before the goods become fixtures and the goods become fixtures before the completion of the construction. A mortgage has this priority to the same extent as a construction mortgage to the extent that it is given to refinance a construction mortgage.	3924 3925 3926 3927 3928 3929 3930 3931 3932 3933 3934

(I) A perfected security interest in crops growing on real property has priority over a conflicting interest of an encumbrancer or owner of the real property if the debtor has an interest of record in or is in possession of the real property.

(J) Division (I) of this section prevails over any inconsistent statutes not specifically enumerated under division (D) (2) of section 1309.109 of the Revised Code and applicable by their terms.

**Sec. 1309.341. Bank's rights and duties with respect to deposit account [UCC 9-341]**

Except as otherwise provided in division (C) of section 1309.340 of the Revised Code, and unless the bank otherwise agrees in ~~an authenticated~~ a signed record, a bank's rights and duties with respect to a deposit account maintained with the bank are not terminated, suspended, or modified by:

(A) The creation, attachment, or perfection of a security interest in the deposit account;

(B) The bank's knowledge of the security interest; or

(C) The bank's receipt of instructions from the secured party.

**Sec. 1309.343. Law governing perfection and priority of security interests in chattel paper [UCC 9-306A]**

(A) Except as provided in division (D) of this section, if chattel paper is evidenced only by an authoritative electronic copy of the chattel paper or is evidenced by an authoritative electronic copy and an authoritative tangible copy, the local law of the chattel paper's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a

security interest in the chattel paper, even if the transaction 3963  
does not bear any relation to the chattel paper's jurisdiction. 3964

(B) The following rules determine the chattel paper's 3965  
jurisdiction under this section: 3966

(1) If the authoritative electronic copy of a recording 3967  
evidencing chattel paper, or a record attached to or logically 3968  
associated with the electronic copy and readily available for 3969  
review, expressly provides that a particular jurisdiction is the 3970  
chattel paper's jurisdiction for purposes of this section, this 3971  
chapter, or Chapters 1301., 1302., 1303., 1304., 1305., 1307., 3972  
1308., 1309., 1310., and 1314. of the Revised Code, that 3973  
jurisdiction is the chattel paper's jurisdiction. 3974

(2) If division (B) (1) of this section does not apply and 3975  
the rules of the system in which the authoritative electronic 3976  
copy is recorded are readily available for review and expressly 3977  
provide that a particular jurisdiction is the chattel paper's 3978  
jurisdiction for purposes of this section, this chapter, or 3979  
Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., 3980  
1310., and 1314. of the Revised Code, that jurisdiction is the 3981  
chattel paper's jurisdiction. 3982

(3) If divisions (B) (1) and (2) of this section do not 3983  
apply and the authoritative electronic copy, or a record 3984  
attached to or logically associated with the electronic copy and 3985  
readily available for review, expressly provides that the 3986  
chattel paper is governed by the law of a particular 3987  
jurisdiction, that jurisdiction is the chattel paper's 3988  
jurisdiction. 3989

(4) If divisions (B) (1), (2), and (3) of this section do 3990  
not apply and the rules of the system in which the authoritative 3991

electronic copy is recorded are readily available for review and 3992  
expressly provide that the chattel paper or the system is 3993  
governed by the law of a particular jurisdiction, that 3994  
jurisdiction is the chattel paper's jurisdiction. 3995

(5) If divisions (B)(1) to (4) of this section do not 3996  
apply, the chattel paper's jurisdiction is the jurisdiction in 3997  
which the debtor is located. 3998

(C) If an authoritative tangible copy of a record 3999  
evidences chattel paper and the chattel paper is not evidenced 4000  
by an authoritative electronic copy, while the authoritative 4001  
tangible copy of the record is located in a jurisdiction, the 4002  
local law of that jurisdiction governs both of the following: 4003

(1) Perfection of a security interest in the chattel paper 4004  
by possession under section 1309.314 of the Revised Code; 4005

(2) The effect of perfection and nonperfection and the 4006  
priority of a security interest in the chattel paper. 4007

(D) The local law of the jurisdiction in which the debtor 4008  
is located governs perfection of a security interest in the 4009  
chattel paper by filing. 4010

**Sec. 1309.344. Law governing perfection and priority of** 4011  
**security interests in controllable accounts, controllable** 4012  
**electronic records, and controllable payment intangibles [UCC 9-** 4013  
**306B]** 4014

(A) Except as provided in division (B) of this section, 4015  
the local law of the controllable electronic record's 4016  
jurisdiction specified in divisions (C) and (D) of section 4017  
1314.107 of the Revised Code governs perfection, the effect of 4018  
perfection or nonperfection, and the priority of a security 4019  
interest in a controllable electronic record and a security 4020

<u>interest in a controllable account or controllable payment</u>	4021
<u>intangible governed by the controllable electronic record.</u>	4022
<u>(B) The local law of the jurisdiction in which the debtor</u>	4023
<u>is located governs both of the following:</u>	4024
<u>(1) Perfection of a security interest in a controllable</u>	4025
<u>account, controllable electronic record, or controllable payment</u>	4026
<u>intangible by filing;</u>	4027
<u>(2) Automatic perfection of a security interest in a</u>	4028
<u>controllable payment intangible created by the sale of the</u>	4029
<u>controllable payment intangible.</u>	4030
<b><u>Sec. 1309.345. Perfection by possession and control of</u></b>	4031
<b><u>chattel paper [UCC 9-314A]</u></b>	4032
<u>(A) A secured party may perfect a security interest in</u>	4033
<u>chattel paper by taking possession of each authoritative</u>	4034
<u>tangible copy of the record evidencing the chattel paper and</u>	4035
<u>obtaining control of each authoritative electronic copy of the</u>	4036
<u>electronic record evidencing the chattel paper.</u>	4037
<u>(B) A security interest is perfected under division (A) of</u>	4038
<u>this section not earlier than the time the secured party takes</u>	4039
<u>possession and obtains control and remains perfected under</u>	4040
<u>division (A) of this section only while the secured party</u>	4041
<u>retains possession and control.</u>	4042
<u>(C) Divisions (C), (F), (G), (H), and (I) of section</u>	4043
<u>1309.313 of the Revised Code apply to perfection by possession</u>	4044
<u>of an authoritative tangible copy of a record evidencing chattel</u>	4045
<u>paper.</u>	4046
<b><u>Sec. 1309.346. Priority of security interest in</u></b>	4047
<b><u>controllable account, controllable electronic record, and</u></b>	4048



<u>controllable payment intangible [UCC 9-326A]</u>	4049
<u>A security interest in a controllable account,</u>	4050
<u>controllable electronic record, or controllable payment</u>	4051
<u>intangible held by a secured party having control of the</u>	4052
<u>account, electronic record, or payment intangible has priority</u>	4053
<u>over a conflicting security interest held by a secured party</u>	4054
<u>that does not have control.</u>	4055
<b>Sec. 1309.404. <u>Rights acquired by assignee; claims and</u></b>	4056
<b><u>defenses against assignee [UCC 9-404]</u></b>	4057
(A) Unless an account debtor has made an enforceable	4058
agreement not to assert defenses or claims, and subject to	4059
divisions (B) to (E) of this section, the rights of an assignee	4060
are subject to:	4061
(1) All terms of the agreement between the account debtor	4062
and assignor and any defense or claim in recoupment arising from	4063
the transaction that gave rise to the contract; and	4064
(2) Any other defense or claim of the account debtor	4065
against the assignor that accrues before the account debtor	4066
receives a notification of the assignment <del>authenticated</del> <u>signed</u>	4067
by the assignor or the assignee.	4068
(B) Subject to division (C) of this section and except as	4069
provided in division (D) of this section, the claim of an	4070
account debtor against an assignor may be asserted against an	4071
assignee under division (A) of this section only to reduce the	4072
amount the account debtor owes.	4073
(C) This section is subject to law other than this chapter	4074
that establishes a different rule for an account debtor who is	4075
an individual and who incurred the obligation primarily for	4076
personal, family, or household purposes.	4077

(D) In a consumer transaction, if a record evidences the account debtor's obligation, if law other than this chapter requires that the record include a statement to the effect that the account debtor's recovery against an assignee with respect to claims and defenses against the assignor may not exceed amounts paid by the account debtor under the record, and if the record does not include the required statement, the extent to which a claim of an account debtor against the assignor may be asserted against an assignee is determined as if the record included the required statement.

(E) This section does not apply to an assignment of a health-care-insurance receivable.

**Sec. 1309.406. Discharge of account debtor; notification of assignment; identification and proof of assignment; restrictions on assignment of accounts, chattel paper, payment intangibles, and promissory notes ineffective [UCC 9-406]**

(A) Subject to divisions (B) to (I) and division (L) of this section, an account debtor on an account, chattel paper, or payment intangible may discharge its obligation by paying the assignor until, but not after, the account debtor receives a notification, ~~authenticated~~ signed by the assignor or the assignee, that the amount due or to become due has been assigned and that payment is to be made to the assignee. After receipt of the notification, the account debtor may discharge its obligation by paying the assignee and may not discharge the obligation by paying the assignor.

(B) Subject to ~~division~~ divisions (H) and (L) of this section, notification under division (A) of this section is not effective:

(1) If the notification does not reasonably identify the rights assigned; 4107  
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(2) To the extent that an agreement between an account debtor and a seller of a payment intangible limits the account debtor's duty to pay a person other than the seller and the limitation is effective under law other than this chapter; or 4109  
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(3) At the option of an account debtor, if the notification notifies the account debtor to make less than the full amount of any installment or other periodic payment to the assignee, even if: 4113  
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(a) Only a portion of the account, chattel paper, or payment intangible has been assigned to that assignee; 4117  
4118

(b) A portion has been assigned to another assignee; or 4119

(c) The account debtor knows that the assignment to that assignee is limited. 4120  
4121

(C) Subject to ~~division~~divisions (H) and (L) of this section, if requested by the account debtor, an assignee shall seasonably furnish reasonable proof that the assignment has been made. Unless the assignee complies, the account debtor may discharge its obligation by paying the assignor, even if the account debtor has received a notification under division (A) of this section. 4122  
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(D) As used in this division, "promissory note" includes a negotiable instrument that evidences chattel paper. Except as otherwise provided in division (E) of this section and sections 1309.407 and 1310.31 of the Revised Code, and subject to division (H) of this section, a term in an agreement between an account debtor and an assignor or in a promissory note is ineffective to the extent that it: 4129  
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(1) Prohibits, restricts, or requires the consent of the 4136  
account debtor or person obligated on the promissory note to the 4137  
assignment or transfer of, or the creation, attachment, 4138  
perfection, or enforcement of a security interest in, the 4139  
account, chattel paper, payment intangible, or promissory note; 4140  
or 4141

(2) Provides that the assignment or transfer or the 4142  
creation, attachment, perfection, or enforcement of the security 4143  
interest may give rise to a default, breach, right of 4144  
recoupment, claim, defense, termination, right of termination, 4145  
or remedy under the account, chattel paper, payment intangible, 4146  
or promissory note. 4147

(E) Division (D) of this section does not apply to the 4148  
sale of a payment intangible or promissory note, other than a 4149  
sale pursuant to a disposition under section 1309.610 of the 4150  
Revised Code or an acceptance of collateral under section 4151  
1309.620 of the Revised Code. 4152

(F) Except as provided in sections 1309.407 and 1310.31 of 4153  
the Revised Code and subject to divisions (H) and (I) of this 4154  
section, a rule of law, statute, or regulation that prohibits, 4155  
restricts, or requires the consent of a government, governmental 4156  
body or official, or account debtor to the assignment or 4157  
transfer of, or creation of a security interest in, an account 4158  
or chattel paper is not effective to the extent that the rule of 4159  
law, statute, or regulation: 4160

(1) Prohibits, restricts, or requires the consent of the 4161  
government, governmental body or official, or account debtor to 4162  
the assignment or transfer of, or the creation, attachment, 4163  
perfection, or enforcement of a security interest in the account 4164  
or chattel paper; or 4165

(2) Provides that the assignment or transfer or the 4166  
creation, attachment, perfection, or enforcement of the security 4167  
interest may give rise to a default, breach, right of 4168  
recoupment, claim, defense, termination, right of termination, 4169  
or remedy under the account or chattel paper. 4170

(G) Subject to ~~division~~divisions (H) and (L) of this 4171  
section, an account debtor may not waive or vary its option 4172  
under division (B) (3) of this section. 4173

(H) This section is subject to law other than this chapter 4174  
that establishes a different rule for an account debtor who is 4175  
an individual and who incurred the obligation primarily for 4176  
personal, family, or household purposes. 4177

(I) This section does not apply to an assignment of a 4178  
health-care-insurance receivable. 4179

(J) Divisions (D) and (F) of this section do not apply to: 4180

(1) A claim or right to receive compensation for injuries 4181  
or sickness as described in section 104(a)(1) or (2) of the 4182  
Internal Revenue Code, as amended; or 4183

