ENROLLED SENATE
BILL NO. 1519

By: Henry of the Senate

and

Toure of the House

An Act relating to secured transactions; revising Article 9 of the Uniform Commercial Code and providing short title; providing definitions and index of definitions; providing for purchase-money security interests, application of payments, and burden of establishing interest; stating when secured party controls deposit account, electronic chattel paper, investment property, and letter-of-credit rights; stating sufficiency of description; defining scope of article; providing for security interests which arise under certain other laws; stating general effectiveness of security agreements; declaring title of collateral immaterial; providing for attachment and enforceability of security interests; stating rights to proceeds; providing for supporting obligations and formal requisites; providing for after-acquired property and future advances; stating permissible use or disposition of collateral; providing for security interests in certain financial assets; stating rights and duties of secured party having possession or control of collateral; stating duties of secured party if account debtor has been notified of assignment; authorizing requests for accountings, lists of collateral, and statements of account; stating which law governs perfection and priority of certain security interests and agricultural liens; stating rules for determination of location of debtor; stating when security interest or agricultural lien is perfected; providing for continuity of perfection; stating security interests which are perfected upon attachment; stating when filing required to perfect security interest or agricultural lien and stating exceptions; providing for perfection of security interests in property subject to certain statutes, regulations, and treaties; providing for methods of perfection of security interests; stating secured party's rights on disposition of collateral and in proceeds; providing for continued perfection of security interests following change in governing law; stating interests that take priority over or take free of security interest or agricultural lien; stating certain rights and title of seller of account or chattel paper; stating certain rights and title of consignee; stating certain rights of buyers of goods; amending

12A O.S. 1991, Sections 9-307.1, 9-307.2, 9-307.3, 9-307.4, 9-307.5, 9-307.6, and 9-307.7, which relate to the central filing system for security interests in certain agricultural products; modifying statutory references; modifying definition; deleting obsolete language; deleting references to certain forms; clarifying grammar and punctuation; requiring authorized signature on certain forms; deleting authority for secured party to furnish notice under certain conditions; providing for certain licensees and lessees; stating priorities among conflicting security interests in and agricultural liens on same collateral; providing for future advances; stating priority of certain security interests and liens; stating priority of certain purchasers and other interests and entitlements; providing for transfer of money and funds from deposit accounts; providing for accessions; providing for commingled goods; providing for subordination; stating effectiveness of right of recoupment or set-off against deposit accounts; stating certain rights and duties of banks with respect to deposit accounts; authorizing banks to refuse to enter into or disclose existence of control agreements; providing for alienability of debtor's rights; limiting liability of secured party for contracts and torts of debtor; providing for certain agreements not to assert defenses against assignees; stating rights acquired by assignee; stating certain claims and defenses against assignee; providing for modification of assigned contracts; providing for discharge of account debtor, notification of assignment, identification and proof of assignment, and restrictions on certain assignments; stating restrictions on creation or enforcement of certain security interests; making certain restrictions on certain assignments ineffective; providing for a filing office; providing for contents of financing statements; stating when mortgage serves as financing statement; providing for time of filing financing statements; stating sufficiency of name of debtor and secured party; stating sufficiency of indications of collateral; providing for alternative means of compliance for certain consignments, leases, bailments, and other transactions; stating the effect of certain errors and omissions; stating effect of certain events on effectiveness of financing statements; stating persons who may file a record; stating effectiveness of certain filed records; providing for secure parties of record; providing for amendment of financing statements; providing for termination statements; providing for assignment of powers of secured parties of record; stating duration and effectiveness of financing statements; stating effect of lapsed financing statements; stating what constitutes filing; providing for effectiveness of filing; stating effect of indexing errors; providing for claims concerning inaccurate or wrongfully filed

records; providing for numbering, maintaining, and indexing records; providing for communication of information in records; providing for acceptance of and refusal to accept certain records; providing for forms; providing for maintenance and destruction of records; providing for distribution and sale or license of certain information; providing for delay by filing office; establishing and modifying fees; providing for filing office rules; providing procedures for adopting rules; providing for publication and distribution of rules; providing for disposition of certain fees; creating specified funds; providing procedures relating to certain fees, funds and accounts; requiring certain payments from certain funds; declaring duty to report; stating rights after default; providing for judicial enforcement; providing for certain consignors and buyers; providing for waiver and variance of certain rights and duties; authorizing certain agreements on standards concerning rights and duties; providing procedure when security agreement covers real property or fixtures; stating certain rights and duties regarding unknown debtors and secondary obligors; stating time of default for agricultural liens for certain purposes; providing for collection and enforcement by secured parties; providing for application or proceeds of collection or enforcement; stating liability for deficiency and right to surplus; stating secured party's right to take possession after default; providing for disposition of collateral after default; providing for notification before disposition of collateral, for determination of timeliness, and for content and forms; providing for application of proceeds of disposition; stating liability for deficiency and right to surplus; providing for explanations of calculations or surplus or deficiency; stating certain rights of certain transferees of collateral; stating rights and duties of certain secondary obligors; providing for transfer of record or legal title; providing for acceptance of collateral in full or partial satisfaction of obligation; providing for compulsory disposition of collateral; providing for notification of proposal to accept collateral; stating effect of acceptance of collateral; stating right to redeem collateral; providing for waiver of certain provisions; stating remedies for secured party's failure to comply with article; providing for actions in which deficiency or surplus is in issue; providing for determination of whether conduct was commercially reasonable; providing for nonliability and limitation on liability of secured party; providing for liability of secondary obligor; establishing savings clause; providing for security interests perfected and unperfected before effective date; declaring effectiveness of certain actions taken before effective date; stating when initial

financing statement suffices to continue effectiveness of financing statement; providing for amendment of pre-effective-date financing statements; stating persons entitled to file initial financing statement or continuation statement; providing for specified conflicts between certain priorities; stating duties of local-filing offices; setting fees; providing for maintenance, removal, and destruction of certain records after specified date; creating exception for records which relate to timber to be cut, as-extracted collateral, and fixtures; amending Section 9, Chapter 198, O.S.L. 1993, as last amended by Section 4, Chapter 381, O.S.L. 1997 (2 O.S. Supp. 1999, Section 3-50.9), which relates to the Oklahoma Boll Weevil Eradication Organization; modifying lien of Oklahoma Boll Weevil Eradication Organization and conforming procedures; amending 12A O.S. 1991, Sections 1-105, as last amended by Section 1, Chapter 112, O.S.L. 1997, 1-201, as amended by Section 1, Chapter 46, O.S.L. 1994, 2-103, as amended by Section 2, Chapter 46, O.S.L. 1994, 2-210, 2-326, 2-502, 2-716, 2A-103, 2A-303, 2A-307, 2A-309, 4-210, 7-503, Section 3, Chapter 242, O.S.L. 1995, Section 6, Chapter 242, O.S.L. 1995, Section 10, Chapter 242, O.S.L. 1995, Section 27, Chapter 242, O.S.L. 1995, Section 28, Chapter 242, O.S.L. 1995, Section 42, Chapter 242, O.S.L. 1995, Section 50, Chapter 242, O.S.L. 1995 (12A O.S. Supp. 1999, Sections 1-105, 1-201, 2-103, 8-103, 8-106, 8-110, 8-301, 8-302, 8-502, and 8-510), which relate to general provisions of the Uniform Commercial Code, sales, leases, bank deposits and collections, letters of credit, warehouse receipts, bills of lading, and other documents of title, and investment securities; modifying certain choice of law provisions; modifying definitions; modifying application of security interests to certain delegations of performance; modifying certain rights of buyers to goods on seller's insolvency; modifying certain rights of buyers to specific performance or replevin; modifying index to certain definitions; modifying alienability of party's interest under lease contract or of lessor's residual interest in goods, delegation of performance, and transfer of rights; modifying priority of liens arising by attachment or levy on, security interests in, and other claims to goods; modifying rights when goods become fixtures; modifying security interest of banks in items, accompanying documents, and proceeds; modifying security interest of issuer or nominated person; modifying control of certain security entitlements; modifying securities intermediary's jurisdiction; modifying delivery of certain certificated securities; modifying rights of certain purchasers of certain securities; modifying certain rights of certain purchasers of security entitlements; amending 19 O.S. 1991, Section 155.2, as amended by Section 1, Chapter 101, O.S.L. 1996 (19

O.S. Supp. 1999, Section 155.2), which relates to certain county records; clarifying duty of county clerks to destroy certain documents; amending 28 O.S. 1991, Sections 32, as last amended by Section 1, Chapter 92, O.S.L. 1998, and 111, as last amended by Section 16, Chapter 69, O.S.L. 1996 (28 O.S. Supp. 1999, Sections 32 and 111), which relate to certain fees charged by county clerks and the Secretary of State; deleting obsolete language; conforming statutory references; clarifying persons who must pay certain fee; establishing fee; creating fund and providing for deposits and disbursements; restricting uses of funds; amending Section 1, Chapter 276, O.S.L. 1992, 42 O.S. 1991, Section 115, as amended by Section 3, Chapter 202, O.S.L. 1994, and Section 7, Chapter 306, O.S.L. 1998, as amended by Section 3, Chapter 212, O.S.L. 1999 (42 O.S. Supp. 1999, Sections 47, 115, and 197), which relate to certain agricultural liens, threshers' and combiners' liens, and self-service storage facility liens; modifying lien for certain agricultural supplies; modifying procedures for enforcement of certain liens; amending 47 O.S. 1991, Section 1110, as last amended by Section 3, Chapter 92, O.S.L. 1999 (47 O.S. Supp. 1999, Section 1110), which relates to security interests in vehicles; clarifying statutory references; amending 51 O.S. 1991, Section 155, as last amended by Section 74, Chapter 133, O.S.L. 1997 (51 O.S. Supp. 1999, Section 155), which relates to limitations and exclusions under the Governmental Tort Claims Act; conforming statutory reference; amending 52 O.S. 1991, Sections 548.4 and 548.6, which relate to the Oil and Gas Owners' Lien Act; clarifying application of Oil and Gas Owners' Lien Act to certain priorities; conforming statutory references; amending 59 O.S. 1991, Section 1951, which relates to the Oklahoma Rental-Purchase Act; clarifying statutory reference; amending 62 O.S. 1991, Section 276.3, which relates to the Central Filing System Revolving Fund; conforming statutory references; amending 63 O.S. 1991, Section 4013, as last amended by Section 1, Chapter 337, O.S.L. 1996 (63 O.S. Supp. 1999, Section 4013), which relates to security interests in vessels and motors; clarifying and conforming statutory references; clarifying language; amending 68 O.S. 1991, Section 3405, which relates to the Uniform Federal Lien Registration Act; clarifying language; conforming statutory references; eliminating gender-based references; amending 74 O.S. 1991, Sections 853 and 859.1, which relate to the Oklahoma Industrial Finance Authority; conforming statutory references; clarifying certain dates; repealing Section 9, Chapter 206, O.S.L. 1988, which relates to report of the Secretary of State relating to costs and fee of the central filing system; repealing 12A O.S. 1991, Sections 9-101, 9-102, as amended by Section 21, Chapter 56, O.S.L. 1996, 9-

103.1, 9-104, 9-105 and 9-106, as last amended by Sections 22, 23, 24 and 25, Chapter 56, O.S.L. 1996, 9-107, 9-108, 9-109, 9-110, 9-111, 9-112, 9-113, 9-114, Sections 59 and 60, Chapter 242, O.S.L. 1995, 9-201, 9-202, 9-203, as last amended by Section 61, Chapter 242, O.S.L. 1995, 9-204, 9-205, 9-206, as amended by Section 7, Chapter 46, O.S.L. 1994, 9-207, 9-208, 9-301, as amended by Section 62, Chapter 242, O.S.L. 1995, 9-302, as last amended by Section 26, Chapter 56, O.S.L. 1996, 9-303, 9-304 and 9-305, as last amended by Sections 27 and 28, Chapter 56, O.S.L. 1996, 9-306, as last amended by Section 66, Chapter 242, O.S.L. 1995, 9-307, 9-307.8, 9-308, 9-309, as amended by Section 67, Chapter 242, O.S.L. 1995, 9-310, 9-311, 9-312, as last amended by Section 68, Chapter 242, O.S.L. 1995, 9-313, 9-314, 9-315, 9-316, 9-317, 9-318, 9-401, 9-401A, 9-402, as amended by Section 1 of Enrolled Senate Bill No. 1331 of the 2nd Session of the 47th Oklahoma Legislature; 9-403, 9-404, 9-405, 9-406, 9-407, 9-408, 9-501, 9-502, 9-503, 9-504, 9-505, 9-506 and 9-507 (12A O.S. Supp. 1999, Sections 9-102, 9-103.1, 9-104, 9-105, 9-106, 9-115, 9-116, 9-203, 9-206, 9-301, 9-302, 9-304, 9-305, 9-306, 9-309 and 9-312), which relate to secured transactions under the Uniform Commercial Code; providing for codification; providing for recodification; and providing effective dates.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-101 of Title 12A, unless there is created a duplication in numbering, reads as follows:

SHORT TITLE

This article, Sections 1 through 144 of this act, may be cited as Uniform Commercial Code - Secured Transactions.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-102 of Title 12A, unless there is created a duplication in numbering, reads as follows:

DEFINITIONS AND INDEX OF DEFINITIONS

(a) In this article:

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

(2) (A) "Account", except as used in "account for", means a right to payment of a monetary obligation, whether or not earned by performance:

(i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of;

(ii) for services rendered or to be rendered;

(iii) for a policy of insurance issued or to be issued;

(iv) for a secondary obligation incurred or to be incurred;

(v) for energy provided or to be provided;

(vi) for the use or hire of a vessel under a charter or other contract;

(vii) arising out of the use of a credit or charge card or information contained on or for use with the card; or

(viii) as winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or a person licensed or authorized to operate the game by a state or governmental unit of a state.

(B) The term includes health-care-insurance receivables.

(C) The term does not include:

(i) rights to payment evidenced by chattel paper or an instrument;

(ii) commercial tort claims;

(iii) deposit accounts;

(iv) investment property;

(v) letter-of-credit rights or letters of credit; or

(vi) rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information contained on or for use with the card.

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

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

(A) authenticated by a secured party;

(B) indicating the aggregate unpaid secured obligations as of a date not more than thirty-five (35) days earlier or thirty-five (35) days later than the date of the record; and

(C) identifying the components of the obligations in reasonable detail.

(5) "Agricultural lien" means an interest, other than a security interest, in farm products:

(A) which secures payment or performance of an obligation for:

(i) goods or services furnished in connection with a debtor's farming operation; or

(ii) rent on real property leased by a debtor in connection with its farming operation;

(B) which is created by statute in favor of a person that:

(i) in the ordinary course of its business furnished goods or services to a debtor in connection with a debtor's farming operation; or

(ii) leased real property to a debtor in connection with the debtor's farming operation; and

(C) whose effectiveness does not depend on the person's possession of the personal property.

(6) "As-extracted collateral" means:

(A) oil, gas, or other minerals that are subject to a security interest that:

(i) is created by a debtor having an interest in the minerals before extraction; and

(ii) attaches to the minerals as extracted; or

(B) accounts arising out of the sale at the wellhead or minehead of oil, gas, or other minerals in which the debtor had an interest before extraction.

(7) "Authenticate" means:

(A) to sign; or

(B) to execute or otherwise adopt a symbol, or encrypt or similarly process a record in whole or in part, with the present intent of the authenticating person to identify the person and adopt or accept a record.

(8) "Bank" means an organization that is engaged in the business of banking. The term includes savings banks, savings and loan associations, credit unions, and trust companies.

(9) "Cash proceeds" means proceeds that are money, checks, deposit accounts, or the like.

(10) "Certificate of title" means a certificate of title with respect to which a statute provides for the security interest in question to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral.

(11) "Chattel paper" means a record or records that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. In this paragraph, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of goods and includes a monetary obligation with respect to software used in the goods. The term does not include charters or other contracts involving the use or hire of a vessel. If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper.

(12) "Collateral" means the property subject to a security interest or agricultural lien. The term includes:

(A) proceeds to which a security interest attaches;

(B) accounts, chattel paper, payment intangibles, and promissory notes that have been sold; and

(C) goods that are the subject of a consignment.

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

(A) the claimant is an organization; or

(B) the claimant is an individual and the claim:

(i) arose in the course of the claimant's business or profession; and

(ii) does not include damages arising out of personal injury to or the death of an individual.

(14) "Commodity account" means an account maintained by a commodity intermediary in which a commodity contract is carried for a commodity customer.

(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:

(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 federal commodities laws; or

(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.

(16) "Commodity customer" means a person for which a commodity intermediary carries a commodity contract on its books.

(17) "Commodity intermediary" means a person that:

(A) is registered as a futures commission merchant under federal commodities law; or

(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 federal commodities law.

(18) "Communicate" means:

(A) to send a written or other tangible record;

(B) to transmit a record by any means agreed upon by the persons sending and receiving the record; or

(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.

(19) "Consignee" means a merchant to which goods are delivered in a consignment.

(20) "Consignment" means a transaction, regardless of its form, in which a person delivers goods to a merchant for the purpose of sale and:

(A) the merchant:

(i) deals in goods of that kind under a name other than the name of the person making delivery;

(ii) is not an auctioneer; and

(iii) is not generally known by its creditors to be substantially engaged in selling the goods of others;

(B) with respect to each delivery, the aggregate value of the goods is One Thousand Dollars ($1,000.00) or more at the time of delivery;

(C) the goods are not consumer goods immediately before delivery; and

(D) the transaction does not create a security interest that secures an obligation.

(21) "Consignor" means a person that delivers goods to a consignee in a consignment.

(22) "Consumer debtor" means a debtor in a consumer transaction.

(23) "Consumer goods" means goods that are used or bought for use primarily for personal, family, or household purposes.

(24) "Consumer-goods transaction" means a consumer transaction in which:

(A) an individual incurs an obligation primarily for personal, family, or household purposes; and

(B) a security interest in consumer goods secures the obligation.

(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.

(26) "Consumer transaction" means a transaction in which (i) an individual incurs an obligation primarily for personal, family, or household purposes, (ii) a security interest secures the obligation, and (iii) the collateral is held or acquired primarily for personal, family, or household purposes. The term includes consumer-goods transactions.

(27) "Continuation statement" means an amendment of a financing statement which:

(A) identifies, by its file number, the initial financing statement to which it relates; and

(B) indicates that it is a continuation statement for, or that it is filed to continue the effectiveness of, the identified financing statement.

(28) "Debtor" means:

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

(B) a seller of accounts, chattel paper, payment intangibles, or promissory notes; or

(C) a consignee.

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

(30) "Document" means a document of title or a receipt of the type described in paragraph (2) of Section 7-201 of this title.

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

(32) "Encumbrance" means a right, other than an ownership interest, in real property. The term includes mortgages and other liens on real property.

(33) "Equipment" means goods other than inventory, farm products, or consumer goods.

(34) "Farm products" means goods, other than standing timber, with respect to which the debtor is engaged in a farming operation and which are:

(A) crops grown, growing, or to be grown, including:

(i) crops produced on trees, vines, and bushes; and

(ii) aquatic goods produced in aquacultural operations;

(B) livestock, born or unborn, including aquatic goods produced in aquacultural operations;

(C) supplies used or produced in a farming operation; or

(D) products of crops or livestock in their unmanufactured states.

(35) "Farming operation" means raising, cultivating, propagating, fattening, grazing, or any other farming, livestock, or aquacultural operation.

(36) "File number" means the number assigned to an initial financing statement pursuant to subsection (a) of Section 1-9-519 of this title.

(37) "Filing office" means an office designated in Section 1-9-501 as the place to file a financing statement.

(38) "Filing-office rule" means a rule adopted pursuant to Section 1-9-526 and 1-9-526.1 of this title.

(39) "Financing statement" means a record or records composed of an initial financing statement and any filed record relating to the initial financing statement.

(40) "Fixture filing" means the filing of a financing statement covering goods that are or are to become fixtures and satisfying subsections (a) and (b) of Section 1-9-502 of this title. The term includes the filing of a financing statement covering goods of a transmitting utility which are or are to become fixtures.

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

(42) "General intangible" means any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. The term includes payment intangibles and software.

(43) "Good faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing.

(44) (A) "Goods" means all things that are movable when a security interest attaches.

(B) The term 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.

(C) The term 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.

(D) The term does not include a computer program which is embedded in goods and that consist solely of the medium in which the program is embedded.

(E) The term also 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, municipality, or other unit of the government of the United States, a state, or a foreign country. The term 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 which is a right to payment of a monetary obligation for health-care goods or services provided.

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

(B) The term does not include:

(i) investment property;

(ii) letters of credit; or

(iii) writings that evidence 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.

(48) "Inventory" means goods, other than farm products, which:

(A) are leased by a person as lessor;

(B) are held by a person for sale or lease or to be furnished under a contract of service;

(C) are furnished by a person under a contract of service; or

(D) consist of raw materials, work in process, or materials used or consumed in a business.

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

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

(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. The term does not include the right of a beneficiary to demand payment or performance under a letter of credit.

(52) "Lien creditor" means:

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

(B) an assignee for benefit of creditors from the time of assignment;

(C) a trustee in bankruptcy from the date of the filing of the petition; or

(D) a receiver in equity from the time of appointment.

(53) (A) "Manufactured home" means a structure, transportable in one or more sections, which:

(i) in the traveling mode, is eight body feet or more in width or forty (40) body feet or more in length, or, when erected on site, is three hundred twenty (320) or more square feet,

(ii) is built on a permanent chassis,

(iii) is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and

(iv) includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

(B) The term 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.

(54) "Manufactured-home transaction" means a secured transaction:

(A) that creates a purchase-money security interest in a manufactured home, other than a manufactured home held as inventory; or

(B) in which a manufactured home, other than a manufactured home held as inventory, is the primary collateral.

(55) "Mortgage" means a consensual interest in real property, including fixtures, which secures payment or performance of an obligation.

(56) "New debtor" means a person that becomes bound as a debtor under subsection (d) of Section 1-9-203 of this title by a security agreement previously entered into by another person.

(57) (A) "New value" means:

(i) money;

(ii) money's worth in property, services, or new credit; or

(iii) release by a transferee of an interest in property previously transferred to the transferee.

(B) The term does not include an obligation substituted for another obligation.

(58) "Noncash proceeds" means proceeds other than cash proceeds.

(59) (A) "Obligor" means a person that, 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) The term does not include issuers or nominated persons under a letter of credit.

(60) "Original debtor" means a person that, as debtor, entered into a security agreement to which a new debtor has become bound under subsection (d) of Section 1-9-203 of this title.

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

(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:

(A) a person directly or indirectly controlling, controlled by, or under common control with the organization;

(B) an officer or director of, or a person performing similar functions with respect to, the organization;

(C) an officer or director of, or a person performing similar functions with respect to, a person described in subparagraph (A);

(D) the spouse of an individual described in subparagraph (A), (B), or (C) of this paragraph; or

(E) an individual who is related by blood or marriage to an individual described in subparagraph (A), (B), (C), or (D) of this paragraph and who shares the same home with the individual.

(64) "Proceeds" means the following property:

(A) whatever is acquired upon the sale, lease, license, exchange, or other disposition of collateral;

(B) whatever is collected on, or distributed on account of, collateral;

(C) rights arising out of collateral;

(D) to the extent of the value of collateral, claims arising out of the loss, nonconformity, or interference with the use of, defects or infringement of rights in, or damage to, the collateral; or

(E) to the extent of the value of collateral and to the extent payable to the debtor or the secured party, insurance payable by reason of the loss or nonconformity of, defects or infringement of rights in, or damage to, the collateral.

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

(66) "Proposal" means a record authenticated by a secured party which includes the terms on which the secured party is willing to accept collateral in full or partial satisfaction of the obligation it secures pursuant to Sections 1-9-620, 1-9-621, and 1-9-622 of this title.

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

(A) debt securities are issued;

(B) all or a portion of the securities issued have an initial stated maturity of at least twenty (20) years; and

(C) the debtor, obligor, secured party, account debtor or other person obligated on collateral, assignor or assignee of a secured obligation, or assignor or assignee of a security interest is a state or a governmental unit of a state.

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

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

(70) "Registered organization" means an organization organized solely under the law of a single state or the United States and as to which the state or the United States must maintain a public record showing the organization to have been organized.

(71) "Secondary obligor" means an obligor to the extent that:

(A) the obligor's obligation is secondary; or

(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.

(72) "Secured party" means:

(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;

(B) a person that holds an agricultural lien;

(C) a consignor;

(D) a person to which accounts, chattel paper, payment intangibles, or promissory notes have been sold;

(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

(F) a person that holds a security interest arising under Section 2-401, 2-505, paragraph (3) of Section 2-711, paragraph (5) of Section 2A-508, 4-210, or 5-118 of this title.

(73) "Security agreement" means an agreement that creates or provides for a security interest.

(74) "Send", in connection with a record or notification, means:

(A) to deposit in the mail, deliver for transmission, or transmit by any other usual means of communication, with postage or cost of transmission provided for, addressed to any address reasonable under the circumstances; or

(B) to cause the record or notification to be received within the time that it would have been received if properly sent under subparagraph (A) of this paragraph.

(75) "Software" means a computer program and any supporting information provided in connection with a transaction relating to the program. The term does not include a computer program that is included in the definition of goods.

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

(77) "Supporting obligation" means a letter-of-credit right or secondary obligation that supports the payment or performance of an account, chattel paper, a document, a general intangible, an instrument, or investment property.

(78) "Tangible chattel paper" means chattel paper evidenced by a record or records consisting of information that is inscribed on a tangible medium.

(79) "Termination statement" means an amendment of a financing statement which:

(A) identifies, by its file number, the initial financing statement to which it relates; and

(B) indicates either that it is a termination statement or that the identified financing statement is no longer effective.

(80) "Transmitting utility" means a person primarily engaged in the business of:

(A) operating a railroad, subway, street railway, or trolley bus;

(B) transmitting communications electrically, electromagnetically, or by light;

(C) transmitting goods by pipeline or sewer; or

(D) transmitting or producing and transmitting electricity, steam, gas, or water.

(b) The following definitions in other articles of this title apply to this article:

"Applicant" - Section 5-102 of this title.

"Beneficiary" - Section 5-102 of this title.

"Broker" - Section 8-102 of this title.

"Certificated security" - Section 8-102 of this title.

"Check" - Section 3-104 of this title.

"Clearing corporation" - Section 8-102 of this title.

"Contract for sale" - Section 2-106 of this title.

"Customer" - Section 4-104 of this title.

"Entitlement holder" - Section 8-102 of this title.

"Financial asset" - Section 8-102 of this title.

"Holder in due course" - Section 3-302 of this title.

"Issuer" (with respect to a letter of credit or letter-of-credit right)- Section 5-102 of this title.

"Issuer" – (with respect to a security) – Section 8-201 of this title.

"Lease" - Section 2A-103 of this title.

"Lease agreement" - Section 2A-103 of this title.

"Lease contract" - Section 2A-103 of this title.

"Leasehold interest" - Section 2A-103 of this title.

"Lessee" - Section 2A-103 of this title.

"Lessee in ordinary course of business" - Section 2A-103 of this title.

"Lessor" - Section 2A-103 of this title.

"Lessor's residual interest" - Section 2A-103 of this title.

"Letter of credit" - Section 5-102 of this title.

"Merchant" - Section 2-104 of this title.

"Negotiable instrument" - Section 3-104 of this title.

"Nominated person" - Section 5-102 of this title.

"Note" - Section 3-104 of this title.

"Proceeds of a letter of credit" - Section 5-114 of this title.

"Prove" - Section 3-103 of this title.

"Sale" - Section 2-106 of this title.

"Securities account" - Section 8-501 of this title.

"Securities intermediary" - Section 8-102 of this title.

"Security" - Section 8-102 of this title.

"Security certificate" - Section 8-102 of this title.

"Security entitlement" - Section 8-102 of this title.

"Uncertificated security" - Section 8-102 of this title.

(c) Article 1 of this title contains general definitions and principles of construction and interpretation applicable throughout this article.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-103 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PURCHASE-MONEY SECURITY INTEREST; APPLICATION OF PAYMENTS;

BURDEN OF ESTABLISHING

(a) In this section:

(1) "purchase-money collateral" means goods or software that secures a purchase-money obligation incurred with respect to that collateral; and

(2) "purchase-money obligation" means an obligation of an obligor incurred as all or part of the price of the collateral or for value given to enable the debtor to acquire rights in or the use of the collateral if the value is in fact so used.

(b) A security interest in goods is a purchase-money security interest:

(1) to the extent that the goods are purchase-money collateral with respect to that security interest;

(2) if the security interest is in inventory that is or was purchase-money collateral, to the extent that the security interest secures a purchase-money obligation incurred with respect to other inventory in which the secured party holds or held a purchase-money security interest; and

(3) to the extent that the security interest secures a purchase-money obligation incurred with respect to software in which the secured party holds or held a purchase-money security interest.

(c) A security interest in software is a purchase-money security interest to the extent that the security interest also secures a purchase-money obligation incurred with respect to goods in which the secured party holds or held a purchase-money security interest if:

(1) the debtor acquired its interest in the software in an integrated transaction in which it acquired an interest in the goods; and

(2) the debtor acquired its interest in the software for the principal purpose of using the software in the goods.

(d) The security interest of a consignor in goods that are the subject of a consignment is a purchase-money security interest in inventory.

(e) In a transaction other than a consumer-goods transaction, if the extent to which a security interest is a purchase-money security interest depends on the application of a payment to a particular obligation, the payment must be applied:

(1) in accordance with any reasonable method of application to which the parties agree;

(2) in the absence of the parties' agreement to a reasonable method, in accordance with any intention of the obligor manifested at or before the time of payment; or

(3) in the absence of an agreement to a reasonable method and a timely manifestation of the obligor's intention, in the following order:

(A) to obligations that are not secured; and

(B) if more than one obligation is secured, to obligations secured by purchase-money security interests in the order in which those obligations were incurred.