(2) A claim or right to receive benefits under a special 4184  
needs trust as described in the "Omnibus Budget Reconciliation 4185  
Act of 1993," 107 Stat. 312, 42 U.S.C. 1396p(d)(4), as amended. 4186

(K) Divisions (D), (F), and (J) of this section apply only 4187  
to a security interest created on or after July 1, 2001. Nothing 4188  
in this section shall supersede the provisions of sections 4189  
2323.58 to 2323.587 of the Revised Code. This section shall be 4190  
interpreted consistently with sections 2323.58 to 2323.587 of 4191  
the Revised Code. 4192

(L) Divisions (A), (B), (C), and (G) of this section do 4193

not apply to a controllable account or controllable payment 4194  
intangible. 4195

**Sec. 1309.408.** Restrictions on assignment of promissory 4196  
notes, health-care-insurance receivables, and certain general 4197  
intangibles ineffective [UCC 9-408] 4198

(A) Except as otherwise provided in division (B) of this 4199  
section, a term in a promissory note or in an agreement between 4200  
an account debtor and a debtor that relates to a health-care- 4201  
insurance receivable or a general intangible, including a 4202  
contract, permit, license, or franchise, and which term 4203  
prohibits, restricts, or requires the consent of the person 4204  
obligated on the promissory note or the account debtor to, the 4205  
assignment or transfer of, or creation, attachment, or 4206  
perfection of a security interest in, the promissory note, 4207  
health-care-insurance receivable, or general intangible, is not 4208  
effective to the extent that the term: 4209

(1) Would impair the creation, attachment, or perfection 4210  
of a security interest; or 4211

(2) Provides that the assignment or transfer or the 4212  
creation, attachment, or perfection of the security interest may 4213  
give rise to a default, breach, right of recoupment, claim, 4214  
defense, termination, right of termination, or remedy under the 4215  
promissory note, health-care-insurance receivable, or general 4216  
intangible. 4217

(B) Division (A) applies to a security interest in a 4218  
payment intangible or promissory note only if the security 4219  
interest arises out of a sale of the payment intangible or 4220  
promissory note, other than a sale pursuant to a disposition 4221  
under section 1309.610 of the Revised Code or an acceptance of 4222

collateral under section 1309.620 of the Revised Code. 4223

(C) A rule of law, statute, or regulation that prohibits, 4224  
restricts, or requires the consent of a government, governmental 4225  
body or official, person obligated on a promissory note, or 4226  
account debtor to the assignment or transfer of, or creation of 4227  
a security interest in, a promissory note, health-care-insurance 4228  
receivable, or general intangible, including a contract, permit, 4229  
license, or franchise between an account debtor and a debtor, is 4230  
not effective to the extent that the rule of law, statute, or 4231  
regulation: 4232

(1) Would impair the creation, attachment, or perfection 4233  
of a security interest; or 4234

(2) Provides that the assignment or transfer or the 4235  
creation, attachment, or perfection of the security interest may 4236  
give rise to a default, breach, right of recoupment, claim, 4237  
defense, termination, right of termination, or remedy under the 4238  
promissory note, health-care-insurance receivable, or general 4239  
intangible. 4240

(D) To the extent that a term in a promissory note or in 4241  
an agreement between an account debtor and a debtor that relates 4242  
to a health-care-insurance receivable or general intangible or a 4243  
rule of law, statute, or regulation described in division (C) of 4244  
this section would be effective under law other than this 4245  
chapter but is ineffective under division (A) or (C) of this 4246  
section, the creation, attachment, or perfection of a security 4247  
interest in the promissory note, health-care-insurance 4248  
receivable, or general intangible: 4249

(1) Is not enforceable against the person obligated on the 4250  
promissory note or the account debtor; 4251

(2) Does not impose a duty or obligation on the person obligated on the promissory note or the account debtor;	4252 4253
(3) Does not require the person obligated on the promissory note or the account debtor to recognize the security interest, pay or render performance to the secured party, or accept payment or performance from the secured party;	4254 4255 4256 4257
(4) Does not entitle the secured party to use or assign the debtor's rights under the promissory note, health-care-insurance receivable, or general intangible, including any related information or materials furnished to the debtor in the transaction giving rise to the promissory note, health-care-insurance receivable, or general intangible;	4258 4259 4260 4261 4262 4263
(5) Does not entitle the secured party to use, assign, possess, or have access to any trade secrets or confidential information of the person obligated on the promissory note or the account debtor; and	4264 4265 4266 4267
(6) Does not entitle the secured party to enforce the security interest in the promissory note, health-care-insurance receivable, or general intangible.	4268 4269 4270
(E) Divisions (A) and (C) of this section do not apply to:	4271
(1) A claim or right to receive compensation for injuries or sickness as described in section 104(a)(1) or (2) of the Internal Revenue Code as amended; or	4272 4273 4274
(2) A claim or right to receive benefits under a special needs trust as described in the "Omnibus Budget Reconciliation Act of 1993," 107 Stat. 312, 42 U.S.C. 1396p(d)(4), as amended.	4275 4276 4277
(F) Divisions (A), (C), and (E) of this section apply only to a security interest created on or after July 1, 2001. Nothing	4278 4279



in this section shall supersede the provisions of sections 4280  
2323.58 to 2323.587 of the Revised Code. This section shall be 4281  
interpreted consistently with sections 2323.58 to 2323.587 of 4282  
the Revised Code. 4283

(G) As used in this section, "promissory note" includes a 4284  
negotiable instrument that evidences chattel paper. 4285

**Sec. 1309.509.** Persons entitled to file a record [UCC 9- 4286  
509] 4287

(A) A person may file an initial financing statement, 4288  
amendment that adds collateral covered by a financing statement, 4289  
or amendment that adds a debtor to a financing statement only 4290  
if: 4291

(1) The debtor authorizes the filing in ~~an authenticated a~~ 4292  
signed record or pursuant to division (B) or (C) of this 4293  
section; or 4294

(2) The person holds an agricultural lien that has become 4295  
effective at the time of filing, and the financing statement 4296  
covers only collateral in which the person holds an agricultural 4297  
lien. 4298

(B) By ~~authenticating signing~~ or becoming bound as debtor 4299  
by a security agreement, a debtor or new debtor authorizes the 4300  
filing of an initial financing statement, and an amendment, 4301  
covering: 4302

(1) The collateral described in the security agreement; 4303  
and 4304

(2) Property that becomes collateral under division (A) (2) 4305  
of section 1309.315 of the Revised Code, whether or not the 4306  
security agreement expressly covers proceeds. 4307

(C) By acquiring collateral in which a security interest 4308  
or agricultural lien continues under division (A) (1) of section 4309  
1309.315 of the Revised Code, a debtor authorizes the filing of 4310  
an initial financing statement, and an amendment, covering the 4311  
collateral and property that becomes collateral under division 4312  
(A) (2) of section 1309.315 of the Revised Code. 4313

(D) A person may file an amendment other than an amendment 4314  
that adds collateral covered by a financing statement or an 4315  
amendment that adds a debtor to a financing statement only if: 4316

(1) The secured party of record authorizes the filing; or 4317

(2) The amendment is a termination statement for a 4318  
financing statement as to which the secured party of record has 4319  
failed to file or send a termination statement as required by 4320  
division (A) or (C) of section 1309.513 of the Revised Code, the 4321  
debtor authorizes the filing, and the termination statement 4322  
indicates that the debtor authorized it to be filed. 4323

(E) If there is more than one secured party of record for 4324  
a financing statement, each secured party of record may 4325  
authorize the filing of an amendment under division (D) of this 4326  
section. 4327

**Sec. 1309.513. Termination statement [UCC 9-513]** 4328

(A) A secured party shall cause the secured party of 4329  
record for a financing statement to file a termination statement 4330  
for the financing statement if the financing statement covers 4331  
consumer goods and: 4332

(1) There is no obligation secured by the collateral 4333  
covered by the financing statement, and no commitment to make an 4334  
advance, incur an obligation, or otherwise give value; or 4335

(2) The debtor did not authorize the filing of the initial 4336  
financing statement. 4337

(B) To comply with division (A) of this section, a secured 4338  
party shall cause the secured party of record to file the 4339  
termination statement: 4340

(1) Within one month after there is no obligation secured 4341  
by the collateral covered by the financing statement and no 4342  
commitment to make an advance, incur an obligation, or otherwise 4343  
give value; or 4344

(2) If earlier, within twenty days after the secured party 4345  
receives ~~an authenticated~~ a signed demand from a debtor. 4346

(C) In cases not governed by division (A) of this section, 4347  
within twenty days after a secured party receives ~~an~~ 4348  
~~authenticated~~ a signed demand from a debtor, the secured party 4349  
shall cause the secured party of record for a financing 4350  
statement to send to the debtor a termination statement for the 4351  
financing statement or file the termination statement in the 4352  
filing office if: 4353

(1) Except in the case of a financing statement covering 4354  
accounts or chattel paper that has been sold or goods that are 4355  
the subject of a consignment, there is no obligation secured by 4356  
the collateral covered by the financing statement and no 4357  
commitment to make an advance, incur an obligation, or otherwise 4358  
give value; 4359

(2) The financing statement covers accounts or chattel 4360  
paper that have been sold but as to which the account debtor or 4361  
other person obligated has discharged its obligation; 4362

(3) The financing statement covers goods that were the 4363  
subject of a consignment to the debtor but are not in the 4364

debtor's possession; or 4365

(4) The debtor did not authorize the filing of the initial 4366  
financing statement. 4367

(D) Except as provided in section 1309.510 of the Revised 4368  
Code, upon the filing of a termination statement with the filing 4369  
office, the financing statement to which the termination 4370  
statement relates ceases to be effective. Except as provided in 4371  
section 1309.510 of the Revised Code, for purposes of division 4372  
(G) of section 1309.519, division (A) of section 1309.522, and 4373  
division (C) of section 1309.523 of the Revised Code, the filing 4374  
with the filing office of a termination statement relating to a 4375  
financing statement that indicates that the debtor is a 4376  
transmitting utility also causes the effectiveness of the 4377  
financing statement to lapse. 4378

**Sec. 1309.601. Rights after default; judicial enforcement;** 4379  
**consignor or buyer of accounts, chattel paper, payment** 4380  
**intangibles, or promissory notes [UCC 9-601]** 4381

(A) After default, a secured party has the rights provided 4382  
in sections 1309.601 to 1309.628 of the Revised Code and, except 4383  
as otherwise provided in section 1309.602 of the Revised Code, 4384  
those provided by agreement of the parties. A secured party: 4385

(1) May reduce a claim to judgment, foreclose, or 4386  
otherwise enforce the claim, security interest, or agricultural 4387  
lien by any available judicial procedure; and 4388

(2) If the collateral is documents, proceed either as to 4389  
the documents or as to the goods they cover. 4390

(B) A secured party in possession of collateral or control 4391  
of collateral under section 1307.106, 1309.104, 1309.105, 4392  
1309.106, ~~or~~ 1309.107, 1309.111, or 1309.112 of the Revised Code 4393

has the rights and duties provided in section 1309.207 of the Revised Code. 4394  
4395

(C) The rights under divisions (A) and (B) of this section are cumulative and may be exercised simultaneously. 4396  
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(D) Except as otherwise provided in division (G) of this section and section 1309.605 of the Revised Code, after default, a debtor and an obligor have the rights provided in sections 1309.601 to 1309.628 of the Revised Code and by agreement of the parties. 4398  
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(E) If a secured party has reduced its claim to judgment, the lien of any levy that may be made upon the collateral by virtue of an execution based upon the judgment relates back to the earliest of: 4403  
4404  
4405  
4406

(1) The date of perfection of the security interest or agricultural lien in the collateral; 4407  
4408

(2) The date of filing a financing statement covering the collateral; or 4409  
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(3) Any date specified in a statute under which the agricultural lien was created. 4411  
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(F) A sale pursuant to an execution is a foreclosure of the security interest or agricultural lien by judicial procedure within the meaning of this section. A secured party may purchase at the sale and after the sale may hold the collateral free of any other requirements of this chapter. 4413  
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(G) Except as provided in division (C) of section 1309.607 of the Revised Code, sections 1309.601 to 1309.628 of the Revised Code do not impose any duties upon a secured party who is a consignor or a buyer of accounts, chattel paper, payment 4418  
4419  
4420  
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intangibles, or promissory notes. 4422

**Sec. 1309.605.** ~~A~~ Unknown debtor or secondary obligor [UCC 4423  
9-605] 4424

(A) Except as otherwise provided in division (B) of this 4425  
section, a secured party does not owe a duty based on its status 4426  
as secured party: 4427

~~(A)~~ (1) To a person who is a debtor or obligor, unless the 4428  
secured party knows: 4429

~~(1)~~ (a) That the person is a debtor or obligor; 4430

~~(2)~~ (b) The identity of the person; and 4431

~~(3)~~ (c) How to communicate with the person; or 4432

~~(B)~~ (2) To a secured party or lienholder who has filed a 4433  
financing statement against a person, unless the secured party 4434  
knows: 4435