(f) In a transaction other than a consumer-goods transaction, a purchase-money security interest does not lose its status as such, even if:

(1) the purchase-money collateral also secures an obligation that is not a purchase-money obligation;

(2) collateral that is not purchase-money collateral also secures the purchase-money obligation; or

(3) the purchase-money obligation has been renewed, refinanced, consolidated, or restructured.

(g) In a transaction other than a consumer-goods transaction, a secured party claiming a purchase-money security interest has the burden of establishing the extent to which the security interest is a purchase-money security interest.

(h) The limitation of the rules in subsections (e), (f), and (g) of this section to transactions other than consumer-goods transactions is intended to leave to the court the determination of the proper rules in consumer-goods transactions. The court may not infer from that limitation the nature of the proper rule in consumer-goods transactions and may continue to apply established approaches.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-104 of Title 12A, unless there is created a duplication in numbering, reads as follows:

CONTROL OF DEPOSIT ACCOUNT

(a) A secured party has control of a deposit account if:

(1) the secured party is the bank with which the deposit account is maintained;

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

(3) the secured party becomes the bank's customer with respect to the deposit account.

(b) A secured party that has satisfied subsection (a) of this section has control, even if the debtor retains the right to direct the disposition of funds from the deposit account.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-105 of Title 12A, unless there is created a duplication in numbering, reads as follows:

CONTROL OF ELECTRONIC CHATTEL PAPER

A secured party has control of electronic chattel paper if the record or records comprising the chattel paper are created, stored, and assigned in such a manner that:

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

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

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

(4) copies or revisions that add or change an identified assignee of the authoritative copy can be made only with the participation of the secured party;

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

(6) any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-106 of Title 12A, unless there is created a duplication in numbering, reads as follows:

CONTROL OF INVESTMENT PROPERTY

(a) A person has control of a certificated security, uncertificated security, or security entitlement as provided in Section 8-106 of this title.

(b) A secured party has control of a commodity contract if:

(1) the secured party is the commodity intermediary with which the commodity contract is carried; or

(2) the commodity customer, secured party, and commodity intermediary have agreed that the commodity intermediary will apply any value distributed on account of the commodity contract as directed by the secured party without further consent by the commodity customer.

(c) A secured party having control of all security entitlements or commodity contracts carried in a securities account or commodity account has control over the securities account or commodity account.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-107 of Title 12A, unless there is created a duplication in numbering, reads as follows:

CONTROL OF LETTER-OF-CREDIT RIGHT

A secured party has control of a letter-of-credit right to the extent of any right to payment or performance by the issuer or any nominated person if the issuer or nominated person has consented to an assignment of proceeds of the letter of credit under subsection (c) of Section 5-114 of this title or otherwise applicable law or practice.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-108 of Title 12A, unless there is created a duplication in numbering, reads as follows:

SUFFICIENCY OF DESCRIPTION

(a) Except as otherwise provided in subsections (c), (d), and (e) of this section, a description of personal or real property is sufficient, whether or not it is specific, if it reasonably identifies what is described.

(b) Except as otherwise provided in subsection (d) of this section, a description of collateral reasonably identifies the collateral if it identifies the collateral by:

(1) specific listing;

(2) category;

(3) except as otherwise provided in subsection (e) of this section, a type of collateral defined in this title;

(4) quantity;

(5) computational or allocational formula or procedure; or

(6) except as otherwise provided in subsection (c) of this section, any other method, if the identity of the collateral is objectively determinable.

(c) A description of collateral as "all the debtor's assets" or "all the debtor's personal property" or using words of similar import does not reasonably identify the collateral.

(d) Except as otherwise provided in subsection (e) of this section, a description of a security entitlement, securities account, or commodity account is sufficient if it describes:

(1) the collateral by those terms or as investment property; or

(2) the underlying financial asset or commodity contract.

(e) A description only by type of collateral defined in this title is an insufficient description of:

(1) a commercial tort claim; or

(2) in a consumer transaction, consumer goods, a security entitlement, a securities account, or a commodity account.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-109 of Title 12A, unless there is created a duplication in numbering, reads as follows:

SCOPE OF ARTICLE

(a) Except as otherwise provided in subsections (c) and (d) of this section, this article applies to:

(1) a transaction, regardless of its form, that creates a security interest in personal property or fixtures by contract;

(2) an agricultural lien;

(3) a sale of accounts, chattel paper, payment intangibles, or promissory notes;

(4) a consignment;

(5) a security interest arising under Section 2-401, Section 2-505, paragraph (3) of Section 2-711, or paragraph (5) of Section 2A-508 of this title, as provided in Section 1-9-110 of this title; and

(6) a security interest arising under Section 4-210 or 5-118 of this title.

(b) The application of this article to a security interest in a secured obligation is not affected by the fact that the obligation is itself secured by a transaction or interest to which this article does not apply.

(c) This article does not apply to the extent that:

(1) a statute, regulation, or treaty of the United States preempts this article;

(2) another statute of this state expressly governs the creation, perfection, priority, or enforcement of a security interest created by this state or a governmental unit of this state;

(3) a statute of another state, a foreign country, or a governmental unit of another state or a foreign country, other than a statute generally applicable to security interests, expressly governs creation, perfection, priority, or enforcement of a security interest created by the state, country, or governmental unit; or

(4) the rights of a transferee beneficiary or nominated person under a letter of credit are independent and superior under Section 5-114 of this title.

(d) This article does not apply to:

(1) a landlord’s lien, other than an agricultural lien;

(2) a lien, other than an agricultural lien, given by statute or other rule of law for services or materials, but Section 1-9-333 of this title applies with respect to priority of the lien;

(3) an assignment of a claim for wages, salary, or other compensation of an employee;

(4) a sale of accounts, chattel paper, payment intangibles, or promissory notes as part of a sale of the business out of which they arose;

(5) an assignment of accounts, chattel paper, payment intangibles, or promissory notes which is for the purpose of collection only;

(6) an assignment of a right to payment under a contract to an assignee that is also obligated to perform under the contract;

(7) an assignment of a single account, payment intangible, or promissory note to an assignee in full or partial satisfaction of a preexisting indebtedness;

(8) a transfer of an interest in or an assignment of a claim under a policy of insurance, other than an assignment by or to a health-care provider of a health-care-insurance receivable and any subsequent assignment of the right to payment, but Sections 1-9-315 and 1-9-322 of this title apply with respect to proceeds and priorities in proceeds;

(9) an assignment of a right represented by a judgment, other than a judgment taken on a right to payment that was collateral;

(10) a right of recoupment or set-off, but:

(A) Section 1-9-340 of this title applies with respect to the effectiveness of rights of recoupment or set-off against deposit accounts; and

(B) Section 1-9-404 of this title applies with respect to defenses or claims of an account debtor;

(11) the creation or transfer of an interest in or lien on real property, including a lease or rents thereunder, except to the extent that provision is made for:

(A) liens on real property in Sections 1-9-203 and 1-9-308 of this title;

(B) fixtures in Section 1-9-334 of this title;

(C) fixture filings in Sections 1-9-501, 1-9-502, 1-9-512, 1-9-516, and 1-9-519 of this title; and

(D) security agreements covering personal and real property in Section 1-9-604 of this title;

(12) an assignment of a claim arising in tort, other than a commercial tort claim, but Sections 1-9-315 and 1-9-322 of this title apply with respect to proceeds and priorities in proceeds; or

(13) an assignment of a deposit account in a consumer transaction, but Sections 1-9-315 and 1-9-322 of this title apply with respect to proceeds and priorities in proceeds.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-110 of Title 12A, unless there is created a duplication in numbering, reads as follows:

SECURITY INTERESTS ARISING UNDER ARTICLE 2 OR 2A

A security interest arising under Section 2-401, 2-505, paragraph (3) of Section 2-711, or paragraph (5) of Section 2A-508

of this title is subject to this article. However, until the debtor obtains possession of the goods:

(1) the security interest is enforceable, even if paragraph (3) of subsection (b) of Section 1-9-203 of this title has not been satisfied;

(2) filing is not required to perfect the security interest;

(3) the rights of the secured party after default by the debtor are governed by Article 2 or 2A of this title; and

(4) the security interest has priority over a conflicting security interest created by the debtor.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-201 of Title 12A, unless there is created a duplication in numbering, reads as follows:

GENERAL EFFECTIVENESS OF SECURITY AGREEMENT

(a) Except as otherwise provided in this title, a security agreement is effective according to its terms between the parties, against purchasers of the collateral, and against creditors.

(b) A transaction subject to this article is subject to any applicable rule of law which establishes a different rule for consumers, and any other statute or regulation that regulates the rates, charges, agreements and practices for loans, credit sales or other extensions of credit.

(c) In case of conflict between this article and a rule of law, statute, or regulation described in subsection (b) of this section, the rule of law, statute, or regulation controls. Failure to comply with a statute or regulation described in subsection (b) of this section has only the effect the statute or regulation specifies.

(d) This article does not:

(1) validate any rate, charge, agreement, or practice that violates a rule of law, statute, or regulation described in subsection (b) of this section; or

(2) extend the application of the rule of law, statute, or regulation to a transaction not otherwise subject to it.

SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-202 of Title 12A, unless there is created a duplication in numbering, reads as follows:

TITLE TO COLLATERAL IMMATERIAL

Except as otherwise provided with respect to consignments or sales of accounts, chattel paper, payment intangibles, or promissory notes, the provisions of this article with regard to rights and obligations apply whether title to collateral is in the secured party or the debtor.

SECTION 13. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-203 of Title 12A, unless there is created a duplication in numbering, reads as follows:

ATTACHMENT AND ENFORCEABILITY OF SECURITY INTEREST;

PROCEEDS; SUPPORTING OBLIGATIONS; FORMAL REQUISITES

(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.

(b) Except as otherwise provided in subsections (c) through (i) of this section, a security interest is enforceable against the debtor and third parties with respect to the collateral only if:

(1) value has been given;

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

(3) one of the following conditions is met:

(A) the debtor has authenticated 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;

(B) the collateral is not a certificated security and is in the possession of the secured party under Section 1-9-313 of this title pursuant to the debtor's security agreement;

(C) the collateral is a certificated security in registered form and the security certificate has been delivered to the secured party under Section 8-301 of this title pursuant to the debtor's security agreement; or

(D) the collateral is deposit accounts, electronic chattel paper, investment property, or letter-of-credit rights, and the secured party has control under Section 1-9-104, 1-9-105, 1-9-106, or 1-9-107 of this title pursuant to the debtor's security agreement.

(c) Subsection (b) of this section is subject to Section 4-210 of this title on the security interest of a collecting bank, Section 5-118 of this title on the security interest of a letter-of-credit issuer or nominated person, Section 1-9-110 of this title on a security interest arising under Article 2 or 2A of this title, and Section 1-9-206 of this title on security interests in investment property.

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

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

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

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

(1) the agreement satisfies paragraph (3) of subsection (b) of this section with respect to existing or after-acquired property of the new debtor to the extent the property is described in the agreement; and

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

(f) The attachment of a security interest in collateral gives the secured party the rights to proceeds provided by Section 1-9-315 of this title and is also attachment of a security interest in a supporting obligation for the collateral.

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

(h) The attachment of a security interest in a securities account is also attachment of a security interest in the security entitlements carried in the securities account.

(i) The attachment of a security interest in a commodity account is also attachment of a security interest in the commodity contracts carried in the commodity account.

SECTION 14. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-204 of Title 12A, unless there is created a duplication in numbering, reads as follows:

AFTER-ACQUIRED PROPERTY; FUTURE ADVANCES

(a) Except as otherwise provided in subsection (b) of this section, a security agreement may create or provide for a security interest in after-acquired collateral.

(b) A security interest does not attach under a term constituting an after-acquired property clause to:

(1) consumer goods, other than an accession when given as additional security, unless the debtor acquires rights in them within ten (10) days after the secured party gives value; or

(2) a commercial tort claim.

(c) A security agreement may provide that collateral secures, or that accounts, chattel paper, payment intangibles, or promissory notes are sold in connection with, future advances or other value, whether or not the advances or value are given pursuant to commitment.

SECTION 15. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-205 of Title 12A, unless there is created a duplication in numbering, reads as follows:

USE OR DISPOSITION OF COLLATERAL PERMISSIBLE

(a) A security interest is not invalid or fraudulent against creditors solely because:

(1) the debtor has the right or ability to:

(A) use, commingle, or dispose of all or part of the collateral, including returned or repossessed goods;

(B) collect, compromise, enforce, or otherwise deal with collateral;

(C) accept the return of collateral or make repossessions; or

(D) use, commingle, or dispose of proceeds; or

(2) the secured party fails to require the debtor to account for proceeds or replace collateral.

(b) This section does not relax the requirements of possession if attachment, perfection, or enforcement of a security interest depends upon possession of the collateral by the secured party.

SECTION 16. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-206 of Title 12A, unless there is created a duplication in numbering, reads as follows:

SECURITY INTEREST ARISING IN PURCHASE

OR DELIVERY OF FINANCIAL ASSET

(a) A security interest in favor of a securities intermediary attaches to a person’s security entitlement if:

(1) the person buys a financial asset through the securities intermediary in a transaction in which the person is obligated to pay the purchase price to the securities intermediary at the time of the purchase; and

(2) the securities intermediary credits the financial asset to the buyer’s securities account before the buyer pays the securities intermediary.

(b) The security interest described in subsection (a) of this section secures the person's obligation to pay for the financial asset.

(c) A security interest in favor of a person that delivers a certificated security or other financial asset represented by a writing attaches to the security or other financial asset if:

(1) the security or other financial asset:

(A) in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment; and

(B) is delivered under an agreement between persons in the business of dealing with such securities or financial assets; and

(2) the agreement calls for delivery against payment.

(d) The security interest described in subsection (c) of this section secures the obligation to make payment for the delivery.

SECTION 17. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-207 of Title 12A, unless there is created a duplication in numbering, reads as follows:

RIGHTS AND DUTIES OF SECURED PARTY

HAVING POSSESSION OR CONTROL OF COLLATERAL

(a) Except as otherwise provided in subsection (d) of this section, a secured party shall use reasonable care in the custody and preservation of collateral in the secured party's possession. In the case of chattel paper or an instrument, reasonable care includes taking necessary steps to preserve rights against prior parties unless otherwise agreed.

(b) Except as otherwise provided in subsection (d) of this section, if a secured party has possession of collateral:

(1) reasonable expenses, including the cost of insurance and payment of taxes or other charges, incurred in the custody, preservation, use, or operation of the collateral are chargeable to the debtor and are secured by the collateral;

(2) the risk of accidental loss or damage is on the debtor to the extent of a deficiency in any effective insurance coverage;

(3) the secured party shall keep the collateral identifiable, but fungible collateral may be commingled; and

(4) the secured party may use or operate the collateral:

(A) for the purpose of preserving the collateral or its value;

(B) as permitted by an order of a court having competent jurisdiction; or

(C) except in the case of consumer goods, in the manner and to the extent agreed by the debtor.

(c) Except as otherwise provided in subsection (d) of this section, a secured party having possession of collateral or control of collateral under Section 1-9-104, 1-9-105, 1-9-106, or 1-9-107 of this title:

(1) may hold as additional security any proceeds, except money or funds, received from the collateral;

(2) shall apply money or funds received from the collateral to reduce the secured obligation, unless remitted to the debtor; and

(3) may create a security interest in the collateral.

(d) If the secured party is a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor:

(1) subsection (a) of this section does not apply unless the secured party is entitled under an agreement:

(A) to charge back uncollected collateral; or

(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

(2) subsections (b) and (c) of this section do not apply.

SECTION 18. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-208 of Title 12A, unless there is created a duplication in numbering, reads as follows:

ADDITIONAL DUTIES OF SECURED PARTY HAVING CONTROL OF COLLATERAL

(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.

(b) Within ten (10) days after receiving an authenticated demand by the debtor:

(1) a secured party having control of a deposit account under paragraph (2) of subsection (a) of Section 1-9-104 of this title shall send to the bank with which the deposit account is maintained an authenticated statement that releases the bank from any further obligation to comply with instructions originated by the secured party;

(2) a secured party having control of a deposit account under paragraph (3) of subsection (a) of Section 1-9-104 of this title shall:

(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 of electronic chattel paper under Section 1-9-105 of this title 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 which add or change an identified assignee of the authoritative copy without the consent of the secured party;

(4) a secured party having control of investment property under paragraph (2) of subsection (d) of Section 8-106 of this title or subsection (b) of Section 1-9-106 of this title shall send to the securities intermediary or commodity intermediary with which the security entitlement or commodity contract is maintained an authenticated record that releases the securities intermediary or commodity intermediary from any further obligation to comply with entitlement orders or directions originated by the secured party; and

(5) a secured party having control of a letter-of-credit right under Section 1-9-107 of this title shall send to each person having an unfulfilled obligation to pay or deliver proceeds of the letter of credit to the secured party an authenticated release from any further obligation to pay or deliver proceeds of the letter of credit to the secured party.

SECTION 19. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-209 of Title 12A, unless there is created a duplication in numbering, reads as follows:

DUTIES OF SECURED PARTY IF ACCOUNT

DEBTOR HAS BEEN NOTIFIED OF ASSIGNMENT

(a) Except as otherwise provided in subsection (c) of this section, this section applies if:

(1) there is no outstanding secured obligation; and

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

(b) Within ten (10) days after receiving an authenticated demand by the debtor, a secured party shall send to an account debtor that has received notification of an assignment to the secured party as assignee under subsection (a) of Section 1-9-406 of this title an authenticated record that releases the account debtor from any further obligation to the secured party.

(c) This section does not apply to an assignment constituting the sale of an account, chattel paper, or payment intangible.

SECTION 20. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-210 of Title 12A, unless there is created a duplication in numbering, reads as follows:

REQUEST FOR ACCOUNTING; REQUEST REGARDING

LIST OF COLLATERAL OR STATEMENT OF ACCOUNT

(a) In this section:

(1) "Request" means a record of a type described in paragraph (2), (3), or (4) of this subsection.

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

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

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

(b) Subject to subsections (c), (d), (e), and (f) of this section, a secured party, other than a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor, shall comply with a request within fourteen (14) days after receipt:

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

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

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

(d) A person that receives a request regarding a list of collateral, claims no interest in the collateral when it receives the request, and claimed an interest in the collateral at an earlier time shall comply with the request within fourteen (14) days after receipt by sending to the debtor an authenticated record:

(1) disclaiming any interest in the collateral; and

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

(e) A person that receives a request for an accounting or a request regarding a statement of account, claims no interest in the obligations when it receives the request, and claimed an interest in the obligations at an earlier time shall comply with the request within fourteen (14) days after receipt by sending to the debtor an authenticated record:

(1) disclaiming any interest in the obligations; and

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

(f) A debtor is entitled without charge to one response to a request under this section during any six-month period. The secured party may require payment of a charge not exceeding Twenty-five Dollars ($25.00) for each additional response.

SECTION 21. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-301 of Title 12A, unless there is created a duplication in numbering, reads as follows:

LAW GOVERNING PERFECTION AND PRIORITY OF SECURITY INTERESTS

Except as otherwise provided in Sections 1-9-303 through 1-9-306 of this title, the following rules determine the law governing perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral:

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

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

(3) Except as otherwise provided in paragraph (4) of this section, while negotiable documents, goods, instruments, money, or tangible chattel paper is located in a jurisdiction, the local law of that jurisdiction governs:

(A) perfection of a security interest in the goods by filing a fixture filing;

(B) perfection of a security interest in timber to be cut; and

(C) the effect of perfection or nonperfection and the priority of a nonpossessory security interest in the collateral.

(4) The local law of the jurisdiction in which the wellhead or minehead is located governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in as-extracted collateral.

SECTION 22. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-302 of Title 12A, unless there is created a duplication in numbering, reads as follows:

LAW GOVERNING PERFECTION AND PRIORITY OF AGRICULTURAL LIENS

While farm products are located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of an agricultural lien on the farm products.

SECTION 23. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-303 of Title 12A, unless there is created a duplication in numbering, reads as follows:

LAW GOVERNING PERFECTION AND PRIORITY OF SECURITY

INTERESTS IN GOODS COVERED BY A CERTIFICATE OF TITLE

(a) This section applies to goods covered by a certificate of title, even if there is no other relationship between the jurisdiction under whose certificate of title the goods are covered and the goods or the debtor.

(b) Goods become covered by a certificate of title when a valid application for the certificate of title and the applicable fee are delivered to the appropriate authority. Goods cease to be covered by a certificate of title at the earlier of the time the certificate of title ceases to be effective under the law of the issuing jurisdiction or the time the goods become covered subsequently by a certificate of title issued by another jurisdiction.

(c) The local law of the jurisdiction under whose certificate of title the goods are covered governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in goods covered by a certificate of title from the time the goods become covered by the certificate of title until the goods cease to be covered by the certificate of title.

SECTION 24. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-304 of Title 12A, unless there is created a duplication in numbering, reads as follows:

LAW GOVERNING PERFECTION AND PRIORITY OF

SECURITY INTERESTS IN DEPOSIT ACCOUNTS

(a) The local law of a bank's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a deposit account maintained with that bank.

(b) The following rules determine a bank's jurisdiction for purposes of this part:

(1) If an agreement between the bank and the debtor governing the deposit account expressly provides that a particular jurisdiction is the bank's jurisdiction for purposes of this part, this article, or this title, that jurisdiction is the bank's jurisdiction.

(2) If paragraph (1) of this subsection does not apply and an agreement between the bank and its customer governing the deposit account expressly provides that the agreement is governed by the law of a particular jurisdiction, that jurisdiction is the bank's jurisdiction.

(3) If neither paragraph (1) nor paragraph (2) of this subsection applies and an agreement between the bank and its customer governing the deposit account expressly provides that the deposit account is maintained at an office in a particular jurisdiction, that jurisdiction is the bank's jurisdiction.

(4) If none of the preceding paragraphs of this subsection applies, the bank's jurisdiction is the jurisdiction in which the office identified in an account statement as the office serving the customer's account is located.

(5) If none of the preceding paragraphs applies, the bank's jurisdiction is the jurisdiction in which the chief executive office of the bank is located.

SECTION 25. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-305 of Title 12A, unless there is created a duplication in numbering, reads as follows:

LAW GOVERNING PERFECTION AND PRIORITY

OF SECURITY INTERESTS IN INVESTMENT PROPERTY

(a) Except as otherwise provided in subsection (c) of this section, the following rules apply:

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

(2) The local law of the issuer's jurisdiction as specified in subsection (d) of Section 8-110 of this title governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in an uncertificated security.

(3) The local law of the securities intermediary's jurisdiction as specified in subsection (e) of Section 8-110 of this title governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a security entitlement or securities account.

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

(b) The following rules determine a commodity intermediary's jurisdiction for purposes of this part:

(1) If an agreement between the commodity intermediary and commodity customer governing the commodity account expressly provides that a particular jurisdiction is the commodity intermediary's jurisdiction for purposes of this part, this article, or this title, that jurisdiction is the commodity intermediary's jurisdiction.

(2) If paragraph (1) of this subsection does not apply and an agreement between the commodity intermediary and commodity customer governing the commodity account expressly provides that the agreement is governed by the law of a particular jurisdiction, that jurisdiction is the commodity intermediary's jurisdiction.

(3) If neither paragraph (1) nor paragraph (2) of this subsection applies and an agreement between the commodity intermediary and commodity customer governing the commodity account expressly provides that the commodity account is maintained at an office in a particular jurisdiction, that jurisdiction is the commodity intermediary's jurisdiction.

(4) If none of the preceding paragraphs of this section applies, the commodity intermediary's jurisdiction is the jurisdiction in which the office identified in an account statement as the office serving the commodity customer's account is located.

(5) If none of the preceding paragraphs of this section applies, the commodity intermediary's jurisdiction is the jurisdiction in which the chief executive office of the commodity intermediary is located.

(c) The local law of the jurisdiction in which the debtor is located governs:

(1) perfection of a security interest in investment property by filing;

(2) automatic perfection of a security interest in investment property created by a broker or securities intermediary; and

(3) automatic perfection of a security interest in a commodity contract or commodity account created by a commodity intermediary.

SECTION 26. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-306 of Title 12A, unless there is created a duplication in numbering, reads as follows:

LAW GOVERNING PERFECTION AND PRIORITY

OF SECURITY INTERESTS IN LETTER-OF-CREDIT RIGHTS

(a) Subject to subsection (c) of this section, the local law of the issuer's jurisdiction or a nominated person's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a letter-of-credit right if the issuer's jurisdiction or nominated person's jurisdiction is a state.

(b) For purposes of this part, an issuer's jurisdiction or nominated person's jurisdiction is the jurisdiction whose law governs the liability of the issuer or nominated person with respect to the letter-of-credit right as provided in Section 5-116 of this title.

(c) This section does not apply to a security interest that is perfected only under subsection (d) of Section 1-9-308 of this title.

SECTION 27. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-307 of Title 12A, unless there is created a duplication in numbering, reads as follows:

LOCATION OF DEBTOR

(a) In this section, "place of business" means a place where a debtor conducts its affairs.

(b) Except as otherwise provided in this section, the following rules determine a debtor's location:

(1) A debtor who is an individual is located at the individual's principal residence;

(2) A debtor that is an organization and has only one place of business is located at its place of business; and

(3) A debtor that is an organization and has more than one place of business is located at its chief executive office.

(c) Subsection (b) of this section of this section applies only if a debtor's residence, place of business, or chief executive office, as applicable, is located in a jurisdiction whose law generally requires information concerning the existence of a nonpossessory security interest to be made generally available in a filing, recording, or registration system as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral. If subsection (b) of this section does not apply, the debtor is located in the District of Columbia.

(d) A person that ceases to exist, have a residence, or have a place of business continues to be located in the jurisdiction specified by subsections (b) and (c) of this section.

(e) A registered organization that is organized under the law of a state is located in that state.

(f) Except as otherwise provided in subsection (i) of this section, a registered organization that is organized under the law of the United States and a branch or agency of a bank that is not organized under the law of the United States or a state are located:

(1) in the state that the law of the United States designates, if the law designates a state of location;

(2) in the state that the registered organization, branch, or agency designates, if the law of the United States authorizes the registered organization, branch, or agency to designate its state of location; or

(3) in the District of Columbia, if neither paragraph (1) nor paragraph (2) of this subsection applies.

(g) A registered organization continues to be located in the jurisdiction specified by subsection (e) or (f) of this section notwithstanding:

(1) the suspension, revocation, forfeiture, or lapse of the registered organization's status as such in its jurisdiction of organization; or

(2) the dissolution, winding up, or cancellation of the existence of the registered organization.

(h) The United States is located in the District of Columbia.

(i) A branch or agency of a bank that is not organized under the law of the United States or a state is located in the state in which the branch or agency is licensed, if all branches and agencies of the bank are licensed in only one state.

(j) A foreign air carrier under the Federal Aviation Act of 1958, as amended, is located at the designated office of the agent upon which service of process may be made on behalf of the carrier.

(k) This section applies only for purposes of this part.

SECTION 28. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-308 of Title 12A, unless there is created a duplication in numbering, reads as follows:

WHEN SECURITY INTEREST OR AGRICULTURAL

LIEN IS PERFECTED; CONTINUITY OF PERFECTION

(a) Except as otherwise provided in this section and Section 1-9-309 of this title, a security interest is perfected if it has attached and all of the applicable requirements for perfection in Sections 1-9-310 through 1-9-316 of this title have been satisfied. A security interest is perfected when it attaches if the applicable requirements are satisfied before the security interest attaches.

(b) An agricultural lien is perfected if it has become effective and all of the applicable requirements for perfection in Section 1-9-310 of this title have been satisfied. An agricultural lien is perfected when it becomes effective if the applicable requirements are satisfied before the agricultural lien becomes effective.

(c) A security interest or agricultural lien is perfected continuously if it is originally perfected by one method under this article and is later perfected by another method under this article, without an intermediate period when it was unperfected.

(d) Perfection of a security interest in collateral also perfects a security interest in a supporting obligation for the collateral.

(e) Perfection of a security interest in a right to payment or performance also perfects a security interest in a security interest, mortgage, or other lien on personal or real property securing the right.

(f) Perfection of a security interest in a securities account also perfects a security interest in the security entitlements carried in the securities account.

(g) Perfection of a security interest in a commodity account also perfects a security interest in the commodity contracts carried in the commodity account.

SECTION 29. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-309 of Title 12A, unless there is created a duplication in numbering, reads as follows:

SECURITY INTEREST PERFECTED UPON ATTACHMENT

The following security interests are perfected when they attach:

(1) a purchase-money security interest in consumer goods, except as otherwise provided in subsection (b) of Section 1-9-311 of this title with respect to consumer goods that are subject to a statute or treaty described in subsection (a) of Section 1-9-311 of this title;

(2) an assignment of accounts or payment intangibles which does not by itself or in conjunction with other assignments to the same assignee transfer a significant part of the assignor's outstanding accounts or payment intangibles;

(3) a sale of a payment intangible;

(4) a sale of a promissory note;

(5) a security interest created by the assignment of a health-care-insurance receivable to the provider of the health-care goods or services;

(6) a security interest arising under Section 2-401, 2-505, paragraph (3) of Section 2-711, or paragraph (5) of Section 2A-508 of this title, until the debtor obtains possession of the collateral;

(7) a security interest of a collecting bank arising under Section 4-210 of this title;

(8) a security interest of an issuer or nominated person arising under Section 5-118 of this title;

(9) a security interest arising in the delivery of a financial asset under subsection (c) of Section 1-9-206 of this title;

(10) a security interest in investment property created by a broker or securities intermediary;

(11) a security interest in a commodity contract or a commodity account created by a commodity intermediary;

(12) an assignment for the benefit of all creditors of the transferor and subsequent transfers by the assignee thereunder; and

(13) a security interest created by an assignment of a beneficial interest in a decedent's estate.