~~(1)~~ (a) That the person is a debtor; and 4436

~~(2)~~ (b) The identity of the person. 4437

(B) A secured party owes a duty based on its status as a 4438  
secured party to a person if, at the time the secured party 4439  
obtains control of collateral that is a controllable account, 4440  
controllable electronic record, or controllable payment 4441  
intangible or at a time the security interest attaches to the 4442  
collateral, whichever is later: 4443

(1) The person is a debtor or obligor; and 4444

(2) The secured party knows that the information in 4445  
division (A) (1) (a), (b), or (c) of this section relating to the 4446  
person is not provided by the collateral, a record attached to 4447  
or logically associated with the collateral, or the system in 4448

which the collateral is recorded. 4449

**Sec. 1309.608.** Application of proceeds of collection or 4450  
enforcement; liability for deficiency and right to surplus [UCC 4451  
9-608] 4452

(A) If a security interest or agricultural lien secures 4453  
payment or performance of an obligation, the following rules 4454  
apply: 4455

(1) A secured party shall apply or pay over for 4456  
application the cash proceeds of collection or enforcement under 4457  
section 1309.607 of the Revised Code in the following order: 4458

(a) The reasonable expenses of collection and enforcement 4459  
and, to the extent provided for by agreement and not prohibited 4460  
by law, reasonable attorney's fees and legal expenses incurred 4461  
by the secured party; 4462

(b) The satisfaction of obligations secured by the 4463  
security interest or agricultural lien under which the 4464  
collection or enforcement is made; and 4465

(c) The satisfaction of obligations secured by any 4466  
subordinate security interest in or other lien on the collateral 4467  
subject to the security interest or agricultural lien under 4468  
which the collection or enforcement is made if the secured party 4469  
receives ~~an authenticated~~ a signed demand for proceeds before 4470  
distribution of the proceeds is completed. 4471

(2) If requested by a secured party, a holder of a 4472  
subordinate security interest or other lien shall furnish 4473  
reasonable proof of the interest or lien within a reasonable 4474  
time. Unless the holder complies, the secured party is not 4475  
required to comply with the holder's demand made under division 4476  
(A) (1) (c) of this section. 4477

(3) A secured party is not required to apply or pay over 4478  
for application noncash proceeds of collection and enforcement 4479  
under section 1309.607 of the Revised Code unless the failure to 4480  
do so would be commercially unreasonable. A secured party who 4481  
applies or pays over for application noncash proceeds shall do 4482  
so in a commercially reasonable manner. 4483

(4) A secured party shall account to and pay a debtor for 4484  
any surplus, and the obligor is liable for any deficiency. 4485

(B) If the underlying transaction is a sale of accounts, 4486  
chattel paper, payment intangibles, or promissory notes, the 4487  
debtor is not entitled to any surplus, and the obligor is not 4488  
liable for any deficiency. 4489

**Sec. 1309.611. Notification before disposition of** 4490  
**collateral [UCC 9-611]** 4491

(A) As used in this section, "notification date" means the 4492  
earlier of the date on which: 4493

(1) A secured party sends to the debtor and any secondary 4494  
obligor ~~an authenticated~~ a signed notification of disposition; 4495  
or 4496

(2) The debtor and any secondary obligor waive the right 4497  
to notification. 4498

(B) Except as provided in division (D) of this section, a 4499  
secured party who disposes of collateral under section 1309.610 4500  
of the Revised Code shall send a reasonable ~~authenticated~~ signed 4501  
notification of disposition to the persons specified in division 4502  
(C) of this section. 4503

(C) To comply with division (B) of this section, the 4504  
secured party shall send ~~an authenticated~~ a signed notification 4505



of disposition to:	4506
(1) The debtor;	4507
(2) Any secondary obligor; and	4508
(3) If the collateral is other than consumer goods:	4509
(a) Any other person from whom the secured party has	4510
received, before the notification date, <del>an authenticated a</del>	4511
<u>signed</u> notification of a claim of an interest in the collateral;	4512
(b) Any other secured party or lienholder who, ten days	4513
before the notification date, held a security interest in or	4514
other lien on the collateral perfected by the filing of a	4515
financing statement that:	4516
(i) Identified the collateral;	4517
(ii) Was indexed under the debtor's name as of that date;	4518
and	4519
(iii) Was filed in the office in which to file a financing	4520
statement against the debtor covering the collateral as of that	4521
date; and	4522
(c) Any other secured party who, ten days before the	4523
notification date, held a security interest in the collateral	4524
perfected by compliance with a statute, rule, or treaty	4525
described in division (A) of section 1309.311 of the Revised	4526
Code.	4527
(D) Division (B) of this section does not apply if the	4528
collateral is perishable or threatens to decline speedily in	4529
value or is of a type customarily sold on a recognized market.	4530
(E) A secured party complies with the requirement for	4531
notification prescribed by division (C) (3) (b) of this section	4532

if: 4533

(1) Not later than twenty days nor earlier than thirty 4534  
days before the notification date, the secured party requests, 4535  
in a commercially reasonable manner, information concerning 4536  
financing statements indexed under the debtor's name in the 4537  
office indicated in division (C) (3) (b) of this section; and 4538

(2) Before the notification date, the secured party: 4539

(a) Did not receive a response to the request for 4540  
information; or 4541

(b) Received a response to the request for information and 4542  
sent ~~an authenticated~~ a signed notification of disposition to 4543  
each secured party or other lienholder named in that response 4544  
whose financing statement covered the collateral. 4545

**Sec. 1309.613. Contents and form of notification before** 4546  
**disposition of collateral: general [UCC 9-613]** 4547

(A) Except in a consumer-goods transaction, all of the 4548  
following rules apply to a notification of disposition of 4549  
collateral and to a disposition of collateral: 4550

(1) The contents of a notification of disposition are 4551  
sufficient if the notification: 4552

(a) Describes the debtor and the secured party; 4553

(b) Describes the collateral that is the subject of the 4554  
intended disposition; 4555

(c) States the method of intended disposition; 4556

(d) States that the debtor is entitled to an accounting of 4557  
the unpaid indebtedness and states the charge, if any, for an 4558  
accounting; and 4559

(e) States the time and place, by identifying the place of 4560  
business or address or by providing other information that, in 4561  
each case, reasonably describes the location, of a public 4562  
disposition or the time after which any other disposition is to 4563  
be made. 4564

(2) Whether the contents of a notification that lacks any 4565  
of the information specified in division (A)(1) of this section 4566  
are nevertheless sufficient is a question of fact. 4567

(3) The contents of a notification providing substantially 4568  
the information specified in division (A)(1) of this section are 4569  
sufficient, even if the notification includes: 4570

(a) Information not specified by that division; or 4571

(b) Minor errors that are not seriously misleading. 4572

(4) A particular phrasing of the notification is not 4573  
required. 4574

(B) The following form of notification and the form 4575  
appearing in division (B) of section 1309.614 of the Revised 4576  
Code, when completed in accordance with the instructions in 4577  
division (C) of this section and in division (F) of section 4578  
1309.614 of the Revised Code, each provides sufficient 4579  
information: 4580

"NOTIFICATION OF DISPOSITION OF COLLATERAL 4581

To: (Name of debtor, obligor, or other person to whom the 4582  
notification is sent) 4583

From: (Name, address, and telephone number of secured 4584  
party) 4585

(1) Name of Debtor(s): ~~(Include only if debtor(s) are not~~ 4586

~~an addressee)~~ 4587

~~(FOR A PUBLIC DISPOSITION:)~~ any debtor that is not an 4588  
addressee: (Name of each debtor) 4589

(2) We will sell ~~(or lease or license, as applicable)~~ the 4590  
(describe collateral) ~~(to the highest qualified bidder) in at a~~ 4591  
public sale. A sale could include a lease or license. The sale 4592  
will be held as follows: 4593

~~Day and Date:~~ \_\_\_\_\_ 4594

~~Time:~~ \_\_\_\_\_ 4595

~~Place:~~ \_\_\_\_\_ 4596

~~(FOR A PRIVATE DISPOSITION:)~~ 4597

(3) We will sell ~~(or lease or license, as applicable)~~ the 4598  
(describe collateral) ~~privately at a private sale~~ sometime after 4599  
~~(day and date).~~ A sale could include a lease or license. 4600

(4) You are entitled to an accounting of the unpaid 4601  
indebtedness secured by the property that we intend to sell ~~(or,~~ 4602  
~~as applicable, lease or license, as applicable).~~ 4603

(5) If you request an accounting, you must pay ~~(for~~ a 4604  
charge of \$ \_\_\_\_\_ ). 4605

(6) You may request an accounting by calling us at 4606  
(telephone number)." 4607

(C) The following instructions apply to the form of 4608  
notification in division (B) of this section: 4609

(1) The instructions in division (C) of this section refer 4610  
to the items in the form of notification described in division 4611  
(B) of this section. Do not include the references to division 4612  
(B) of this section in the notification. The division references 4613

are used only for the purpose of these instructions. 4614

(2) Include and complete division (B) (1) of this section 4615  
only if there is a debtor that is not an addressee of the 4616  
notification and list the name or names. 4617

(3) Include and complete either division (B) (2) of this 4618  
section, if the notification relates to a public disposition of 4619  
the collateral, or division (B) (3) of this section, if the 4620  
notification relates to a private disposition of the collateral. 4621  
If division (B) (2) of this section is included, include the 4622  
words "to the highest qualified bidder" only if applicable. 4623

(4) Include and complete divisions (B) (4) and (6) of this 4624  
section. 4625

(5) Include and complete division (B) (5) of this section 4626  
only if the sender will charge the recipient for an accounting. 4627

**Sec. 1309.614.** Contents and form of notification before 4628  
disposition of collateral; consumer-goods transaction [UCC 9- 4629  
614] 4630

(A) In a consumer-goods transaction, the following rules 4631  
apply: 4632

(1) A notification of disposition must provide all of the 4633  
following information: 4634

(a) The information specified in division (A) (1) of 4635  
section 1309.613 of the Revised Code; 4636

(b) A description of any liability for a deficiency of the 4637  
person to whom the notification is sent; 4638

(c) A telephone number from which the amount that must be 4639  
paid to the secured party to redeem the collateral under section 4640

1309.623 of the Revised Code is available; and 4641

(d) A telephone number or mailing address from which 4642  
additional information concerning the disposition and the 4643  
obligation secured is available. 4644

(2) A particular phrasing of the notification is not 4645  
required. 4646

(B) The following form of notification of disposition, 4647  
when completed in accordance with the instructions in division 4648  
(F) of this section, provides sufficient information: 4649

"(Name and address of secured party) 4650

(Date) 4651

NOTICE OF OUR PLAN TO SELL PROPERTY 4652

(Name and address of any obligor who is also a debtor) 4653

Subject: (~~Identification of~~ Identify Transaction) 4654

We have your (describe collateral), because you broke 4655  
promises in our agreement. 4656

~~(For a public disposition)~~ 4657

(1) We will sell your (describe collateral) at public 4658  
sale. A sale could include a lease or license. The sale will be 4659  
held as follows: 4660

Day and date: \_\_\_\_\_ 4661

Time: \_\_\_\_\_ 4662

Place: \_\_\_\_\_ 4663

You may attend the sale and bring bidders if you want. 4664

~~(For a private disposition)~~ 4665

(2) We will sell (describe collateral) at private sale 4666  
sometime after (date). A sale could include a lease or license. 4667

(3) The money that we get from the sale ~~(, after paying~~ 4668  
our costs) ~~, will~~ reduce the amount you owe. If we get less money 4669  
than you owe, you (will or will not, as applicable) still owe us 4670  
the difference. If we get more money than you owe, you will get 4671  
the extra money, unless we must pay it to someone else. 4672

(4) You can get the property back at any time before we 4673  
sell it by paying us the full amount you owe (not just the past 4674  
due payments), including our expenses. To learn the exact amount 4675  
you must pay, call us at (telephone number). 4676

(5) If you want us to explain to you in writing how we 4677  
have figured the amount that you owe us, ~~you may call~~ do both of 4678  
the following: 4679

(a) Call us at (telephone number) (or) write us at 4680  
(secured party's address) ~~and request~~ (or contact us by 4681  
(description of electronic communication method)); 4682

(b) Request (a written explanation) (a written explanation 4683  
or an explanation in (description of electronic record)) (an 4684  
explanation in (description of electronic record)). ~~(We~~ 4685

(6) We will charge you \$\_\_\_\_\_ for the explanation if we 4686  
sent you another written explanation of the amount you owe us 4687  
within the last six months. ~~→~~ 4688

(7) If you need more information about the sale, (call us 4689  
at (telephone number)) (or) (write us at (secured party's 4690  
address)) (or contact us by (description of electronic 4691  
communication method)). 4692

(8) We are sending this notice to the following other 4693

people who have an interest in (describe collateral) or who owe 4694  
money under your agreement: 4695

(Names of all other debtors and obligors, if any)." 4696

(C) A notification in~~r~~ the form contained in division (B) 4697  
of this section is sufficient, even if additional information 4698  
appears at the end of the form. 4699