SECTION 30. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-310 of Title 12A, unless there is created a duplication in numbering, reads as follows:

WHEN FILING REQUIRED TO PERFECT SECURITY INTEREST OR

AGRICULTURAL LIEN; SECURITY INTERESTS AND AGRICULTURAL

LIENS TO WHICH FILING PROVISIONS DO NOT APPLY

(a) Except as otherwise provided in subsection (b) of this section and Section 1-9-312 of this title, a financing statement must be filed to perfect all security interests and agricultural liens.

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

(1) that is perfected under subsection (d), (e), (f), or (g) of Section 1-9-308 of this title;

(2) that is perfected under Section 1-9-309 of this title when it attaches;

(3) in property subject to a statute, regulation, or treaty described in subsection (a) of Section 1-9-311 of this title;

(4) in goods in possession of a bailee which is perfected under paragraph (1) or (2) of subsection (d) of Section 1-9-312 of this title;

(5) in certificated securities, documents, goods, or instruments which is perfected without filing or possession under subsection (e), (f), or (g) of Section 1-9-312 of this title;

(6) in collateral in the secured party's possession under Section 1-9-313 of this title;

(7) in a certificated security which is perfected by delivery of the security certificate to the secured party under Section 1-9-313 of this title;

(8) in deposit accounts, electronic chattel paper, investment property, or letter-of-credit rights which is perfected by control under Section 1-9-314 of this title;

(9) in proceeds which is perfected under Section 1-9-315 of this title; or

(10) that is perfected under Section 1-9-316 of this title.

(c) If a secured party assigns a perfected security interest or agricultural lien, a filing under this article is not required to continue the perfected status of the security interest against creditors of and transferees from the original debtor.

SECTION 31. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-311 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PERFECTION OF SECURITY INTERESTS IN PROPERTY

SUBJECT TO CERTAIN STATUTES, REGULATIONS, AND TREATIES

(a) Except as otherwise provided in subsection (d) of this section, the filing of a financing statement is not necessary or effective to perfect a security interest in property subject to:

(1) a statute, regulation, or treaty of the United States whose requirements for a security interest's obtaining priority over the rights of a lien creditor with respect to the property preempt subsection (a) of Section 1-9-310 of this title;

(2) another statute of this state that provides for central filing of, or that requires indication on or delivery for indication on a certificate of title of, any security interest in the property as a condition or result of perfection, including, but not limited to, Section 1110 of Title 47 and Section 4013 of Title 63 of the Oklahoma Statutes; or

(3) a certificate-of-title statute of another jurisdiction which provides for a security interest to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the property.

(b) Compliance with the requirements of a statute, regulation, or treaty described in subsection (a) of this section for obtaining priority over the rights of a lien creditor is equivalent to the filing of a financing statement under this article. Except as otherwise provided in subsection (d) of this section and Section 1-9-313 and subsections (d) and (e) of Section 1-9-316 of this title for goods covered by a certificate of title, a security interest in property subject to a statute, regulation, or treaty described in subsection (a) of this section may be perfected only by compliance with those requirements, and a security interest so perfected remains perfected notwithstanding a change in the use or transfer of possession of the collateral.

(c) Except as otherwise provided in subsection (d) of this section and subsections (d) and (e) of Section 1-9-316 of this title, duration and renewal of perfection of a security interest perfected by compliance with the requirements prescribed by a statute, regulation, or treaty described in subsection (a) of this section are governed by the statute, regulation, or treaty. In other respects, the security interest is subject to this article.

(d) During any period in which collateral is inventory held for sale or lease by a person or leased by that person as lessor and that person is in the business of selling goods of that kind, this section does not apply to a security interest in that collateral created by that person as debtor.

SECTION 32. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-312 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PERFECTION OF SECURITY INTERESTS IN CHATTEL PAPER, DEPOSIT ACCOUNTS, 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

(a) A security interest in chattel paper, negotiable documents, instruments, or investment property may be perfected by filing.

(b) Except as otherwise provided in subsections (c) and (d) of Section 1-9-315 of this title for proceeds:

(1) a security interest in a deposit account may be perfected only by control under Section 1-9-314 of this title;

(2) and except as otherwise provided in subsection (d) of Section 1-9-308 of this title, a security interest in a letter-of-credit right may be perfected only by control under Section 1-9-314 of this title; and

(3) a security interest in money may be perfected only by the secured party's taking possession under Section 1-9-313 of this title.

(c) While goods are in the possession of a bailee that has issued a negotiable document covering the goods:

(1) a security interest in the goods may be perfected by perfecting a security interest in the document; and

(2) a security interest perfected in the document has priority over any security interest that becomes perfected in the goods by another method during that time.

(d) While goods are in the possession of a bailee that has issued a nonnegotiable document covering the goods, a security interest in the goods may be perfected by:

(1) issuance of a document in the name of the secured party;

(2) the bailee's receipt of notification of the secured party's interest; or

(3) filing as to the goods.

(e) A security interest in certificated securities, negotiable documents, or instruments is perfected without filing or the taking of possession for a period of twenty (20) days from the time it attaches to the extent that it arises for new value given under an authenticated security agreement.

(f) A perfected security interest in a negotiable document or goods in possession of a bailee, other than one that has issued a negotiable document for the goods, remains perfected for twenty (20) days without filing if the secured party makes available to the debtor the goods or documents representing the goods for the purpose of:

(1) ultimate sale or exchange; or

(2) loading, unloading, storing, shipping, transshipping, manufacturing, processing, or otherwise dealing with them in a manner preliminary to their sale or exchange.

(g) A perfected security interest in a certificated security or instrument remains perfected for twenty (20) days without filing if the secured party delivers the security certificate or instrument to the debtor for the purpose of:

(1) ultimate sale or exchange; or

(2) presentation, collection, enforcement, renewal, or registration of transfer.

(h) After the twenty-day period specified in subsection (e), (f), or (g) of this section expires, perfection depends upon compliance with this article.

SECTION 33. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-313 of Title 12A, unless there is created a duplication in numbering, reads as follows:

WHEN POSSESSION BY OR DELIVERY TO SECURED PARTY

PERFECTS SECURITY INTEREST WITHOUT FILING

(a) Except as otherwise provided in subsection (b) of this section, a secured party may perfect a security interest in negotiable documents, goods, instruments, money, or tangible chattel paper by taking possession of the collateral. A secured party may perfect a security interest in certificated securities by taking delivery of the certificated securities under Section 8-301 of this title.

(b) With respect to goods covered by a certificate of title issued by this state, a secured party may perfect a security interest in the goods by taking possession of the goods only in the circumstances described in subsection (d) of Section 1-9-316 of this title.

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

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

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

(d) If perfection of a security interest depends upon possession of the collateral by a secured party, perfection occurs

no earlier than the time the secured party takes possession and continues only while the secured party retains possession.

(e) A security interest in a certificated security in registered form is perfected by delivery when delivery of the certificated security occurs under Section 8-301 of this title and remains perfected by delivery until the debtor obtains possession of the security certificate.

(f) A person in possession of collateral is not required to acknowledge that it holds possession for a secured party's benefit.

(g) If a person acknowledges that it holds possession for the secured party's benefit:

(1) the acknowledgment is effective under subsection (c) of this section or subsection (a) of Section 8-301 of this title, even if the acknowledgment violates the rights of a debtor; and

(2) unless the person otherwise agrees or law other than this article otherwise provides, the person does not owe any duty to the secured party and is not required to confirm the acknowledgment to another person.

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

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

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

(i) A secured party does not relinquish possession, even if a delivery under subsection (h) of this section violates the rights of a debtor. A person to which collateral is delivered under subsection (h) of this section does not owe any duty to the secured party and is not required to confirm the delivery to another person unless the person otherwise agrees or law other than this article otherwise provides.

SECTION 34. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-314 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PERFECTION BY CONTROL

(a) A security interest in investment property, deposit accounts, letter-of-credit rights, or electronic chattel paper may be perfected by control of the collateral under Section 1-9-104, 1-9-105, 1-9-106, or 1-9-107 of this title.

(b) A security interest in deposit accounts, electronic chattel paper, or letter-of-credit rights is perfected by control under

Section 1-9-104, 1-9-105, or 1-9-107 of this title when the secured party obtains control and remains perfected by control only while the secured party retains control.

(c) A security interest in investment property is perfected by control under Section 1-9-106 of this title from the time the secured party obtains control and remains perfected by control until:

(1) the secured party does not have control; and

(2) one of the following occurs:

(A) if the collateral is a certificated security, the debtor has or acquires possession of the security certificate;

(B) if the collateral is an uncertificated security, the issuer has registered or registers the debtor as the registered owner; or

(C) if the collateral is a security entitlement, the debtor is or becomes the entitlement holder.

SECTION 35. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-315 of Title 12A, unless there is created a duplication in numbering, reads as follows:

SECURED PARTY'S RIGHTS ON DISPOSITION

OF COLLATERAL AND IN PROCEEDS

(a) Except as otherwise provided in this article and in paragraph (2) of Section 2-403 of this title:

(1) a security interest or agricultural lien continues in collateral notwithstanding sale, lease, license, exchange, or other disposition thereof unless the secured party authorized the disposition free of the security interest or agricultural lien; and

(2) a security interest attaches to any identifiable proceeds of collateral.

(b) Proceeds that are commingled with other property are identifiable proceeds:

(1) if the proceeds are goods, to the extent provided by Section 1-9-336 of this title; and

(2) if the proceeds are not goods, to the extent that the secured party identifies the proceeds by a method of tracing, including application of equitable principles, that is permitted under law other than this article with respect to commingled property of the type involved.

(c) A security interest in proceeds is a perfected security interest if the security interest in the original collateral was perfected.

(d) A perfected security interest in proceeds becomes unperfected on the twenty-first day after the security interest attaches to the proceeds unless:

(1) the following conditions are satisfied:

(A) a filed financing statement covers the original collateral;

(B) the proceeds are collateral in which a security interest may be perfected by filing in the office in which the financing statement has been filed; and

(C) the proceeds are not acquired with cash proceeds;

(2) the proceeds are identifiable cash proceeds; or

(3) the security interest in the proceeds is perfected other than under subsection (c) of this section when the security interest attaches to the proceeds or within twenty (20) days thereafter.

(e) If a filed financing statement covers the original collateral, a security interest in proceeds which remains perfected under paragraph (1) of subsection (d) of this section becomes unperfected at the later of:

(1) when the effectiveness of the filed financing statement lapses under Section 1-9-515 of this title or is terminated under Section 1-9-513 of this title; or

(2) the twenty-first day after the security interest attaches to the proceeds.

SECTION 36. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-316 of Title 12A, unless there is created a duplication in numbering, reads as follows:

CONTINUED PERFECTION OF SECURITY INTEREST

FOLLOWING CHANGE IN GOVERNING LAW

(a) A security interest perfected pursuant to the law of the jurisdiction designated in paragraph (1) of Section 1-9-301 or subsection (c) of Section 1-9-305 of this title remains perfected until the earliest of:

(1) the time perfection would have ceased under the law of that jurisdiction;

(2) the expiration of four (4) months after a change of the debtor's location to another jurisdiction; or

(3) the expiration of one (1) year after a transfer of collateral to a person that thereby becomes a debtor and is located in another jurisdiction.

(b) If a security interest described in subsection (a) of this section becomes perfected under the law of the other jurisdiction before the earliest time or event described in that subsection, it remains perfected thereafter. If the security interest does not become perfected under the law of the other jurisdiction before the earliest time or event, it becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

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

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

(2) thereafter the collateral is brought into another jurisdiction; and

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

(d) Except as otherwise provided in subsection (e) of this section, a security interest in goods covered by a certificate of title which is perfected by any method under the law of another jurisdiction when the goods become covered by a certificate of title from this state remains perfected until the security interest would have become unperfected under the law of the other jurisdiction had the goods not become so covered.

(e) A security interest described in subsection (d) of this section becomes unperfected as against a purchaser of the goods for value and is deemed never to have been perfected as against a purchaser of the goods for value if the applicable requirements for perfection under subsection (b) of Section 1-9-311 or Section 1-9-313 of this title are not satisfied before the earlier of:

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

(2) the expiration of four (4) months after the goods had become so covered.

(f) A security interest in deposit accounts, letter-of-credit rights, or investment property which is perfected under the law of the bank's jurisdiction, the issuer's jurisdiction, a nominated person's jurisdiction, the securities intermediary's jurisdiction, or the commodity intermediary's jurisdiction, as applicable, remains perfected until the earlier of:

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

(2) the expiration of four (4) months after a change of the applicable jurisdiction to another jurisdiction.

(g) If a security interest described in subsection (f) of this section becomes perfected under the law of the other jurisdiction before the earlier of the time or the end of the period described in that subsection, it remains perfected thereafter. If the security interest does not become perfected under the law of the other jurisdiction before the earlier of that time or the end of that period, it becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

SECTION 37. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-317 of Title 12A, unless there is created a duplication in numbering, reads as follows:

INTERESTS THAT TAKE PRIORITY OVER OR TAKE FREE

OF SECURITY INTEREST OR AGRICULTURAL LIEN

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

(1) a person entitled to priority under Section 1-9-322 of this title; and

(2) except as otherwise provided in subsection (e) of this section, a person that becomes a lien creditor before the earlier of the time:

(A) the security interest or agricultural lien is perfected; or

(B) one of the conditions specified in paragraph (3) of subsection (b) of Section 1-9-203 of this title is met and a financing statement covering the collateral is filed.

(b) Except as otherwise provided in subsection (e) of this section, a buyer, other than a secured party, of chattel paper, documents, goods, instruments, or a security certificate takes free of a security interest or agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

(c) Except as otherwise provided in subsection (e) of this section, a lessee of goods takes free of a security interest or agricultural lien if the lessee gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

(d) A licensee of a general intangible or a buyer, other than a secured party, of accounts, electronic chattel paper, general intangibles, or investment property other than a certificated security takes free of a security interest if the licensee or buyer

gives value without knowledge of the security interest and before it is perfected.

(e) Except as otherwise provided in Sections 1-9-320 and 1-9-321 of this title, if a person files a financing statement with respect to a purchase-money security interest before or within twenty (20) days after the debtor receives delivery of the collateral, the security interest takes priority over the rights of a buyer, lessee, or lien creditor which arise between the time the security interest attaches and the time of filing.

SECTION 38. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-318 of Title 12A, unless there is created a duplication in numbering, reads as follows:

RIGHTS AND TITLE OF SELLER OF ACCOUNT OR CHATTEL

PAPER WITH RESPECT TO CREDITORS AND PURCHASERS

(a) A debtor that has sold an account, chattel paper, payment intangible, or promissory note does not retain a legal or equitable interest in the collateral sold.

(b) For purposes of determining the rights of creditors of, and purchasers for value of an account or chattel paper from, a debtor that has sold an account or chattel paper, while the buyer's security interest is unperfected, the debtor is deemed to have rights and title to the account or chattel paper identical to those the debtor sold.