(D) A notification in the form of division (B) of this 4700  
section is sufficient, even if it includes errors in information 4701  
not required by division (A) (1) of this section, unless the 4702  
error is misleading with respect to rights arising under this 4703  
chapter. 4704

(E) If a notification under this section is not in the 4705  
form contained in division (B) of this section, law other than 4706  
this chapter determines the effect of including information not 4707  
required by division (A) (1) of this section. 4708

(F) The following instructions apply to the form of 4709  
notification in division (B) of this section: 4710

(1) The instructions in division (F) of this section refer 4711  
to the items in the form of notification described in division 4712  
(B) of this section. Do not include the references to division 4713  
(B) of this section in the notification. The division references 4714  
are used only for the purposes of these instructions. 4715

(2) Include and complete either division (B) (1) of this 4716  
section, if the notification relates to a public disposition of 4717  
the collateral, or division (B) (2) of this section, if the 4718  
notification relates to a private disposition of the collateral. 4719

(3) Include and complete divisions (B) (3), (4), and (5) of 4720  
this section. 4721



(4) In division (B)(5) of this section, include and 4722  
complete any one of the three alternative methods for the 4723  
explanation: writing, writing or electronic record, or 4724  
electronic record. 4725

(5) In division (B)(5)(a) of this section, include the 4726  
telephone number. In addition, the sender may include and 4727  
complete either or both of the two alternative methods of 4728  
communication, writing or electronic communication, for the 4729  
recipient of the notification to communicate with the sender. 4730  
Neither of the two additional methods of communication is 4731  
required to be included. 4732

(6) In division (B)(5)(b) of this section, include and 4733  
complete the method for the explanation: writing, writing or 4734  
electronic record, or electronic record, included in division 4735  
(B)(5) of this section. 4736

(7) Include and complete division (B)(6) of this section 4737  
only if a written explanation is included in division (B)(5) of 4738  
this section as a method for communicating the explanation and 4739  
the sender will charge the recipient for another written 4740  
explanation. 4741

(8) In division (B)(7) of this section, include either the 4742  
telephone number or the address or both the telephone number and 4743  
address. In addition, the sender may include and complete the 4744  
additional method of communication, electronic communication, 4745  
for the recipient of the notification to communicate with the 4746  
sender. The additional method of electronic communication is not 4747  
required to be included. 4748

(9) If division (B)(8) of this section does not apply, 4749  
insert "none" after "agreement:". 4750

<b>Sec. 1309.615. <u>Application of proceeds of disposition;</u></b>	4751
<b><u>liability for deficiency and right to surplus [UCC 9-615]</u></b>	4752
(A) A secured party shall apply or pay over for	4753
application the cash proceeds of disposition under section	4754
1309.610 of the Revised Code in the following order to:	4755
(1) The reasonable expenses of retaking, holding,	4756
preparing for disposition, processing, and disposing, and, to	4757
the extent provided for by agreement and not prohibited by law,	4758
reasonable attorney's fees and legal expenses incurred by the	4759
secured party;	4760
(2) The satisfaction of obligations secured by the	4761
security interest or agricultural lien under which the	4762
disposition is made;	4763
(3) The satisfaction of obligations secured by any	4764
subordinate security interest in or other subordinate lien on	4765
the collateral if:	4766
(a) The secured party receives from the holder of the	4767
subordinate security interest or other lien <del>an authenticated a</del>	4768
<u>signed demand</u> for proceeds before distribution of the proceeds	4769
is completed; and	4770
(b) In a case in which a consignor has an interest in the	4771
collateral, the subordinate security interest or other lien is	4772
senior to the interest of the consignor; and	4773
(4) A secured party who is a consignor of the collateral	4774
if the secured party receives from the consignor <del>an</del>	4775
<u>authenticated a signed demand</u> for proceeds before distribution	4776
of the proceeds is completed.	4777
(B) If a secured party so requests, a holder of a	4778

subordinate security interest or other lien shall furnish 4779  
reasonable proof of the interest or lien within a reasonable 4780  
time. Unless the holder does so, the secured party is not 4781  
required to comply with the holder's demand under division (A) 4782  
(3) of this section. 4783

(C) A secured party is not required to apply or pay over 4784  
for application noncash proceeds of disposition under section 4785  
1309.610 unless the failure to do so would be commercially 4786  
unreasonable. A secured party who applies or pays over for 4787  
application noncash proceeds shall do so in a commercially 4788  
reasonable manner. 4789

(D) If the security interest under which a disposition is 4790  
made secures payment or performance of an obligation, after 4791  
making the payments and applications required by division (A) of 4792  
this section and permitted by division (C) of this section: 4793

(1) Unless division (A) (4) of this section requires the 4794  
secured party to apply or pay over cash proceeds to a consignor, 4795  
the secured party shall account to and pay a debtor for any 4796  
surplus; and 4797

(2) The obligor is liable for any deficiency. 4798

(E) If the underlying transaction is a sale of accounts, 4799  
chattel paper, payment intangibles, or promissory notes, the 4800  
debtor is not entitled to any surplus, and the obligor is not 4801  
liable for any deficiency. 4802

(F) The surplus or deficiency following a disposition is 4803  
calculated based on the amount of proceeds that would have been 4804  
realized in a disposition complying with sections 1309.601 to 4805  
1309.628 of the Revised Code to a transferee other than the 4806  
secured party, a person related to the secured party, or a 4807

secondary obligor if:	4808
(1) The transferee in the disposition is the secured party, a person related to the secured party, or a secondary obligor; and	4809 4810 4811
(2) The amount of proceeds of the disposition is significantly below the range of proceeds that a complying disposition to a person other than the secured party, a person related to the secured party, or a secondary obligor would have brought.	4812 4813 4814 4815 4816
(G) A secured party who receives cash proceeds of a disposition in good faith and without knowledge that the receipt violates the rights of the holder of a security interest or other lien that is not subordinate to the security interest or agricultural lien under which the disposition is made:	4817 4818 4819 4820 4821
(1) Takes the cash proceeds free of the security interest or other lien;	4822 4823
(2) Is not obligated to apply the proceeds of the disposition to the satisfaction of obligations secured by the security interest or other lien; and	4824 4825 4826
(3) Is not obligated to account to or pay the holder of the security interest or other lien for any surplus.	4827 4828
<b>Sec. 1309.616. <u>Explanation of calculation of surplus or deficiency [UCC 9-616]</u></b>	4829 4830
(A) As used in this section:	4831
(1) "Explanation" means a <del>writing</del> <u>record</u> that:	4832
(a) States the amount of the surplus or deficiency;	4833
(b) Provides an explanation in accordance with division	4834

(C) of this section of how the secured party calculated the surplus or deficiency; 4835  
4836

(c) States, if applicable, that future debits, credits, charges, including additional credit service charges or interest, rebates, and expenses may affect the amount of the surplus or deficiency; and 4837  
4838  
4839  
4840

(d) Provides a telephone number or mailing address from which additional information concerning the transaction is available. 4841  
4842  
4843

(2) "Request" means a record: 4844

(a) ~~Authenticated~~ Signed by a debtor or consumer obligor; 4845

(b) Requests that the recipient provide an explanation; 4846  
and 4847

(c) Sent after disposition of the collateral under section 1309.610 of the Revised Code. 4848  
4849

(B) In a consumer-goods transaction in which the debtor is entitled to a surplus or a consumer obligor is liable for a deficiency under section 1309.615 of the Revised Code, the secured party shall: 4850  
4851  
4852  
4853

(1) Send an explanation to the debtor or consumer obligor, as applicable, after the disposition and: 4854  
4855

(a) Before or when the secured party accounts to the debtor and pays any surplus or first makes ~~written demand~~ in a record on the consumer obligor after the disposition for payment of the deficiency; and 4856  
4857  
4858  
4859

(b) Within fourteen days after receipt of a request; or 4860

(2) In the case of a consumer obligor who is liable for a 4861

deficiency, within fourteen days after receipt of a request, 4862  
send to the consumer obligor a record waiving the secured 4863  
party's right to a deficiency. 4864

(C) To comply with division (A)(1)(b) of this section, ~~a-~~ 4865  
~~writing an explanation~~ must provide all of the following 4866  
information in the following order: 4867

(1) The aggregate amount of obligations secured by the 4868  
security interest under which the disposition was made, and, if 4869  
the amount reflects a rebate of unearned interest or credit 4870  
service charge, an indication of that fact, calculated as of a 4871  
specified date: 4872

(a) If the secured party takes or receives possession of 4873  
the collateral after default, not more than thirty-five days 4874  
before the secured party takes or receives possession; or 4875

(b) If the secured party takes or receives possession of 4876  
the collateral before default or does not take possession of the 4877  
collateral, not more than thirty-five days before the 4878  
disposition; 4879

(2) The amount of proceeds of the disposition; 4880

(3) The aggregate amount of the obligations after 4881  
deducting the amount of proceeds; 4882

(4) The amount, in the aggregate or by type, and types of 4883  
expenses, including expenses of retaking, holding, preparing for 4884  
disposition, processing, and disposing of the collateral, and 4885  
attorney's fees secured by the collateral that are known to the 4886  
secured party and relate to the current disposition; 4887

(5) The amount, in the aggregate or by type, and types of 4888  
credits, including rebates of interest or credit service 4889

charges, to which the obligor is known to be entitled and that 4890  
are not reflected in the amount in division (C) (1) of this 4891  
section; and 4892

(6) The amount of the surplus or deficiency. 4893

(D) A particular phrasing of the explanation is not 4894  
required. An explanation that complies substantially with the 4895  
requirements of division (A) of this section is sufficient, even 4896  
if it includes minor errors that are not seriously misleading. 4897

(E) A debtor or consumer obligor is entitled without 4898  
charge to one response to a request under this section during 4899  
any six-month period in which the secured party did not send to 4900  
the debtor or consumer obligor an explanation pursuant to 4901  
division (B) (1) of this section. The secured party may require 4902  
payment of a charge not exceeding twenty-five dollars for each 4903  
additional response. 4904

**Sec. 1309.619. Transfer of record or legal title [UCC 9- 4905  
619] 4906**

(A) As used in this section, "transfer statement" means a 4907  
record ~~authenticated~~ signed by a secured party that states: 4908

(1) The debtor has defaulted in connection with an 4909  
obligation secured by specified collateral; 4910

(2) The secured party has exercised its post-default 4911  
remedies with respect to the collateral; 4912

(3) By reason of the exercise, a transferee has acquired 4913  
the rights of the debtor in the collateral; and 4914

(4) The name and mailing address of the secured party, 4915  
debtor, and transferee. 4916

(B) A transfer statement entitles the transferee to the transfer of record of all rights of the debtor in the collateral specified in the statement in any official filing, recording, registration, or certificate of title system covering the collateral. If a transfer statement is presented with the applicable fee and request form to the official or office responsible for maintaining the system, the official or office shall:

(1) Accept the transfer statement;

(2) Promptly amend its records to reflect the transfer;

and

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

(C) A transfer of the record or legal title to collateral to a secured party under division (B) of this section or otherwise is not of itself a disposition of collateral under this chapter and does not of itself relieve the secured party of its duties under this chapter.

**Sec. 1309.620. Acceptance of collateral in full or partial satisfaction of obligation; compulsory disposition of collateral [UCC 9-620]**

(A) Except as otherwise provided in division (G) of this section, a secured party may accept collateral in full or partial satisfaction of the obligation it secures only if:

(1) The debtor consents to the acceptance under division (C) of this section;

(2) The secured party, within the time prescribed in division (D) of this section, does not receive a notification of



objection to the proposal ~~authenticated~~signed by: 4945

(a) A person to whom the secured party was required to 4946  
send a proposal under section 1309.621 of the Revised Code; or 4947

(b) Any other person, other than the debtor, holding an 4948  
interest in the collateral subordinate to the security interest 4949  
that is the subject of the proposal. 4950

(3) If the collateral is consumer goods, the collateral is 4951  
not in the possession of the debtor when the debtor consents to 4952  
the acceptance; and 4953

(4) Division (E) of this section does not require the 4954  
secured party to dispose of the collateral, or the debtor waives 4955  
the requirement pursuant to section 1309.624 of the Revised 4956  
Code. 4957

(B) A purported or apparent acceptance of collateral under 4958  
this section is not effective unless: 4959

(1) The secured party consents to the acceptance in ~~an~~ 4960  
~~authenticated~~a signed record or sends a proposal to the debtor; 4961  
and 4962

(2) The conditions of division (A) of this section are 4963  
met. 4964

(C) For purposes of this section: 4965

(1) A debtor consents to an acceptance of collateral in 4966  
partial satisfaction of the obligation it secures only if the 4967  
debtor agrees to the terms of the acceptance in a record 4968  
~~authenticated~~signed after default; and 4969

(2) A debtor consents to an acceptance of collateral in 4970  
full satisfaction of the obligation it secures only if the 4971

debtor agrees to the terms of the acceptance in a record 4972  
authenticated after default or the secured party: 4973

(a) Sends to the debtor after default a proposal that is 4974  
unconditional or subject only to a condition that collateral not 4975  
in the possession of the secured party be preserved or 4976  
maintained; 4977

(b) In the proposal, proposes to accept collateral in full 4978  
satisfaction of the obligation it secures; and 4979

(c) Does not receive a notification of objection 4980  
~~authenticated~~ signed by the debtor within twenty days after the 4981  
proposal is sent. 4982

(D) To be effective under division (A) (2) of this section, 4983  
a notification of objection must be received by the secured 4984  
party: 4985

(1) In the case of a person to whom the proposal was sent 4986  
pursuant to section 1309.621 of the Revised Code, within twenty 4987  
days after notification was sent to that person; and 4988

(2) In the case of persons other than those described in 4989  
division (D) (1) of this section: 4990

(a) Within twenty days after the last notification was 4991  
sent pursuant to section 1309.621 of the Revised Code; or 4992

(b) If a notification was not sent, before the debtor 4993  
consents to the acceptance under division (C) of this section. 4994

(E) A secured party who has taken possession of collateral 4995  
shall dispose of the collateral pursuant to section 1309.610 of 4996  
the Revised Code within the time specified in division (F) of 4997  
this section if: 4998

(1) Sixty per cent of the cash price has been paid in the case of a purchase-money security interest in consumer goods; or	4999 5000
(2) Sixty per cent of the principal amount of the obligation secured has been paid in the case of a non-purchase-money security interest in consumer goods.	5001 5002 5003
(F) To comply with division (E) of this section, the secured party shall dispose of the collateral:	5004 5005
(1) Within ninety days after taking possession; or	5006
(2) Within any longer period to which the debtor and all secondary obligors have agreed in an agreement to that effect entered into and <del>authenticated</del> <u>signed</u> after default.	5007 5008 5009
(G) In a consumer transaction, a secured party may not accept collateral in partial satisfaction of the obligation it secures.	5010 5011 5012
<b>Sec. 1309.621. <u>Notification of proposal to accept collateral [UCC 9-621]</u></b>	5013 5014
(A) A secured party who desires to accept collateral in full or partial satisfaction of the obligation it secures shall send its proposal to:	5015 5016 5017
(1) Any person from whom the secured party has received, before the debtor consented to the acceptance, <del>an authenticated</del> <u>a signed</u> notification of a claim of an interest in the collateral;	5018 5019 5020 5021
(2) Any other secured party or lienholder who, ten days before the debtor consented to the acceptance, held a security interest in or other lien on the collateral perfected by the filing of a financing statement that:	5022 5023 5024 5025

(a) Identified the collateral;	5026
(b) Was indexed under the debtor's name as of that date;	5027
(c) Was filed in the office or offices in which to file a financing statement against the debtor covering the collateral as of that date; and	5028 5029 5030
(3) Any other secured party who, ten days before the debtor consented to the acceptance, held a security interest in the collateral perfected by compliance with a statute, regulation, or treaty described in division (A) of section 1309.311 of the Revised Code.	5031 5032 5033 5034 5035
(B) A secured party who desires to accept collateral in partial satisfaction of the obligation it secures shall send its proposal to any secondary obligor in addition to the persons described in division (A) of this section.	5036 5037 5038 5039
<b>Sec. 1309.624. <u>Waiver [UCC 9-624]</u></b>	5040
(A) A debtor or secondary obligor may waive the right to notification of disposition of collateral under section 1309.611 of the Revised Code only by an agreement to that effect entered into and <del>authenticated</del> <u>signed</u> after default.	5041 5042 5043 5044
(B) A debtor may waive the right to require disposition of collateral under division (E) of section 1309.620 of the Revised Code only by an agreement to that effect entered into and <del>authenticated</del> <u>signed</u> after default.	5045 5046 5047 5048
(C) Except in a consumer-goods transaction, a debtor or secondary obligor may waive the right to redeem collateral under section 1309.623 of the Revised Code only by an agreement to that effect entered into and <del>authenticated</del> <u>signed</u> after default.	5049 5050 5051 5052
<b>Sec. 1309.628. <u>Nonliability and limitation on liability of</u></b>	5053

<u>secured party; liability of secondary obligor [UCC 9-628]</u>	5054
(A) <del>Unless</del> <u>Subject to division (F) of this section, unless</u>	5055
a secured party knows that a person is a debtor or obligor,	5056
knows the identity of the person, and knows how to communicate	5057
with the person:	5058
(1) The secured party is not liable to the person, or to a	5059
secured party or lienholder that has filed a financing statement	5060
against the person, for failure to comply with this chapter; and	5061
(2) The failure of the secured party to comply with this	5062
chapter does not affect the liability of the person for a	5063
deficiency.	5064
(B) <del>A</del> <u>Subject to division (F) of this section, a secured</u>	5065
party is not liable because of its status as secured party:	5066
(1) To a person that is a debtor or obligor, unless the	5067
secured party knows;	5068
(a) That the person is a debtor or obligor;	5069
(b) The identity of the person; and	5070
(c) How to communicate with the person; or	5071
(2) To a secured party or lienholder that has filed a	5072
financing statement against a person, unless the secured party	5073
knows:	5074
(a) That the person is a debtor; and	5075
(b) The identity of the person.	5076
(C) A secured party is not liable to any person, and a	5077
person's liability for a deficiency is not affected, because of	5078
any act or omission arising out of the secured party's	5079
reasonable belief that a transaction is not a consumer-goods	5080

transaction or a consumer transaction or that goods are not 5081  
consumer goods, if the secured party's belief is based on its 5082  
reasonable reliance on: 5083

(1) A debtor's representation concerning the purpose for 5084  
which collateral was to be used, acquired, or held; or 5085

(2) An obligor's representation concerning the purpose for 5086  
which a secured obligation was incurred. 5087

(D) A secured party is not liable to any person under 5088  
division (C) (2) of section 1309.625 of the Revised Code for its 5089  
failure to comply with section 1309.616 of the Revised Code. 5090

(E) A secured party is not liable under division (C) (2) of 5091  
section 1309.625 of the Revised Code more than once with respect 5092  
to any one secured obligation. 5093

(F) Divisions (A) and (B) of this section do not apply to 5094  
limit the liability of a secured party to a person if, at the 5095  
time the secured party obtains control of collateral that is a 5096  
controllable account, controllable electronic record, or 5097  
controllable payment intangible or at the time the security 5098  
interest attaches to the collateral, whichever is later: 5099

(1) The person is a debtor or obligor; or 5100

(2) The secured party knows that the information in 5101  
division (B) (1) (a), (b), or (c) of this section relating to the 5102  
person is not provided by the collateral, a record attached to 5103  
or logically associated with the collateral, or the system in 5104  
which the collateral is recorded. 5105

**Sec. 1310.01.** Definitions and index of definitions [UCC 5106  
2A-103] 5107

(A) As used in sections 1310.01 to 1310.78 of the Revised 5108

Code, unless the context otherwise requires: 5109

(1) "Buyer in ordinary course of business" means a person 5110  
who in good faith and without knowledge that the sale to the 5111  
person is in violation of the ownership rights or security 5112  
interest or leasehold interest of a third party in the goods 5113  
buys in ordinary course from a person in the business of selling 5114  
goods of that kind. "Buyer in ordinary course of business" does 5115  
not include a pawnbroker. "Buying" may be for cash, by exchange 5116  
of other property, or on secured or unsecured credit and 5117  
includes acquiring goods or documents of title under a 5118  
preexisting contract for sale. "Buying" does not include a 5119  
transfer in bulk or as security for or in total or partial 5120  
satisfaction of a money debt. 5121

(2) "Cancellation" occurs when either party puts an end to 5122  
the lease contract for default by the other party. 5123

(3) "Commercial unit" means a unit of goods that by 5124  
commercial usage is a single whole for purposes of lease and 5125  
division of which materially impairs its character or value on 5126  
the market or in use. A "commercial unit" may be a single 5127  
article, including a machine; a set of articles, including a 5128  
suite of furniture or a line of machinery; a quantity, including 5129  
a gross or carload; or any other unit treated in use or in the 5130  
relevant market as a single whole. 5131

(4) "Conforming" goods or performance under a lease 5132  
contract means goods or performance that are in accordance with 5133  
the obligations under the lease contract. 5134

(5) "Consumer lease" means a lease that a lessor regularly 5135  
engaged in the business of leasing or selling makes to a lessee 5136  
who is an individual and who takes under the lease primarily for 5137

a personal, family, or household purpose. 5138

(6) "Fault" means wrongful act, omission, breach, or 5139  
default. 5140

(7) "Finance lease" means a lease with respect to which 5141  
all of the following apply: 5142

(a) The lessor does not select, manufacture, or supply the 5143  
goods; 5144

(b) The lessor acquires the goods or the right to 5145  
possession and use of the goods in connection with the lease; 5146

(c) One of the following occurs: 5147

(i) The lessee receives a copy of the contract by which 5148  
the lessor acquired the goods or the right to possession and use 5149  
of the goods before signing the lease contract; 5150

(ii) The lessee's approval of the contract by which the 5151  
lessor acquired the goods or the right to possession and use of 5152  
the goods is a condition to effectiveness of the lease contract; 5153

(iii) Before signing the lease contract, the lessee 5154  
receives an accurate and complete statement designating the 5155  
promises and warranties, disclaimers of warranties, limitations 5156  
or modifications of remedies, or liquidated damages of the 5157  
manufacturer of the goods and of any other third party that were 5158  
provided to the lessor by the person supplying the goods in 5159  
connection with or as part of the contract by which the lessor 5160  
acquired the goods or the right to possession and use of the 5161  
goods; 5162

(iv) If the lease is not a consumer lease, before the 5163  
lessee signs the lease contract, the lessor informs the lessee 5164  
in writing of the identity of the person supplying the goods to 5165



the lessor, unless the lessee has selected that person and 5166  
directed the lessor to acquire the goods or the right to 5167  
possession and use of the goods from that person; that the 5168  
lessee is entitled under sections 1310.01 to 1310.78 of the 5169  
Revised Code to the promises and warranties, including those of 5170  
any third party, provided to the lessor by the person supplying 5171  
the goods in connection with or as part of the contract by which 5172  
the lessor acquired the goods or the right to possession and use 5173  
of the goods; and that the lessee may communicate with the 5174  
person supplying the goods to the lessor and receive an accurate 5175  
and complete statement of those promises and warranties, 5176  
including any disclaimers and limitations of them or of 5177  
remedies. 5178

~~(8)~~ (8) (a) "Goods" means all things that are movable at the 5179  
time of identification to the lease contract or that are 5180  
fixtures, as defined in section 1310.37 of the Revised Code. 5181  
"Goods" does not include money, documents, instruments, 5182  
accounts, chattel paper, general intangibles, or minerals or the 5183  
like, including oil and gas, before extraction. "Goods" includes 5184  
the unborn young of animals. 5185

(b) "Hybrid lease" means a single transaction involving a 5186  
lease of goods and one or more of the following: 5187

(i) The provision of services; 5188

(ii) A sale of other goods; 5189

(iii) A sale, lease, or license of property other than 5190  
goods. 5191

(9) "Installment lease contract" means a lease contract 5192  
that authorizes or requires the delivery of goods in separate 5193  
lots to be separately accepted, even though the lease contract 5194

contains a clause "each delivery is a separate lease" or its 5195  
equivalent. 5196

(10) "Lease" means a transfer of the right to possession 5197  
and use of goods for a term in return for consideration. A sale, 5198  
including a sale on approval or a sale or return, or retention 5199  
or creation of a security interest, is not a lease. Unless the 5200  
context clearly indicates otherwise, "lease" includes a 5201  
sublease. 5202

(11) "Lease agreement" means the bargain, with respect to 5203  
the lease, of the lessor and the lessee in fact as found in 5204  
their language or by implication from other circumstances, 5205  
including course of dealing, usage of trade, or course of 5206  
performance as provided in sections 1310.01 to 1310.78 of the 5207  
Revised Code. Unless the context clearly indicates otherwise, 5208  
"lease agreement" includes a sublease agreement. 5209

(12) "Lease contract" means the total legal obligation 5210  
that results from the lease agreement as affected by sections 5211  
1310.01 to 1310.78 of the Revised Code and any other applicable 5212  
rules of law. Unless the context clearly indicates otherwise, 5213  
"lease contract" includes a sublease contract. 5214

(13) "Leasehold interest" means the interest of the lessor 5215  
or the lessee under a lease contract. 5216

(14) "Lessee" means a person who acquires the right to 5217  
possession and use of goods under a lease. Unless the context 5218  
clearly indicates otherwise, "lessee" includes a sublessee. 5219