SECTION 39. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-319 of Title 12A, unless there is created a duplication in numbering, reads as follows:

RIGHTS AND TITLE OF CONSIGNEE WITH

RESPECT TO CREDITORS AND PURCHASERS

(a) Except as otherwise provided in subsection (b) of this section, for purposes of determining the rights of creditors of, and purchasers for value of goods from, a consignee, while the goods are in the possession of the consignee, the consignee is deemed to have rights and title to the goods identical to those the consignor had or had power to transfer.

(b) For purposes of determining the rights of a creditor of a consignee, law other than this article determines the rights and title of a consignee while goods are in the consignee's possession if, under this part, a perfected security interest held by the consignor would have priority over the rights of the creditor.

SECTION 40. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-320 of Title 12A, unless there is created a duplication in numbering, reads as follows:

BUYER OF GOODS

(a) Except as otherwise provided in subsection (e) of this section, a buyer in ordinary course of business, other than a person buying farm products from a person engaged in farming operations, takes free of a security interest created by the buyer's seller, even if the security interest is perfected and the buyer knows of its existence.

(b) Except as otherwise provided in subsection (e) of this section, a buyer of goods from a person who used or bought the goods for use primarily for personal, family, or household purposes takes free of a security interest, even if perfected, if the buyer buys:

(1) without knowledge of the security interest;

(2) for value;

(3) primarily for the buyer's personal, family, or household purposes; and

(4) before the filing of a financing statement covering the goods.

(c) To the extent that it affects the priority of a security interest over a buyer of goods under subsection (b) of this section, the period of effectiveness of a filing made in the jurisdiction in which the seller is located is governed by subsections (a) and (b) of Section 1-9-316 of this title.

(d) A buyer in ordinary course of business buying oil, gas, or other minerals at the wellhead or minehead or after extraction takes free of an interest arising out of an encumbrance.

(e) Subsections (a) and (b) of this section do not affect a security interest in goods in the possession of the secured party under Section 1-9-313 of this title.

SECTION 41. AMENDATORY 12A O.S. 1991, Section 9-307.1, is amended to read as follows:

Section 9-307.1

PURPOSE

The purpose of Sections 1-9-320.1 through 1-9-320.7 of this ~~act~~ title is to make the laws governing protection of buyers of farm products, commission merchants, and selling agents comply with the provisions of Section 1324 of the Food Security Act of 1985 as codified at Section 1631 of Title 7 of the United States Code.

SECTION 42. AMENDATORY 12A O.S. 1991, Section 9-307.2, is amended to read as follows:

Section 9-307.2

Definitions; Requisites of an Effective Financing Statement~~; Presumption~~.

~~(1)~~ As used in this section and Sections ~~3~~ 1-9-320.1 through ~~8~~ 1-9-320.7 of this ~~act~~ title:

(a) "Buyer in the ordinary course of business" means a person who, in the ordinary course of business, buys farm products from a person engaged in farming operations who is in the business of selling farm products.

(b) "Central filing system" means a system for filing effective financing statements ~~or notice of such financing statements~~ on a statewide basis and which has been certified by the Secretary of the United States Department of Agriculture.

(c) "Commission merchant" means any person engaged in the business of receiving any farm product for sale, on commission, or for or on behalf of another person.

(d) "Effective financing statement" means a statement that:

(i) is an original or reproduced ~~copy thereof~~ form consistent with the provisions of this act and approved by the Secretary of State;

(ii) is signed and filed with the Secretary of State by the secured party;

(iii) is signed by the debtor;

(iv) contains:

(A) the name and address of the secured party,

(B) the name and address of the person indebted to the secured party,

(C) the social security number of the debtor or, in the case of a debtor doing business other than as an individual, the Internal Revenue Service taxpayer identification number of such debtor, ~~and~~

(D) the farm product name,

(E) each county in this state where the farm product is produced or to be produced or a blanket code covering all 77 Oklahoma counties,

(F) a description of the farm products subject to the security interest ~~created by the debtor, including the amount of such products where applicable; and a reasonable description of the property, including the name of the county in which the property is~~

~~located and the crop year, if applicable~~ only if needed to distinguish it from other such farm products owned by the same person or persons but not subject to the particular interest; and

(G) the crop year, unless every crop of the farm product in question, for the duration of the effective financing statement, is to be subject to the particular security interest.

(v) must be amended in writing, within three (3) months, similarly signed and filed, to reflect material changes;

(vi) remains effective for a period of five (5) years from the date of filing, subject to extensions for additional periods of five (5) years each by refiling or filing a continuation statement within six (6) months before the expiration of the initial five-year period;

(vii) is removed from the active files when the statement lapses on ~~either~~ the expiration of the effective period of the statement or ~~the filing of~~ when a ~~notice signed by~~ termination statement from the secured party ~~that the statement has lapsed~~ is accepted, whichever occurs first;

(viii) is accompanied by the requisite filing fee provided for in Section 111 of Title 28 of the Oklahoma Statutes; and

(ix) substantially complies with the requirements of this paragraph even though it contains minor errors that are not seriously misleading.

(x) ~~An effective financing statement~~ may reflect multiple products or products in multiple counties.

(e) "Farm product" means an agricultural commodity such as wheat, corn, soybeans, or a species of livestock such as cattle, hogs, sheep, horses, or poultry used or produced in farming operations, or a product of such crop or livestock in its unmanufactured state (such as ginned cotton, wool-clip, maple syrup, milk, and eggs), that is in the possession of a person engaged in farming operations.

(f) "Knows" or "knowledge" means actual knowledge.

(g) "Person" means any individual, partnership, corporation, limited liability company, trust, or any other business entity.

(h) "Security interest" means an interest in farm products that secures payment or performance of an obligation.

(i) "Selling agent" means any person, other than a commission merchant, who is engaged in the business of negotiating the sale and purchase of any farm product on behalf of a person engaged in farming operations.

(2) Unless otherwise provided for in this act, for purposes of this section and Sections 4 and 6 of this act, receipt of notice shall be presumed if notice is sent by first-class mail, postage prepaid.

SECTION 43. AMENDATORY 12A O.S. 1991, Section 9-307.3, is amended to read as follows:

Section 9-307.3

FORMS; DUTY OF STATE AUDITOR AND INSPECTOR

The State Auditor and Inspector shall develop a standard form for an effective financing statement and for a statement of continuation, partial release, amendment, or assignment thereof, which shall be consistent with the provisions of ~~this act and in substantial compliance with the UCC-1 and UCC-3 Uniform Commercial Code forms used prior to December 23, 1986.~~ Sections 1-9-320.1 through 1-9-320.7 of this title.

SECTION 44. AMENDATORY 12A O.S. 1991, Section 9-307.4, is amended to read as follows:

Section 9-307.4

Protection of Buyers of Farm Products, Commission Merchants and Selling Agents.

A buyer of farm products, commission merchant, or selling agent who purchases or sells farm products in the ordinary course of business from or for a person engaged in farming operations takes subject to a security interest in ~~such~~ the farm products if:

(a) (i) the buyer of the farm products, commission merchant, or selling agent has failed to register with the Secretary of State prior to the purchase of ~~such~~ the farm products and the secured party has filed an effective financing statement that covers the farm products being sold; or

(ii) the buyer of farm products, commission merchant or selling agent receives from the Secretary of State written notice as provided in paragraph (d) or (f) of subsection (4) of Section ~~6~~ 1-9-320.6 of this ~~act~~ title, and ~~such~~ the buyer of farm products, commission merchant or selling agent does not secure a waiver or release of the security interest specified in ~~such~~ an effective financing statement from the secured party by performing any payment obligation or otherwise; or

(b) the secured party or the seller provides written notice of the security interest pursuant to the provisions of Section ~~7~~ 1-9-320.7 of this ~~act~~ title.

SECTION 45. AMENDATORY 12A O.S. 1991, Section 9-307.5, is amended to read as follows:

Section 9-307.5

IMMUNITY FROM LIABILITY

A buyer of farm products, commission merchant, or selling agent who purchases or sells farm products in the ordinary course of business from or for a person engaged in farming operations shall not be liable for errors or inaccuracies generated by the central filing system provided for in Section ~~6~~ 1-9-320.6 of this ~~act~~ title if ~~such~~ the buyer, commission merchant, or selling agent has otherwise complied with the provisions of ~~this act~~ Sections 1-9-320.1 through 1-9-320.7 of this title.

SECTION 46. AMENDATORY 12A O.S. 1991, Section 9-307.6, is amended to read as follows:

Section 9-307.6

Central Filing System Relating to Farm Products.

(1) The Secretary of State shall be responsible for developing and implementing the central filing system. This responsibility shall include obtaining the necessary certification for the system from the United States Department of Agriculture ("USDA"). The ~~Secretary of State shall declare an~~ effective date for the implementation of the central filing system~~, as soon as is practicable following certification by the USDA~~ was October 24, 1988.

(2) The Secretary of State may ~~adopt~~ promulgate, in accordance with the applicable provisions of the Oklahoma Administrative Procedures Act, appropriate rules ~~and regulations~~ for the implementation and operation of the central filing system.

(3) The Office of State Finance shall assist the Secretary of State in developing and implementing the central filing system.

(4) The central filing system shall conform to the following requirements:

(a) The Secretary of State shall record the date and hour of the filing of each effective financing statement;

(b) The Secretary of State shall compile all effective financing statements into a master list:

(i) organized according to farm products;

(ii) arranged within each such product:

(A) in alphabetical order according to the last name of the individual debtors or, in the case of debtors doing business other than as individuals, the first word in the name of ~~such~~ the debtors;

(B) in numerical order according to the social security number of the individual debtors or, in the case of debtors doing business other than as individuals, the Internal Revenue Service taxpayer identification number of ~~such~~ the debtors;

(C) geographically by county produced; and

(D) by crop year; and

(iii) containing the information provided for in subparagraph (iv) of paragraph (d) of subsection (1) of Section ~~2~~ 1-9-320.2 of this ~~act~~ title;

(iv) portions of the master list may be available in hard copy or electronic formats, and may be organized by other sorting methods.

(c) The Secretary of State shall maintain ~~a list~~ records of all buyers of farm products, commission merchants, ~~and~~ selling agents and others who register with the Secretary of State, on a form ~~indicating~~ containing:

(i) the name and address of each ~~buyer of farm products, commission merchant and selling agent~~ registrant; ~~and~~

(ii) ~~what information each buyer of farm products, commission merchant, and selling agent requests from the master list~~ the information on the farm product or products that the registrant is requesting;

(iii) the name of each county where the product is produced or to be produced, or a blanket code covering all seventy-seven (77) counties of this state; and

(iv) an authorized signature.

(d) (i) A copy of those portions of the master list covering the information requested by ~~a buyer of farm products, commission merchant or selling agent at the time of registration~~ registrant shall be distributed to such registrants by the Secretary of State on or before the last business day of each month and shall be presumed to have been received ~~three (3) days thereafter~~ by the third working day of the following month.

(ii) Registrants shall be deemed to be registered only as to those portions of the master list for which they register, and shall be deemed to have failed to register and shall not be considered to be registrants as to those portions for which they do not register.

(iii) Registrants are subject only to security interests shown on the portions of the master list which they receive as a consequence of registration with the Secretary of State.

(iv) If a particular security interest is shown on the master list, but was included since the last regular distribution of portions of ~~such~~ the master list to registrants, registrants shall not be subject to that security interest;

(e) ~~Persons other than those specified in paragraph (c) of this subsection may register with the Secretary of State to receive portions of the master list. Such registration shall be on a form indicating:~~

~~(i) the name and address of each such person; and~~

~~(ii) what information each such person requests from the master list~~ The duration of the registration with the Secretary of State of a buyer of farm products, commission merchant, selling agent or other registrant shall be one (1) year from the effective date of the registration with the Secretary of State.

(f) (i) ~~Within~~ Upon request, within twenty-four (24) hours of any ~~oral~~ inquiry, ~~including any telephone inquiry,~~ for information, the Secretary of State shall provide ~~oral~~ verbal confirmation of the existence or nonexistence of any effective financing statement on file ~~in the office of the Secretary of State requested by persons who have not registered~~. ~~Such oral confirmation shall be followed by written confirmation thereof by the close of the business day following the day on which the oral confirmation was given~~ By the close of the business day following the day on which the request was received, written confirmation of the existence of an effective financing statement will be provided to buyers of farm products, commission merchants, and selling agents who have not registered, and others who request it.

(ii) ~~Oral confirmation shall be conditioned upon receipt by the Secretary of State, at the time of the inquiry, of the name, address, telephone number, and social security number or Internal Revenue Service taxpayer identification number of~~

~~the requestor and receipt of the following information:~~

~~(A) the name of the debtor;~~

~~(B) the social security number of the debtor or, if the debtor is doing business other than as an individual, the Internal Revenue Service taxpayer identification number of such debtor;~~

~~(C) type of farm product;~~

~~(D) the county; and~~

~~(E) the crop year, if applicable; and~~

The state or political subdivision shall not be liable if a loss or claim results from any confirmation of the existence or nonexistence of any effective financing statement on file in the Office of the Secretary of State made in good faith by an employee of the Office of the Secretary of State as required by the provisions of Section 1-9-320.6 of this title.

~~(g) The duration of the registration with the Secretary of State of a buyer of farm products, commission merchant or selling agent shall be one (1) year from the date of acceptance of such registration by the Secretary of State.~~

(5) ~~Any person may submit a written request to the Secretary of State for written confirmation of the existence of an effective financing statement on file in the office of the Secretary of State. The written request shall be accompanied by the requisite fee provided for in Section 111 of Title 28 of the Oklahoma Statutes and shall contain:~~

~~(a) the name and address of the debtor,~~

~~(b) the social security number of the debtor or, in the case of a debtor doing business other than as an individual, the Internal Revenue Service taxpayer identification number of such debtor, and~~

~~(c) a description of the farm products subject to the security interest created by the debtor, including the amount of such products where applicable; and a reasonable description of the property, including the name of the county in which the property is located and the crop year, if applicable.~~

~~(6)~~ The filing in the office of the Secretary of State under this section shall be in addition to the filing requirements provided for in ~~Section 9-401 of Title 12A of the Oklahoma Statutes~~ this article.

~~(7)~~ (6) A financing or continuation statement covering farm products that has not lapsed and which was filed pursuant to Section 9-401 of Title 12A of the Oklahoma Statutes between December 23, 1986, and ~~the effective date of this act~~ October 24, 1988, inclusive, and for which no written notice was furnished as provided in Section 9-307.7 of this title, shall become ineffective as to a buyer of farm products, commission merchant or selling agent, unless the secured party files an effective financing statement in the office of the Secretary of State.

~~(8)~~ (7) An effective financing statement shall not be deemed filed in accordance with the provisions of this section until all fees authorized by Section 111 of Title 28 of the Oklahoma Statutes relating to the filing of ~~such a~~ the statement are tendered to the Secretary of State.