(15) "Lessee in ordinary course of business" means a 5220  
person who in good faith and without knowledge that the lease to 5221  
the person is in violation of the ownership rights or security 5222  
interest or leasehold interest of a third party in the goods 5223

leases in ordinary course from a person in the business of 5224  
selling or leasing goods of that kind. "Lessee in ordinary 5225  
course of business" does not include a pawnbroker. "Leasing" may 5226  
be for cash, by exchange of other property, or on secured or 5227  
unsecured credit and includes acquiring goods or documents of 5228  
title under a preexisting lease contract. "Leasing" does not 5229  
include a transfer in bulk or as security for or in total or 5230  
partial satisfaction of a money debt. 5231

(16) "Lessor" means a person who transfers the right to 5232  
possession and use of goods under a lease. Unless the context 5233  
clearly indicates otherwise, "lessor" includes a sublessor. 5234

(17) "Lessor's residual interest" means the lessor's 5235  
interest in the goods after expiration, termination, or 5236  
cancellation of the lease contract. 5237

(18) "Lien" means a charge against or interest in goods to 5238  
secure payment of a debt or performance of an obligation but 5239  
does not include a security interest. 5240

(19) "Lot" means a parcel or a single article that is the 5241  
subject matter of a separate lease or delivery, whether or not 5242  
it is sufficient to perform the lease contract. 5243

(20) "Merchant lessee" means a lessee that is a merchant 5244  
with respect to goods of the kind subject to the lease. 5245

(21) "Present value" means the amount as of a date certain 5246  
of one or more sums payable in the future, discounted to the 5247  
date certain. The discount is determined by the interest rate 5248  
specified by the parties if the rate was not manifestly 5249  
unreasonable at the time the parties entered into the 5250  
transaction. The discount otherwise is determined by a 5251  
commercially reasonable rate that takes into account the facts 5252

and circumstances of each case at the time the parties entered into the transaction.	5253 5254
(22) "Purchase" includes taking by sale, lease, mortgage, security interest, pledge, gift, or any other voluntary transaction creating an interest in goods.	5255 5256 5257
(23) "Sublease" means a lease of goods the right to possession and use of which was acquired by the lessor as a lessee under an existing lease.	5258 5259 5260
(24) "Supplier" means a person from whom a lessor buys or leases goods to be leased under a finance lease.	5261 5262
(25) "Supply contract" means a contract under which a lessor buys or leases goods to be leased.	5263 5264
(26) "Termination" occurs when either party pursuant to a power created by agreement or law puts an end to the lease contract otherwise than for default.	5265 5266 5267
(B) The following definitions also apply to sections 1310.01 to 1310.78 of the Revised Code:	5268 5269
(1) "Accessions," as defined in section 1310.38 of the Revised Code;	5270 5271
(2) "Construction mortgage," "encumbrance," "fixtures," "fixture filing," and "purchase money lease" as defined in section 1310.37 of the Revised Code.	5272 5273 5274
(C) As used in sections 1310.01 to 1310.78 of the Revised Code:	5275 5276
(1) "Account," "chattel paper," "document," "general intangible," "instrument," "mortgage," and "pursuant to commitment" have the same meanings as in section 1309.102 of the	5277 5278 5279

Revised Code.	5280
(2) "Between merchants," "buyer," "merchant," "receipt," "sale," and "seller" have the same meanings as in section 1302.01 of the Revised Code.	5281 5282 5283
(3) "Consumer goods" has the same meaning as in section 1309.07 of the Revised Code.	5284 5285
(4) "Entrusting" has the same meaning as in section 1302.44 of the Revised Code.	5286 5287
(5) "Good faith" has the same meaning as in section 1301.201 of the Revised Code.	5288 5289
(6) "Sale on approval" and "sale or return" have the same meanings as in section 1302.39 of the Revised Code.	5290 5291
(D) In addition, Chapter 1301. of the Revised Code contains general definitions and principles of construction and interpretation applicable throughout this chapter.	5292 5293 5294
<b>Sec. 1310.02.</b> <del>(A) Scope [UCC 2A-102]</del>	5295
<u>(A) (1) Sections 1310.01 to 1310.78 of the Revised Code apply to any transaction, regardless of form, that creates a lease and, in the case of a hybrid lease, it applies to the extent provided in division (A) (2) of this section.</u>	5296 5297 5298 5299
<u>(2) In a hybrid lease:</u>	5300
<u>(a) If the lease-of-goods aspects do not predominate:</u>	5301
<u>(i) Only the provisions of sections 1310.01 to 1310.78 of the Revised Code which relate primarily to the lease-of-goods aspects of the transaction apply, and the provisions that relate primarily to the transaction as a whole do not apply;</u>	5302 5303 5304 5305
<u>(ii) Section 1310.16 of the Revised Code applies if the</u>	5306

lease is a finance lease; and 5307

(iii) Section 1310.46 of the Revised Code applies to the 5308  
promises of the lessee in a finance lease to the extent the 5309  
promises are consideration for the right to possession and use 5310  
of the leased good; and 5311

(b) If the lease-of-goods aspects predominate, sections 5312  
1310.01 to 1310.78 of the Revised Code apply to the transaction, 5313  
but do not preclude application in appropriate circumstances of 5314  
other law to aspects of the lease which do not relate to the 5315  
lease of goods. 5316

(B) (1) A lease, although subject to sections 1310.01 to 5317  
1310.78 of the Revised Code, is also subject to Chapter 1548., 5318  
4505., or 4585. of the Revised Code, any applicable certificate 5319  
of title statute of another jurisdiction as provided in section 5320  
1310.03 of the Revised Code, and Chapter 1345., 1349., or 1351. 5321  
of the Revised Code. 5322

(2) If there is a conflict between the provisions of 5323  
sections 1310.01 to 1310.78 of the Revised Code, other than 5324  
section 1310.03, division (C) of section 1310.32, and division 5325  
(C) of section 1310.33 of the Revised Code, and any statute 5326  
referred to in division (B) (1) of this section, the provisions 5327  
of that statute control. 5328

(3) A failure to comply with any applicable statute has 5329  
only the effect specified in that statute. 5330

**Sec. 1310.05. Waiver or renunciation of claim or right** 5331  
**after default [UCC 2A-107]** 5332

Any claim or right arising out of an alleged default or 5333  
breach of warranty may be discharged in whole or in part without 5334  
consideration by a ~~written~~ waiver or renunciation in a signed 5335

<del>and record</del> delivered by the aggrieved party.	5336
<b>Sec. 1310.08. Statute of frauds [UCC 2A-201]</b>	5337
(A) A lease contract is not enforceable by way of action	5338
or defense unless one of the following applies:	5339
(1) The total payments to be made under the lease	5340
contract, excluding payments for options to renew or buy, are	5341
less than one thousand dollars;	5342
(2) There is a <del>writing</del> <u>record</u> , signed by the party against	5343
whom enforcement is sought or by that party's authorized agent,	5344
sufficient to indicate that a lease contract has been made	5345
between the parties and to describe the goods leased and the	5346
lease term.	5347
(B) Any description of leased goods or of the lease term	5348
is sufficient and satisfies division (A) (2) of this section,	5349
whether or not it is specific, if it reasonably identifies what	5350
is described.	5351
(C) A <del>writing</del> <u>record</u> is not insufficient because it omits	5352
or incorrectly states a term agreed upon, but the lease contract	5353
is not enforceable under division (A) (2) of this section beyond	5354
the lease term and the quantity of goods shown in the	5355
<del>writing</del> <u>record</u> .	5356
(D) A lease contract that does not satisfy the	5357
requirements of division (A) of this section but that is valid	5358
in other respects is enforceable as follows:	5359
(1) If the goods are to be specially manufactured or	5360
obtained for the lessee and are not suitable for lease or sale	5361
to others in the ordinary course of the lessor's business, and	5362
the lessor, before notice of repudiation is received and under	5363

circumstances that reasonably indicate that the goods are for 5364  
the lessee, has made either a substantial beginning of their 5365  
manufacture or commitments for their procurement; 5366

(2) If the party against whom enforcement is sought admits 5367  
in that party's pleading, in testimony, or otherwise in court 5368  
that a lease contract was made. The lease contract is not 5369  
enforceable under division (D) (2) of this section beyond the 5370  
quantity of goods admitted. 5371

(3) With respect to goods that have been received and 5372  
accepted by the lessee. 5373

(E) The lease term under a lease contract referred to in 5374  
division (D) of this section is one of the following: 5375

(1) If there is a ~~writing-record~~ signed by the party 5376  
against whom enforcement is sought or by that party's authorized 5377  
agent specifying the lease term, the term so specified; 5378

(2) If the party against whom enforcement is sought admits 5379  
in that party's pleading, in testimony, or otherwise in court a 5380  
lease term, the term so admitted; 5381

(3) A reasonable lease term. 5382

**Sec. 1310.09. Final expression: parol or extrinsic** 5383  
**evidence [UCC 2A-202]** 5384

Terms with respect to which the confirmatory memoranda of 5385  
the parties agree or that otherwise are set forth in a ~~writing-~~ 5386  
record intended by the parties as a final expression of their 5387  
agreement with respect to the terms that are included in their 5388  
agreement may not be contradicted by evidence of any prior 5389  
agreement or of a contemporaneous oral agreement but may be 5390  
explained or supplemented by both of the following: 5391



(A) Course of dealing, usage of trade, or course of performance; 5392  
5393

(B) Evidence of consistent additional terms, unless the court finds the ~~writing-record~~ to have been intended also as a complete and exclusive statement of the terms of the agreement. 5394  
5395  
5396

**Sec. 1310.10. Seals inoperative [UCC 2A-203]** 5397

The affixing of a seal to a ~~writing-record~~ evidencing a lease contract or an offer to enter into a lease contract does not render the ~~writing-record~~ a sealed instrument, and the law with respect to sealed instruments does not apply to a lease contract or offer to which a seal has been affixed. 5398  
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**Sec. 1310.12. Firm offers [UCC 2A-205]** 5403

An offer by a merchant to lease goods to or from another person in a signed ~~writing-record~~ that by its terms gives assurance it will be held open is not revocable, for lack of consideration, during the time stated or, if no time is stated, for a reasonable time, but in no event may the period of irrevocability exceed three months. Any such term of assurance on a form supplied by the offeree shall be separately signed by the offeror. 5404  
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**Sec. 1310.15. Modification, rescission, and waiver [UCC 2A-208]** 5412  
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(A) An agreement modifying a lease contract needs no consideration to be binding. 5414  
5415

(B) A signed lease agreement that excludes modification or rescission except by a signed ~~writing-record~~ may not be otherwise modified or rescinded, but, except as between merchants, a provision that excludes modification or rescission 5416  
5417  
5418  
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except by a signed ~~writing record~~ and that is on a form supplied 5420  
by a merchant shall be separately signed by the other party. 5421

(C) Although an attempt at modification or rescission does 5422  
not satisfy the requirements of division (B) of this section, it 5423  
may operate as a waiver. 5424

(D) A party who has made a waiver affecting an executory 5425  
portion of a lease contract may retract the waiver by reasonable 5426  
notification received by the other party that strict performance 5427  
will be required of any term waived, unless the retraction would 5428  
be unjust in view of a material change of position in reliance 5429  
on the waiver. 5430

**Sec. 1311.55.** (A) As used in this section: 5431

(1) "Agricultural product" means all fruit and vegetable 5432  
crops, meat and meat products, milk and dairy products, poultry 5433  
and poultry products, wool, and all seeds harvested by a 5434  
producer for sale, except that it does not include any grain 5435  
crop that is subject to the fee that the director of agriculture 5436  
may require to be remitted under section 926.16 of the Revised 5437  
Code. "Agricultural product" also includes an algacultural 5438  
product as defined in section 901.511 of the Revised Code. 5439

(2) "Agricultural product handling" means engaging in or 5440  
participating in the business of buying, selling, exchanging, or 5441  
negotiating or soliciting a purchase, sale, resale, exchange, or 5442  
transfer of an agricultural product. 5443

(3) "Agricultural product handler" or "handler" means any 5444  
person who is engaged in the business of agricultural product 5445  
handling, except that a person who sells only those agricultural 5446  
products that the person has produced, or buys agricultural 5447  
products for the person's own use, is not an agricultural 5448

product handler. 5449

(4) "Agricultural producer" or "producer" means any person 5450  
who grows, raises, or produces an agricultural product on land 5451  
that the person owns or leases. 5452

(5) "Proceeds" has the same meaning as in ~~division (A) (64)~~ 5453  
~~of~~ section 1309.102 of the Revised Code. 5454

(B) An agricultural producer who delivers an agricultural 5455  
product under an express or implied contract to an agricultural 5456  
product handler, or an agricultural product handler who delivers 5457  
an agricultural product under an express or implied contract to 5458  
another agricultural product handler, has a lien to secure the 5459  
payment for all of the agricultural product delivered under that 5460  
contract. The lien attaches to the product, whether in a raw or 5461  
processed condition, while in the possession of the agricultural 5462  
product handler, and to the proceeds of the sale of the 5463  
agricultural product. The lien attaches from the date of 5464  
delivery of the agricultural product to the handler, or if there 5465  
is a series of deliveries under the contract, from the date of 5466  
the first delivery. The lien is contingent until the producer or 5467  
handler complies with section 1311.56 of the Revised Code. 5468