~~(9)~~ (8) The secured party shall file a termination statement within twenty (20) days after there is no outstanding secured obligation ~~and no~~ or commitment to make advances, incur obligations or otherwise give value. The secured party shall not be required to file a termination statement if the debtor, in writing, addressed to the secured party, requests ~~said~~ that a statement not be filed. ~~Said~~ The request shall be signed by the debtor or ~~his~~ an authorized representative and ~~said~~ the request may be made at any time prior to the ~~termination~~ expiration date of an effective financing statement set forth herein. If the affected secured party fails to file ~~such~~ a termination statement as required by this subsection, ~~he~~ the party shall be liable to the Secretary of State for Five Hundred Dollars ($500.00) ~~and in~~. In addition ~~he~~ the affected secured party shall be liable to the debtor for any loss caused to the debtor by ~~such~~ the failure.

~~(10)~~ (9) The Attorney General shall be responsible for enforcing the provisions of subsection ~~(9)~~ (8) of this section on behalf of the Secretary of State and is authorized to take appropriate actions to collect any penalties owed to the Secretary of State pursuant to subsection ~~(9)~~ (8) of this section. When collected, the Attorney General ~~collects any such penalty, he~~ shall cause the penalty to be deposited into the Central Filing System Revolving Fund created pursuant to Section 276.3 of Title 62 of the Oklahoma Statutes.

SECTION 47. AMENDATORY 12A O.S. 1991, Section 9-307.7, is amended to read as follows:

Section 9-307.7

Written Notification Affecting Farm Products; Disclosure Requirements; Penalty.

(1) A secured party or a seller of farm products may furnish to the buyer of such farm products, commission merchant, or selling agent, within one (1) year before the sale of the farm products, a written notice of ~~such~~ a security interest, organized according to farm products, that:

(a) is an original or reproduced copy thereof;

(b) contains:

(i) the name and address of the secured party;

(ii) the name and address of the person indebted to the secured party;

(iii) the social security number of the debtor or, in the case of a debtor doing business other than as an individual, the Internal Revenue Service taxpayer identification number of ~~such~~ the debtor; and

(iv) a description of the farm products subject to the security interest created by the debtor, including the amount of ~~such~~ the products where applicable, crop year, county, and a reasonable description of the property;

(c) must be amended in writing, within ten (10) days, similarly signed and transmitted, to reflect material changes~~. Any such amendment shall also be filed with the Secretary of State as provided in Section 9-307.6 of this title~~;

(d) will lapse on the expiration period of the statement, or the transmission of a notice signed by the secured party that the statement has lapsed, ~~or distribution as provided in Section 6 of this act of the next ensuing master list on which the security interest is reflected,~~ whichever occurs first; and

(e) states any payment obligations imposed on the buyer of farm products, commission merchant, or selling agent by the secured party as conditions for waiver or release of the security interest.

(2) ~~A secured party may furnish written notice as provided in this section:~~

~~(a) only during the interval between the date on which the debtor signed the effective financing statement as provided in Section 6 of this act and distribution of the next ensuing master list on which the security interest of the secured party in the farm products of such debtor is reflected; and~~

~~(b) only after filing an effective financing statement with the Secretary of State as provided in Section 9-307.6 of this title.~~

~~(3)~~ For purposes of this section, receipt of notice shall be presumed if notice is sent by certified mail.

~~(4)~~ (3) (a) A secured party who intends to furnish written notification of the existence of a security interest in farm products as provided in this section, shall require the person engaged in farming operations to execute a security agreement containing a provision requiring ~~such~~ the person to furnish to the secured party a list of the buyers, commission merchants, and selling agents to or through whom ~~such~~ the person may sell the farm products. If the person engaged in farming operations sells the farm product collateral to a buyer or through a commission merchant or selling agent not included on the list, the person engaged in farming operations shall be subject to the penalty provisions of paragraph (b) of this subsection, unless ~~such~~ the person:

(i) has notified the secured party in writing of the identity of the buyer, commission merchant, or selling agent at least seven (7) days prior to ~~such~~ the sale; or

(ii) has accounted to the secured party for the proceeds of ~~such~~ the sale not later than twenty (20) days after ~~such~~ the sale.

(b) A person violating the provisions of paragraph (a) of this subsection shall be fined Five Thousand Dollars ($5,000.00) or fifteen percent (15%) of the value or benefit received for ~~such~~ the farm product described in the security agreement, whichever is greater.

SECTION 48. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-321 of Title 12A, unless there is created a duplication in numbering, reads as follows:

LICENSEE OF GENERAL INTANGIBLE AND LESSEE
OF GOODS IN ORDINARY COURSE OF BUSINESS

(a) In this section, "licensee in ordinary course of business" means a person that becomes a licensee of a general intangible in good faith, without knowledge that the license violates the rights of another person in the general intangible, and in the ordinary course from a person in the business of licensing general intangibles of that kind. A person becomes a licensee in the ordinary course if the license to the person comports with the usual or customary practices in the kind of business in which the licensor is engaged or with the licensor's own usual or customary practices.

(b) A licensee in ordinary course of business takes its rights under a nonexclusive license free of a security interest in the general intangible created by the licensor, even if the security interest is perfected and the licensee knows of its existence.

(c) A lessee in ordinary course of business takes its leasehold interest free of a security interest in the goods created by the lessor, even if the security interest is perfected and the lessee knows of its existence.

SECTION 49. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-322 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PRIORITIES AMONG CONFLICTING SECURITY INTERESTS
IN AND AGRICULTURAL LIENS ON SAME COLLATERAL

(a) Except as otherwise provided in this section, priority among conflicting security interests and agricultural liens in the same collateral is determined according to the following rules:

(1) Conflicting perfected security interests and agricultural liens rank according to priority in time of filing or perfection. Priority dates from the earlier of the time a filing covering the collateral is first made or the security interest or agricultural lien is first perfected, if there is no period thereafter when there is neither filing nor perfection;

(2) A perfected security interest or agricultural lien has priority over a conflicting unperfected security interest or agricultural lien; and

(3) The first security interest or agricultural lien to attach or become effective has priority if conflicting security interests and agricultural liens are unperfected.

(b) For the purposes of paragraph (1) of subsection (a) of this section:

(1) The time of filing or perfection as to a security interest in collateral is also the time of filing or perfection as to a security interest in proceeds; and

(2) The time of filing or perfection as to a security interest in collateral supported by a supporting obligation is also the time of filing or perfection as to a security interest in the supporting obligation.

(c) Except as otherwise provided in subsection (f) of this section, a security interest in collateral which qualifies for priority over a conflicting security interest under Sections 1-9-327, 1-9-328, 1-9-329, 1-9-330, or 1-9-331 of this title also has priority over a conflicting security interest in:

(1) Any supporting obligation for the collateral; and

(2) Proceeds of the collateral if:

(A) the security interest in proceeds is perfected;

(B) the proceeds are cash proceeds or of the same type as the collateral; and

(C) in the case of proceeds that are proceeds of proceeds, all intervening proceeds are cash proceeds, proceeds

of the same type as the collateral, or an account relating to the collateral.

(d) Subject to subsection (e) of this section and except as otherwise provided in subsection (f) of this section, if a security interest in chattel paper, deposit accounts, negotiable documents, instruments, investment property, or letter-of-credit rights is perfected by a method other than filing, conflicting perfected security interests in proceeds of the collateral rank according to priority in time of filing.

(e) Subsection (d) of this section applies only if the proceeds of the collateral are not cash proceeds, chattel paper, negotiable documents, instruments, investment property, or letter-of-credit rights.

(f) Subsections (a) through (e) of this section are subject to:

(1) subsection (g) of this section and the other provisions of this part;

(2) Section 4-210 of this title with respect to a security interest of a collecting bank;

(3) Section 5-118 of this title with respect to a security interest of an issuer or nominated person; and

(4) Section 1-9-110 of this title with respect to a security interest arising under Article 2 or 2A of this title.

(g) A perfected agricultural lien on collateral has priority over a conflicting security interest in or agricultural lien on the same collateral if the statute creating the agricultural lien so provides.

SECTION 50. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-323 of Title 12A, unless there is created a duplication in numbering, reads as follows:

FUTURE ADVANCES

(a) Except as otherwise provided in subsection (c) of this section, for purposes of determining the priority of a perfected security interest under paragraph (1) of subsection (a) of Section 1-9-322 of this title, perfection of the security interest dates from the time an advance is made to the extent that the security interest secures an advance that:

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

(A) under Section 1-9-309 of this title when it attaches; or

(B) temporarily under subsection (e), (f), or (g) of Section 1-9-312 of this title; and

(2) is not made pursuant to a commitment entered into before or while the security interest is perfected by a method other than under Section 1-9-309 or subsection (e), (f), or (g) of Section 1-9-312 of this title.

(b) Except as otherwise provided in subsection (c) of this section, a security interest is subordinate to the rights of a person that becomes a lien creditor to the extent that the security interest secures an advance made more than forty-five (45) days after the person becomes a lien creditor unless the advance is made:

(1) without knowledge of the lien; or

(2) pursuant to a commitment entered into without knowledge of the lien.

(c) Subsections (a) and (b) of this section do not apply to a security interest held by a secured party that is a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor.

(d) Except as otherwise provided in subsection (e) of this section, a buyer of goods other than a buyer in ordinary course of business takes free of a security interest to the extent that it secures advances made after the earlier of:

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

(2) forty-five (45) days after the purchase.

(e) Subsection (d) of this section does not apply if the advance is made pursuant to a commitment entered into without knowledge of the buyer's purchase and before the expiration of the forty-five-day period.

(f) Except as otherwise provided in subsection (g) of this section, a lessee of goods, other than a lessee in ordinary course of business, takes the leasehold interest free of a security interest to the extent that it secures advances made after the earlier of:

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

(2) Forty-five (45) days after the lease contract becomes enforceable.

(g) Subsection (f) of this section does not apply if the advance is made pursuant to a commitment entered into without knowledge of the lease and before the expiration of the forty-five-day period.

SECTION 51. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-324 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PRIORITY OF PURCHASE-MONEY SECURITY INTERESTS

(a) Except as otherwise provided in subsection (g) of this section, a perfected purchase-money security interest in goods other than inventory or livestock has priority over a conflicting security interest in the same goods, and, except as otherwise provided in Section 1-9-327 of this title, a perfected security interest in its identifiable proceeds also has priority, if the purchase-money security interest is perfected when the debtor receives possession of the collateral or within twenty (20) days thereafter.

(b) Subject to subsection (c) of this section and except as otherwise provided in subsection (g) of this section, a perfected purchase-money security interest in inventory has priority over a conflicting security interest in the same inventory, has priority over a conflicting security interest in chattel paper or an instrument constituting proceeds of the inventory and in proceeds of the chattel paper, if so provided in Section 1-9-330 of this title, and, except as otherwise provided in Section 1-9-327 of this title, also has priority in identifiable cash proceeds of the inventory to the extent the identifiable cash proceeds are received on or before the delivery of the inventory to a buyer, if:

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

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

(3) the holder of the conflicting security interest receives the notification within five (5) years before the debtor receives possession of the inventory; and

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

(c) Paragraphs (2) through (4) of subsection (b) of this section apply only if the holder of the conflicting security interest had filed a financing statement covering the same types of inventory:

(1) if the purchase-money security interest is perfected by filing, before the date of the filing; or

(2) if the purchase-money security interest is temporarily perfected without filing or possession under subsection (f) of Section 1-9-312 of this title, before the beginning of the twenty-day period thereunder.

(d) Subject to subsection (e) of this section and except as otherwise provided in subsection (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 1-9-327 of this title, a perfected security interest in their identifiable

proceeds and identifiable products in their unmanufactured states also has priority, if:

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

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

(3) the holder of the conflicting security interest receives the notification within six (6) months before the debtor receives possession of the livestock; and

(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.

(e) Paragraphs (2) through (4) of subsection (d) of this section applies only if the holder of the conflicting security interest had filed a financing statement covering the same types of livestock:

(1) if the purchase-money security interest is perfected by filing, before the date of the filing; or

(2) if the purchase-money security interest is temporarily perfected without filing or possession under subsection (f) of Section 1-9-312 of this title, before the beginning of the twenty-day period thereunder.

(f) Except as otherwise provided in subsection (g) of this section, a perfected purchase-money security interest in software has priority over a conflicting security interest in the same collateral, and, except as otherwise provided in Section 1-9-327 of this title, a perfected security interest in its identifiable proceeds also has priority, to the extent that the purchase-money security interest in the goods in which the software was acquired for use has priority in the goods and proceeds of the goods under this section.

(g) If more than one security interest qualifies for priority in the same collateral under subsection (a), (b), (d), or (f) of this section:

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

(2) in all other cases, subsection (a) of Section 1-9-322 of this title applies to the qualifying security interests.

SECTION 52. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-325 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PRIORITY OF SECURITY INTERESTS IN TRANSFERRED COLLATERAL

(a) Except as otherwise provided in subsection (b) of this section, a security interest created by a debtor is subordinate to a security interest in the same collateral created by another person if:

(1) the debtor acquired the collateral subject to the security interest created by the other person;

(2) the security interest created by the other person was perfected when the debtor acquired the collateral; and

(3) there is no period thereafter when the security interest is unperfected.

(b) Subsection (a) of this section subordinates a security interest only if the security interest:

(1) otherwise would have priority solely under subsection (a) of Section 1-9-322 or Section 1-9-324 of this title; or

(2) arose solely under paragraph (3) of Section 2-711 or paragraph (5) of Section 2A-508 of this title.

SECTION 53. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-326 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PRIORITY OF SECURITY INTERESTS CREATED BY NEW DEBTOR

(a) Subject to subsection (b) of this section, a security interest created by a new debtor which is perfected by a filed financing statement that is effective solely under Section 1-9-508 of this title in collateral in which a new debtor has or acquires rights is subordinate to a security interest in the same collateral which is perfected other than by a filed financing statement that is effective solely under Section 1-9-508 of this title.

(b) The other provisions of this part determine the priority among conflicting security interests in the same collateral perfected by filed financing statements that are effective solely under Section 1-9-508 of this title. However, if the security agreements to which a new debtor became bound as debtor were not entered into by the same original debtor, the conflicting security interests rank according to priority in time of the new debtor's having become bound.

SECTION 54. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-327 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PRIORITY OF SECURITY INTERESTS IN DEPOSIT ACCOUNT

The following rules govern priority among conflicting security interests in the same deposit account:

(1) A security interest held by a secured party having control of the deposit account under Section 1-9-104 of this title has priority over a conflicting security interest held by a secured party that does not have control.

(2) Except as otherwise provided in paragraphs (3) and (4) of this section, security interests perfected by control under Section 1-9-314 of this title rank according to priority in time of obtaining control.

(3) Except as otherwise provided in paragraph (4) of this section, a security interest held by the bank with which the deposit account is maintained has priority over a conflicting security interest held by another secured party.

(4) A security interest perfected by control under paragraph (3) of subsection (a) of Section 1-9-104 of this title has priority over a security interest held by the bank with which the deposit account is maintained.