(C) The lien on an agricultural product covers the 5469  
contract price agreed upon, or when there is no agreed price at 5470  
the time of delivery, the value of the agricultural product as 5471  
determined by the "market news service" of the Ohio department 5472  
of agriculture on the date the agricultural producer or handler 5473  
files the affidavit permitted under section 1311.56 of the 5474  
Revised Code. 5475

(D) Any waiver by a producer or handler of the producer's 5476  
or handler's right to an agricultural product lien is void as 5477

being contrary to public policy.	5478
<u>Sec. 1314.101. Title [UCC 12-101]</u>	5479
<u>This chapter may be cited as "Uniform Commercial Code,</u>	5480
<u>controllable electronic records."</u>	5481
<u>Sec. 1314.102. Definitions [UCC 12-102]</u>	5482
<u>As used in this chapter:</u>	5483
<u>(A) "Controllable electronic record" means a record stored</u>	5484
<u>in an electronic medium that can be subjected to control under</u>	5485
<u>section 1314.105 of the Revised Code. "Controllable electronic</u>	5486
<u>record" does not include a controllable account, a controllable</u>	5487
<u>payment intangible, a deposit account, an electronic copy of a</u>	5488
<u>record evidencing chattel paper, an electronic document of</u>	5489
<u>title, electronic money, investment property, or a transferable</u>	5490
<u>record.</u>	5491
<u>(B) "Qualifying purchaser" means a purchaser of a</u>	5492
<u>controllable electronic record or an interest in a controllable</u>	5493
<u>electronic record that obtains control of the controllable</u>	5494
<u>electronic record for value, in good faith, and without notice</u>	5495
<u>of a claim of a property right in the controllable electronic</u>	5496
<u>record.</u>	5497
<u>(C) "Transferable record" means both of the following:</u>	5498
<u>(1) A "transferable record," as defined in section 1306.15</u>	5499
<u>of the Revised Code;</u>	5500
<u>(2) A "transferable record," as defined in the "Electronic</u>	5501
<u>Signatures in Global and National Commerce Act," 15 U.S.C</u>	5502
<u>7021(a) (1).</u>	5503
<u>(D) "Value" has the same meaning as in section 1303.33 of</u>	5504

the Revised Code, as if references in that section to an 5505  
"instrument" were references to a controllable account, 5506  
controllable electronic record, or controllable payment 5507  
intangible. 5508

(E) "Account debtor," "controllable account," 5509  
"controllable payment intangible," "chattel paper," "deposit 5510  
account," "electronic money," and "investment property" have the 5511  
same meanings as in section 1309.102 of the Revised Code. 5512

**Sec. 1314.103.** Relation to Chapter 1309. of the Revised 5513  
Code and consumer laws [UCC 12-103] 5514

(A) If there is a conflict between this chapter and 5515  
Chapter 1309. of the Revised Code, Chapter 1309. of the Revised 5516  
Code governs. 5517

(B) A transaction subject to this chapter is subject to 5518  
any applicable rule of law that establishes a different rule for 5519  
consumers. 5520

**Sec. 1314.104.** Rights in controllable account, 5521  
controllable electronic record, and controllable payment 5522  
intangible [UCC 12-104] 5523

(A) This section applies to the acquisition and purchase 5524  
of rights in a controllable account or a controllable payment 5525  
intangible, including the rights and benefits under divisions 5526  
(C), (D), (E), (G), and (H) of this section of a purchaser and 5527  
qualifying purchaser, in the same manner this section applies to 5528  
a controllable electronic record. 5529

(B) To determine whether the purchaser of a controllable 5530  
account or a controllable payment intangible is a qualifying 5531  
purchaser, the purchaser obtains control of the account or 5532  
payment intangible if it obtains control of the controllable 5533

electronic record that evidences the account or payment 5534  
intangible. 5535

(C) Except as provided in this section, law other than 5536  
this chapter determines whether a person acquires a right in a 5537  
controllable electronic record and the right the person 5538  
acquires. 5539

(D) A purchaser of a controllable electronic record 5540  
acquires all rights in the controllable electronic record that 5541  
the transferor had or had power to transfer, except that a 5542  
purchaser of a limited interest in a controllable electronic 5543  
record acquires rights only to the extent of the interest 5544  
purchased. 5545

(E) A qualifying purchaser acquires its rights in the 5546  
controllable electronic record free of a claim of a property 5547  
right in the controllable electronic record. 5548

(F) Except as otherwise provided in divisions (A) and (E) 5549  
of this section for a controllable account and a controllable 5550  
payment intangible, or law other than this chapter, a qualifying 5551  
purchaser takes a right to payment, right to performance, or 5552  
other interest in property evidenced by the controllable 5553  
electronic record subject to a claim of a property right in the 5554  
right of payment, right to performance, or other interest in the 5555  
property. 5556

(G) An action shall not be asserted against a qualifying 5557  
purchaser based on both a purchase by the qualifying purchaser 5558  
of a controllable electronic record and a claim of a property 5559  
right in another controllable electronic record, whether the 5560  
action is framed in conversion, replevin, constructive trust, 5561  
equitable lien, or other theory. 5562

(H) Filing of a financing statement under Chapter 1309. of 5563  
the Revised Code is not notice of a claim of a property right in 5564  
a controllable electronic record. 5565

**Sec. 1314.105. Control of controllable electronic record** 5566  
[UCC 12-105] 5567

(A) A person has control of a controllable electronic 5568  
record if the electronic record, a record attached to or 5569  
logically associated with the electronic record, or a system in 5570  
which the electronic record is recorded: 5571

(1) Gives the person both of the following: 5572

(a) Power to avail itself of substantially all the 5573  
benefits from the electronic record; 5574

(b) Exclusive power, subject to division (B) of this 5575  
section, to do both of the following: 5576

(i) Prevent others from availing themselves of 5577  
substantially all the benefits from the electronic record; 5578

(ii) Transfer control of the electronic record to another 5579  
person or cause another person to obtain control of another 5580  
controllable electronic record as a result of the transfer of 5581  
the electronic record. 5582

(2) Enables the person to readily identify itself in any 5583  
way, including by name, identifying number, cryptographic key, 5584  
office, or account number, as having the powers specified in 5585  
division (A)(1) of this section. 5586

(B) Subject to division (C) of this section, a power is 5587  
exclusive under divisions (A)(1)(b)(i) and (ii) of the Revised 5588  
Code even if either or both of the following apply: 5589

(1) The controllable electronic record, a record attached to or logically associated with the electronic record, or a system in which the electronic record is recorded limits the use of the electronic record or has a protocol programmed to cause a change, including a transfer or loss of control or a modification of benefits afforded by the electronic record; 5590  
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(2) The power is shared with another person. 5596

(C) A power of a person is not shared with another person under division (B) (2) of this section and the person's power is not exclusive if both of the following apply: 5597  
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(1) The person can exercise the power only if the power is also exercised by the same person; 5600  
5601

(2) The other person either: 5602

(a) Can exercise the power without exercise of the power by the person; 5603  
5604

(b) Is the transferor to the person of an interest in the controllable electronic record or a controllable account or controllable payment intangible evidenced by the controllable electronic record. 5605  
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(D) If a person has the powers specified in divisions (A) (1) (b) (i) and (ii) of this section, the powers are presumed to be exclusive. 5609  
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(E) A person has control of a controllable electronic record if another person, other than the transferor to the person of an interest in the controllable electronic record or a controllable account or controllable payment intangible evidenced by the controllable electronic record either: 5612  
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(1) Has control of the electronic record and acknowledges 5617



that it has control on behalf of the person; 5618

(2) Obtains control of the electronic record after having 5619  
acknowledged that it will obtain control of the electronic 5620  
record on behalf of the person. 5621

(F) A person that has control under this section is not 5622  
required to acknowledge that it has control on behalf of another 5623  
person. 5624

(G) If a person acknowledges that it has or will obtain 5625  
control on behalf of another person, unless the person otherwise 5626  
agrees or law other than this chapter or Chapter 1309. of the 5627  
Revised Code provides otherwise, the person does not owe any 5628  
duty to the other person and is not required to confirm the 5629  
acknowledgment to any other person. 5630

**Sec. 1314.106. Discharge of account debtor on controllable** 5631  
**account or controllable payment intangible [UCC 12-106]** 5632

(A) An account debtor on a controllable account or 5633  
controllable payment intangible may discharge its obligation by 5634  
paying either: 5635

(1) The person having control of the controllable 5636  
electronic record that evidences the controllable account or 5637  
controllable payment intangible; 5638

(2) Except as provided in division (B) of this section, a 5639  
person that formerly had control of the controllable electronic 5640  
record. 5641

(B) Subject to division (D) of this section, the account 5642  
debtor may not discharge its obligation by paying a person that 5643  
formerly had control of the controllable electronic record if 5644  
the account debtor receives a notification that complies with 5645

all of the following: 5646

(1) Is signed by a person that formerly had control or the 5647  
person to which control was transferred; 5648

(2) Reasonably identifies the controllable account or 5649  
controllable payment intangible; 5650

(3) Notifies the account debtor that control of the 5651  
controllable electronic record that evidences the controllable 5652  
account or controllable payment intangible was transferred; 5653

(4) Identifies the transferee in any reasonably way, 5654  
including by name, identifying number, cryptographic key, 5655  
office, or account number; 5656

(5) Provides a commercially reasonable method by which the 5657  
account debtor is to pay the transferee. 5658

(C) After receipt of a notification that complies with 5659  
division (B) of this section, the account debtor may discharge 5660  
its obligation by paying in accordance with the notification and 5661  
may not discharge the obligation by paying a person that 5662  
formerly had control. 5663

(D) Subject to division (H) of this section, notification 5664  
is ineffective under division (B) of this section if any of the 5665  
following apply: 5666

(1) Unless, before the notification is sent, the account 5667  
debtor and the person that, at that time, had control of the 5668  
controllable electronic record that evidences the controllable 5669  
account or controllable payment intangible agree in a signed 5670  
record to a commercially reasonable method by which a person may 5671  
furnish reasonable proof that control has been transferred; 5672

(2) To the extent an agreement between the account debtor 5673

and seller of a payment intangible limits the account debtor's 5674  
duty to pay a person other than the seller and the limitation is 5675  
effective under law other than this chapter; 5676

(3) At the option of the account debtor, if the 5677  
notification notifies the account debtor to do any of the 5678  
following: 5679

(a) Divide a payment; 5680

(b) Make less than the full amount of an installment or 5681  
other periodic payment; 5682

(c) Pay any part of a payment by more than one method or 5683  
to more than one person. 5684

(E) Subject to division (H) of this section, if requested 5685  
by the account debtor, the person giving the notification under 5686  
division (B) of this section seasonably shall furnish reasonable 5687  
proof, using the method in the agreement referred to in division 5688  
(D) (1) of this section, that control of the controllable 5689  
electronic record has been transferred. Unless the person 5690  
complies with the request, the account debtor may discharge its 5691  
obligations by paying a person that formerly had control, even 5692  
if the account debtor has received a notification under division 5693  
(B) of this section. 5694

(F) A person furnishes reasonable proof under division (E) 5695  
of this section that control has been transferred if the person 5696  
demonstrates, using the method in the agreement referred to in 5697  
division (D) (1) of this section, that the transferee has the 5698  
power to do all of the following: 5699

(1) Avail itself of substantially all the benefit from the 5700  
controllable electronic record; 5701

(2) Prevent others from availing themselves of 5702  
substantially all the benefit from the controllable electronic 5703  
record; 5704

(3) Transfer the powers specified in divisions (F) (1) and 5705  
(2) of this section to another person. 5706

(G) Subject to division (H) of this section, an account 5707  
debtor may not waive or vary its rights under divisions (D) (1) 5708  
and (E) of this section, or its option under division (D) (3) of 5709  
this section. 5710

(H) This section is subject to law other than this chapter 5711  
which establishes a different rule for an account debtor who is 5712  
an individual and who incurred the obligation primarily for 5713  
personal, family, or household purposes. 5714

**Sec. 1314.107. Governing law [UCC 12-107]** 5715

(A) Except as otherwise provided in division (B) of this 5716  
section, the local law of a controllable electronic record's 5717  
jurisdiction governs a matter covered by this chapter. 5718

(B) For a controllable electronic record that evidences a 5719  
controllable account or controllable payment intangible, the 5720  
local law of the controllable electronic record's jurisdiction 5721  
governs a matter covered by section 1314.106 of the Revised Code 5722  
unless an effective agreement determines that the local law of 5723  
another jurisdiction governs. 5724

(C) The following rules determine a controllable 5725  
electronic record's jurisdiction under this section: 5726

(1) If the controllable electronic record, or a record 5727  
attached to or logically associated with the controllable 5728  
electronic record and readily available for review, expressly 5729

provides that a particular jurisdiction is the controllable 5730  
electronic record's jurisdiction for purposes of this chapter or 5731  
Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., 5732  
or 1310. of the Revised Code, that jurisdiction is the 5733  
controllable electronic record's jurisdiction. 5734

(2) If division (C) (1) of this section does not apply and 5735  
the rules of the system in which the controllable electronic 5736  
record is recorded are readily available for review and 5737  
expressly provide that a particular jurisdiction is the 5738  
controllable electronic record's jurisdiction for purposes of 5739  
this chapter or Chapters 1301., 1302., 1303., 1304., 1305., 5740  
1307., 1308., 1309., or 1310. of the Revised Code, that 5741  
jurisdiction is the controllable electronic record's 5742  
jurisdiction. 5743

(3) If divisions (C) (1) and (2) of this section do not 5744  
apply and the controllable electronic record, or a record 5745  
attached to or logically associated with the controllable 5746  
electronic record and readily available for review, expressly 5747  
provides that the controllable electronic record is governed by 5748  
the law of a particular jurisdiction, that jurisdiction is the 5749  
controllable electronic record's jurisdiction. 5750

(4) If divisions (C) (1), (2), and (3) of this section do 5751  
not apply and the rules of the system in which the controllable 5752  
electronic record is recorded are readily accessible for review 5753  
and expressly provide that the controllable electronic record or 5754  
the system is governed by the law of a particular jurisdiction, 5755  
that jurisdiction is the controllable electronic record's 5756  
jurisdiction. 5757

(5) If divisions (C) (1), (2), (3), and (4) of this section 5758  
do not apply, the controllable electronic record's jurisdiction 5759

is the District of Columbia. 5760

(D) If division (C) (5) of this section applies and article twelve is not in effect in the District of Columbia without material modification, the governing law for a matter covered by this chapter is the law of the District of Columbia as though article twelve were in effect in the District of Columbia without material modification. In this division, "article twelve" means article twelve of the uniform commercial code. 5761  
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(E) To the extent divisions (A) and (B) of this section provide that the local law of the controllable electronic record's jurisdiction governs a matter covered by this chapter, that law governs even if the matter or transaction to which the matter relates does not bear any relation to the controllable electronic record's jurisdiction. 5768  
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(F) The rights acquired under section 1314.104 of the Revised Code by a purchaser or qualifying purchaser are governed by the law applicable under this section at the time of purchase. 5774  
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**Sec. 1316.101. Title [UCC A-101]** 5778

This chapter may be cited as "transitional provisions for Uniform Commercial Code amendments (2022)." 5779  
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**Sec. 1316.102. Definitions [A-102]** 5781

(A) As used in this chapter: 5782

(1) "Adjustment date" means July 1, 2025, or the date that is one year after the effective date of this section, whichever is later. 5783  
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(2) "Article 12" means Chapter 1314. of the Revised Code. 5786

(3) "Article 12 property" means a controllable account, 5787  
controllable electronic record, or controllable payment 5788  
intangible. 5789

(4) "Uniform Commercial Code" means Chapters 1301., 1302., 5790  
1303., 1304., 1305., 1307., 1308., 1309., 1310., and 1314. of 5791  
the Revised Code. 5792

(B) The following definitions in other chapters of the 5793  
Revised Code apply to this chapter: 5794

(1) "Controllable account," has the same meaning as in 5795  
section 1309.102 of the Revised Code; 5796

(2) "Controllable electronic record," has the same meaning 5797  
as in section 1314.102 of the Revised Code; 5798

(3) "Controllable payment intangible" has the same meaning 5799  
as in section 1309.102 of the Revised Code; 5800

(4) "Electronic money" has the same meaning as in section 5801  
1309.102 of the Revised Code; 5802

(5) "Financing statement" has the same meaning as in 5803  
section 1309.102 of the Revised Code. 5804

(C) Chapter 1301. of the Revised Code contains general 5805  
definitions and principles of construction and interpretation 5806  
applicable throughout this chapter. 5807

**Sec. 1316.201.** Except as provided in sections 1316.301 to 5808  
1316.306 of the Revised Code, a transaction validly entered into 5809  
before the effective date of this section and the rights, 5810  
duties, and interests following from the transaction remain 5811  
valid thereafter and may be terminated, completed, consummated, 5812  
or enforced as required or permitted by law other than the 5813  
Uniform Commercial Code or, if applicable, the Uniform 5814

Commercial Code as it existed before the effective date of this section. 5815  
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**Sec. 1316.301. Saving clause [UCC A-301]** 5817

(A) Except as provided in sections 1316.301 to 1316.306 of the Revised Code, the version of Chapter 1309. of the Revised Code that applies on the effective date of this section, and Article 12 apply to a transaction, lien, or other interest in property, even if the transaction lien, or interest was entered into, created, or acquired before the effective date of this section. 5818  
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(B) Except as provided in division (C) of this section and sections 1316.302 to 1316.306 of the Revised Code: 5825  
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(1) A transaction, lien, or interest in property that was validly entered into, created, or transferred before the effective date of this section and was not governed by the Uniform Commercial Code, but would be subject to Chapter 1309. of the Revised Code or Article 12 if it had been entered into, created, or transferred on or after the effective date of this section, including the rights, duties, and interests flowing from the transaction, lien, or interest, remains valid on and after the effective date of this section; and 5827  
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(2) The transaction, lien, or interest may be terminated, completed, consummated, and enforced as required or permitted by the Uniform Commercial Code, as it exists on the effective date of this section, or by the law that applied before that date. 5836  
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(C) The amendments to the Uniform Commercial Code that apply on the effective date of this section do not affect an action, case, or other proceeding commenced before the effective date of this section. 5840  
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Sec. 1316.302. Security interest perfected before 5844  
effective date [UCC A-302] 5845

(A) A security interest that is enforceable and perfected 5846  
immediately before the effective date of this section is a 5847  
perfected security interest under the Uniform Commercial Code, 5848  
as it exists on the effective date of this section, and the 5849  
requirements for enforceability and perfection under the Uniform 5850  
Commercial Code, as it exists on the effective date of this 5851  
section, are satisfied without further action. 5852

(B) If a security interest is enforceable and perfected 5853  
immediately before the effective date of this section, but the 5854  
requirements for enforceability or perfection under the Uniform 5855  
Commercial Code, as it exists on the effective date of this 5856  
section, are not satisfied on the effective date of this 5857  
section, the security interest: 5858

(1) Is a perfected security interest until the earlier of 5859  
the time perfection would have ceased under the law in effect 5860  
immediately before the effective date of this section or the 5861  
adjustment date; 5862

(2) Remains enforceable thereafter only if the security 5863  
interest satisfies the requirements for enforceability under 5864  
section 1309.203 of the Revised Code, as it exists on the 5865  
effective date of this section, before the adjustment date; and 5866

(3) Remains perfected thereafter only if the requirements 5867  
for perfection are under the Uniform Commercial Code, as it 5868  
exists on the effective date of this section, are satisfied 5869  
before the time specified in division (B)(1) of this section. 5870

Sec. 1316.303. Security interest unperfected before 5871  
effective date [UCC A-303] 5872

A security interest that is enforceable immediately before 5873  
the effective date of this section but is unperfected at that 5874  
time: 5875

(A) Remains an enforceable security interest until the 5876  
adjustment date; 5877

(B) Remains enforceable thereafter if the security 5878  
interest becomes enforceable under section 1309.203 of the 5879  
Revised Code, as amended by this act, on the effective date of 5880  
this section or before the adjustment date; and 5881

(C) Becomes perfected: 5882

(1) Without further action, on the effective date of this 5883  
section if the requirements for perfection the Uniform 5884  
Commercial Code, as it exists on the effective date of this 5885  
section, are satisfied before or at that time; or 5886

(2) When the requirements for perfection are satisfied if 5887  
the requirements are satisfied after that time. 5888

**Sec. 1316.304. Effectiveness of actions taken before** 5889  
**effective date [UCC A-304]** 5890

(A) If action, other than the filing of a financing 5891  
statement, is taken before the effective date of this section 5892  
and the action would have resulted in perfection of the security 5893  
interest had the security interest become enforceable before the 5894  
effective date of this section, the action is effective to 5895  
perfect a security interest that attaches under the Uniform 5896  
Commercial Code, as it exists on the effective date of this 5897  
section, before the adjustment date. An attached security 5898  
interest becomes unperfected on the adjustment date unless the 5899  
security interest becomes a perfected security interest under 5900  
the Uniform Commercial Code, as it exists on the effective date 5901

of this section, before the adjustment date. 5902

(B) The filing of a financing statement before the 5903  
effective date of this section is effective to perfect a 5904  
security interest on the effective date of this section to the 5905  
extent that the filing would satisfy the requirements for 5906  
perfection under the Uniform Commercial Code, as it exists on 5907  
the effective date of this section. 5908

(C) The taking of an action before the effective date of 5909  
this section is sufficient for the enforceability of a security 5910  
interest on the effective date of this section if the action 5911  
would satisfy the requirements for enforceability under the 5912  
Uniform Commercial Code, as it exists on the effective date of 5913  
this section. 5914

**Sec. 1316.305. Priority [UCC A-305]** 5915

(A) Subject to divisions (B) and (C) of this section, the 5916  
Uniform Commercial Code, as it exists on the effective date of 5917  
this section, determines the priority of conflicting claims to 5918  
collateral. 5919

(B) Subject to division (C) of this section, if the 5920  
priorities of claims to collateral were established before the 5921  
effective date of this section, Chapter 1309. of the Revised 5922  
Code, as it existed before the effective date of this section, 5923  
determines priority. 5924

(C) On the adjustment date, to the extent the priorities 5925  
determined by Chapter 1309. of the Revised Code, as it exists on 5926  
the effective date of this section, modify the priorities 5927  
established before the effective date of this section, 5928  
priorities of claims to Article 12 property and electronic money 5929  
established before the effective date of this section cease to 5930

apply. 5931

Sec. 1316.306. Priority of claims when priority rules of 5932  
Chapter 1309. of the Revised Code do not apply [UCC A-306] 5933

(A) Subject to divisions (B) and (C) of this section, 5934  
Article 12 determines the priorities of conflicting claims to 5935  
Article 12 property when priority rules of Chapter 1309. of the 5936  
Revised Code, as it exists on the effective date of this 5937  
section, do not apply. 5938

(B) Subject to division (C) of this section, when the 5939  
priority rules of Chapter 1309. of the Revised Code, as it 5940  
exists on the effective date of this section, do not apply and 5941  
the priorities of claims to Article 12 property were established 5942  
before the effective date of this section, law other than 5943  
Article 12 determines priority. 5944

(C) When the priority rules of Chapter 1309. of the 5945  
Revised Code, as it exists on the effective date of this 5946  
section, do not apply, to the extent priorities determined by 5947  
the Uniform Commercial Code, as it exists on the effective date 5948  
of this section, modify the priorities established before the 5949  
effective date of this section, the priorities of claims to 5950  
Article 12 property established before the effective date of 5951  
this section cease to apply on the adjustment date. 5952

**Section 2.** That existing sections 1301.101, 1301.102, 5953  
1301.103, 1301.104, 1301.105, 1301.106, 1301.201, 1301.204, 5954  
1301.205, 1301.206, 1301.301, 1301.302, 1301.304, 1301.305, 5955  
1301.306, 1302.01, 1302.02, 1302.04, 1302.05, 1302.06, 1302.08, 5956  
1302.12, 1303.01, 1303.03, 1303.41, 1303.69, 1304.51, 1304.56, 5957  
1304.57, 1304.58, 1304.62, 1304.63, 1304.65, 1304.66, 1304.72, 5958  
1305.03, 1305.15, 1307.102, 1307.106, 1308.01, 1308.02, 1308.05, 5959

1308.17, 1308.24, 1309.102, 1309.104, 1309.105, 1309.203, 5960  
1309.204, 1309.207, 1309.208, 1309.209, 1309.210, 1309.301, 5961  
1309.304, 1309.305, 1309.310, 1309.312, 1309.313, 1309.314, 5962  
1309.316, 1309.317, 1309.323, 1309.324, 1309.330, 1309.331, 5963  
1309.332, 1309.334, 1309.341, 1309.404, 1309.406, 1309.408, 5964  
1309.509, 1309.513, 1309.601, 1309.605, 1309.608, 1309.611, 5965  
1309.613, 1309.614, 1309.615, 1309.616, 1309.619, 1309.620, 5966  
1309.621, 1309.624, 1309.628, 1310.01, 1310.02, 1310.05, 5967  
1310.08, 1310.09, 1310.10, 1310.12, 1310.15, and 1311.55 of the 5968  
Revised Code are hereby repealed. 5969

**Section 3.** Section 1309.102 of the Revised Code is 5970  
presented in this act as a composite of the section as amended 5971  
by both H.B. 276 and S.B. 208 of the 129th General Assembly. The 5972  
General Assembly, applying the principle stated in division (B) 5973  
of section 1.52 of the Revised Code that amendments are to be 5974  
harmonized if reasonably capable of simultaneous operation, 5975  
finds that the composite is the resulting version of the section 5976  
in effect prior to the effective date of the section as 5977  
presented in this act. 5978