SECTION 55. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-328 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PRIORITY OF SECURITY INTERESTS IN INVESTMENT PROPERTY

The following rules govern priority among conflicting security interests in the same investment property:

(1) A security interest held by a secured party having control of investment property under Section 1-9-106 of this title has priority over a security interest held by a secured party that does not have control of the investment property.

(2) Except as otherwise provided in paragraphs (3) and (4) of this section, conflicting security interests held by secured parties each of which has control under Section 1-9-106 of this title rank according to priority in time of:

(A) if the collateral is a security, obtaining control;

(B) if the collateral is a security entitlement carried in a securities account and:

(i) if the secured party obtained control under paragraph (1) of subsection (d) of Section 8-106 of this title, the secured party's becoming the person for which the securities account is maintained;

(ii) if the secured party obtained control under paragraph (2) of subsection (d) of Section 8-106 of this title, the securities intermediary's agreement to comply with the secured party's entitlement orders with respect to security entitlements carried or to be carried in the securities account; or

(iii) if the secured party obtained control through another person under paragraph (3) of subsection (d) of Section 8-106 of this title, the time on which priority would be based under this paragraph if the other person were the secured party; or

(C) if the collateral is a commodity contract carried with a commodity intermediary, the satisfaction of the requirement for control specified in paragraph (2) of subsection (b) of Section 1-9-106 of this title with respect to commodity contracts carried or to be carried with the commodity intermediary.

(3) A security interest held by a securities intermediary in a security entitlement or a securities account maintained with the securities intermediary has priority over a conflicting security interest held by another secured party.

(4) A security interest held by a commodity intermediary in a commodity contract or a commodity account maintained with the commodity intermediary has priority over a conflicting security interest held by another secured party.

(5) A security interest in a certificated security in registered form which is perfected by taking delivery under subsection (a) of Section 1-9-313 of this title and not by control under Section 1-9-314 of this title has priority over a conflicting security interest perfected by a method other than control.

(6) Conflicting security interests created by a broker, securities intermediary, or commodity intermediary which are perfected without control under Section 1-9-106 of this title rank equally.

(7) In all other cases, priority among conflicting security interests in investment property is governed by Sections 1-9-322 and 1-9-323 of this title.

SECTION 56. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-329 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PRIORITY OF SECURITY INTERESTS IN LETTER-OF-CREDIT RIGHT

The following rules govern priority among conflicting security interests in the same letter-of-credit right:

(1) A security interest held by a secured party having control of the letter-of-credit right under Section 1-9-107 of this title has priority to the extent of its control over a conflicting security interest held by a secured party that does not have control.

(2) Security interests perfected by control under Section 1-9-314 of this title rank according to priority in time of obtaining control.

SECTION 57. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-330 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PRIORITY OF PURCHASER OF CHATTEL PAPER OR INSTRUMENT

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

(1) in good faith and in the ordinary course of the purchaser's business, the purchaser gives new value and takes possession of the chattel paper or obtains control of the chattel paper under Section 1-9-105 of this title; and

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

(b) A purchaser of chattel paper has priority over a security interest in the chattel paper which is claimed other than merely as proceeds of inventory subject to a security interest if the purchaser gives new value and takes possession of the chattel paper or obtains control of the chattel paper under Section 1-9-105 of this title 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.

(c) Except as otherwise provided in Section 1-9-327 of this title, a purchaser having priority in chattel paper under subsection (a) or (b) of this section also has priority in proceeds of the chattel paper to the extent that:

(1) Section 1-9-322 of this title provides for priority in the proceeds; or

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

(d) Except as otherwise provided in subsection (a) of Section 1-9-331 of this title, a purchaser of an instrument has priority over a security interest in the instrument perfected by a method other than possession if the purchaser gives value and takes possession of the instrument in good faith and without knowledge that the purchase violates the rights of the secured party.

(e) For purposes of subsections (a) and (b) of this section, the holder of a purchase-money security interest in inventory gives new value for chattel paper constituting proceeds of the inventory.

(f) For purposes of subsections (b) and (d) of this section, if chattel paper or an instrument indicates that it has been assigned to an identified secured party other than the purchaser, a purchaser

of the chattel paper or instrument has knowledge that the purchase violates the rights of the secured party.

SECTION 58. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-331 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PRIORITY OF RIGHTS OF PURCHASERS OF INSTRUMENTS, DOCUMENTS, AND SECURITIES UNDER OTHER ARTICLES; PRIORITY OF INTERESTS IN FINANCIAL ASSETS AND SECURITY ENTITLEMENTS UNDER ARTICLE 8

(a) This article does not limit the rights of a holder in due course of a negotiable instrument, a holder to which a negotiable document of title has been duly negotiated, or a protected purchaser of a security. These holders or purchasers take priority over an earlier security interest, even if perfected, to the extent provided in Articles 3, 7, and 8 of this title.

(b) This article does not limit the rights of or impose liability on a person to the extent that the person is protected against the assertion of a claim under Article 8 of this title.

(c) Filing under this article does not constitute notice of a claim or defense to the holders, or purchasers, or persons described in subsections (a) and (b) of this section.

SECTION 59. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-332 of Title 12A, unless there is created a duplication in numbering, reads as follows:

TRANSFER OF MONEY; TRANSFER OF FUNDS FROM DEPOSIT ACCOUNT

(a) A transferee of money takes the money free of a security interest unless the transferee acts in collusion with the debtor in violating the rights of the secured party.

(b) A transferee of funds from a deposit account takes the funds free of a security interest in the deposit account unless the transferee acts in collusion with the debtor in violating the rights of the secured party.

SECTION 60. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-333 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PRIORITY OF CERTAIN LIENS ARISING BY OPERATION OF LAW

(a) In this section, “possessory lien” means an interest, other than a security interest or an agricultural lien:

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

(2) which is created by statute or rule of law in favor of the person; and

(3) whose effectiveness depends on the person's possession of the goods.

(b) A possessory lien on goods has priority over a security interest in the goods unless the lien is created by a statute that expressly provides otherwise.

SECTION 61. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-334 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PRIORITY OF SECURITY INTERESTS IN FIXTURES AND CROPS

(a) A security interest under this article may be created in goods that are fixtures or may continue in goods that become fixtures. A security interest does not exist under this article in ordinary building materials incorporated into an improvement on land.

(b) This article does not prevent creation of an encumbrance upon fixtures under real property law.

(c) In cases not governed by subsections (d) through (h) of this section, a security interest in fixtures is subordinate to a conflicting interest of an encumbrancer or owner of the related real property other than the debtor.

(d) Except as otherwise provided in subsection (h) of this section, a perfected security interest in fixtures 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 and:

(1) the security interest is a purchase-money security interest;

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

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

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

(1) the debtor has an interest of record in the real property or is in possession of the real property and the security interest:

(A) is perfected by a fixture filing before the interest of the encumbrancer or owner is of record; and

(B) has priority over any conflicting interest of a predecessor in title of the encumbrancer or owner;

(2) before the goods become fixtures, the security interest is perfected by any method permitted by this article and the fixtures are readily removable:

(A) factory or office machines;

(B) equipment that is not primarily used or leased for use in the operation of the real property; or

(C) replacements of domestic appliances that are consumer goods;

(3) the conflicting interest is a lien on the real property obtained by legal or equitable proceedings after the security interest was perfected by any method permitted by this article; or

(4) the security interest is:

(A) created in a manufactured home in a manufactured-home transaction; and

(B) perfected pursuant to a statute described in paragraph (2) of subsection (a) of Section 1-9-311 of this title.

(f) A security interest in fixtures, whether or not perfected, has priority over a conflicting interest of an encumbrancer or owner of the real property if:

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

(2) the debtor has a right to remove the goods as against the encumbrancer or owner.

(g) The priority of the security interest under paragraph (2) of subsection (f) of this section continues for a reasonable time if the debtor's right to remove the goods as against the encumbrancer or owner terminates.

(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 subsections (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.

(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) Subsection (i) of this section prevails over any inconsistent provisions of other statutes of this state.

SECTION 62. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-335 of Title 12A, unless there is created a duplication in numbering, reads as follows:

ACCESSIONS

(a) A security interest may be created in an accession and continues in collateral that becomes an accession.

(b) If a security interest is perfected when the collateral becomes an accession, the security interest remains perfected in the collateral.

(c) Except as otherwise provided in subsection (d) of this section, the other provisions of this part determine the priority of a security interest in an accession.

(d) A security interest in an accession is subordinate to a security interest in the whole which is perfected by compliance with the requirements of a certificate-of-title statute under subsection (b) of Section 1-9-311 of this title.

(e) After default, subject to Part 6 of this article, a secured party may remove an accession from other goods if the security interest in the accession has priority over the claims of every person having an interest in the whole.

(f) A secured party that removes an accession from other goods under subsection (e) of this section shall promptly reimburse any holder of a security interest or other lien on, or owner of, the whole or of the other goods, other than the debtor, for the cost of repair of any physical injury to the whole or the other goods. The secured party need not reimburse the holder or owner for any diminution in value of the whole or the other goods caused by the absence of the accession removed or by any necessity for replacing it. A person entitled to reimbursement may refuse permission to remove until the secured party gives adequate assurance for the performance of the obligation to reimburse.

SECTION 63. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-336 of Title 12A, unless there is created a duplication in numbering, reads as follows:

COMMINGLED GOODS

(a) In this section, "commingled goods" means goods that are physically united with other goods in such a manner that their identity is lost in a product or mass.

(b) A security interest does not exist in commingled goods as such. However, a security interest may attach to a product or mass that results when goods become commingled goods.

(c) If collateral becomes commingled goods, a security interest attaches to the product or mass.

(d) If a security interest in collateral is perfected before the collateral becomes commingled goods, the security interest that attaches to the product or mass under subsection (c) of this section is perfected.

(e) Except as otherwise provided in subsection (f) of this section, the other provisions of this part determine the priority of a security interest that attaches to the product or mass under subsection (c) of this section.

(f) If more than one security interest attaches to the product or mass under subsection (c) of this section, the following rules determine priority:

(1) A security interest that is perfected under subsection (d) of this section has priority over a security interest that is unperfected at the time the collateral becomes commingled goods.

(2) If more than one security interest is perfected under subsection (d) of this section, the security interests rank equally in proportion to value of the collateral at the time it became commingled goods.

SECTION 64. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-337 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PRIORITY OF SECURITY INTERESTS IN
GOODS COVERED BY CERTIFICATE OF TITLE

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

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

(2) the security interest is subordinate to a conflicting security interest in the goods that attaches, and is perfected under subsection (b) of Section 1-9-311 of this title, after issuance of the certificate and without the conflicting secured party's knowledge of the security interest.

SECTION 65. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-338 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PRIORITY OF SECURITY INTEREST OR
AGRICULTURAL LIEN PERFECTED BY FILED FINANCING

STATEMENT PROVIDING CERTAIN INCORRECT INFORMATION

If a security interest or agricultural lien is perfected by a filed financing statement providing information described in paragraph (5) of subsection (b) of Section 1-9- 516 of this title which is incorrect at the time the financing statement is filed:

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

(2) a purchaser, other than a secured party, of the collateral takes free of the security interest or agricultural lien to the extent that, in reasonable reliance upon the incorrect information, the purchaser gives value and, in the case of chattel paper, documents, goods, instruments, or a security certificate, receives delivery of the collateral.

SECTION 66. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-339 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PRIORITY SUBJECT TO SUBORDINATION

This article does not preclude subordination by agreement by a person entitled to priority.

SECTION 67. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-340 of Title 12A, unless there is created a duplication in numbering, reads as follows:

EFFECTIVENESS OF RIGHT OF RECOUPMENT OR
SET-OFF AGAINST DEPOSIT ACCOUNT

(a) Except as otherwise provided in subsection (c) of this section, a bank with which a deposit account is maintained may exercise any right of recoupment or set-off against a secured party that holds a security interest in the deposit account.

(b) Except as otherwise provided in subsection (c) of this section, the application of this article to a security interest in a deposit account does not affect a right of recoupment or set-off of the secured party as to a deposit account maintained with the secured party.

(c) The exercise by a bank of a set-off against a deposit account is ineffective against a secured party that holds a security interest in the deposit account which is perfected by control under paragraph (3) of subsection (a) of Section 1-9-104 of this title, if the set-off is based on a claim against the debtor.

SECTION 68. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-341 of Title 12A, unless there is created a duplication in numbering, reads as follows:

BANK'S RIGHTS AND DUTIES WITH RESPECT TO DEPOSIT ACCOUNT

Except as otherwise provided in subsection (c) of Section 1-9-340 of this title, and unless the bank otherwise agrees in an authenticated record, a bank's rights and duties with respect to a deposit account maintained with the bank are not terminated, suspended, or modified by:

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

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

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

SECTION 69. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-342 of Title 12A, unless there is created a duplication in numbering, reads as follows:

BANK'S RIGHT TO REFUSE TO ENTER INTO
OR DISCLOSE EXISTENCE OF CONTROL AGREEMENT

This article does not require a bank to enter into an agreement of the kind described in paragraph (2) of subsection (a) of Section 1-9-104 of this title, even if its customer so requests or directs. A bank that has entered into such an agreement is not required to confirm the existence of the agreement to another person unless requested to do so by its customer.

SECTION 70. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-401 of Title 12A, unless there is created a duplication in numbering, reads as follows:

ALIENABILITY OF DEBTOR'S RIGHTS

(a) Except as otherwise provided in subsection (b) of this section and Sections 1-9-406, 1-9-407, 1-9-408, and 1-9-409 of this title, whether a debtor's rights in collateral may be voluntarily or involuntarily transferred is governed by law other than this article.

(b) An agreement between the debtor and secured party which prohibits a transfer of the debtor's rights in collateral or makes the transfer a default does not prevent the transfer from taking effect.

SECTION 71. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-402 of Title 12A, unless there is created a duplication in numbering, reads as follows:

SECURED PARTY NOT OBLIGATED ON
CONTRACT OF DEBTOR OR IN TORT

The existence of a security interest, agricultural lien, or authority given to a debtor to dispose of or use collateral, without more, does not subject a secured party to liability in contract or tort for the debtor's acts or omissions.

SECTION 72. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-403 of Title 12A, unless there is created a duplication in numbering, reads as follows:

AGREEMENT NOT TO ASSERT DEFENSES AGAINST ASSIGNEE

(a) In this section, "value" has the meaning provided in subsection (a) of Section 3-303 of this title.

(b) Except as otherwise provided in this section, an agreement between an account debtor and an assignor not to assert against an assignee any claim or defense that the account debtor may have against the assignor is enforceable by an assignee that takes an assignment:

(1) for value;

(2) in good faith;

(3) without notice of a claim of a property or possessory right to the property assigned; and

(4) without notice of a defense or claim in recoupment of the type that may be asserted against a person entitled to enforce a negotiable instrument under subsection (a) Section 3-305 of this title.

(c) Subsection (b) of this section does not apply to defenses of a type that may be asserted against a holder in due course of a negotiable instrument under subsection (b) of Section 3-305 of this title.

(d) In a consumer transaction, if a record evidences the account debtor's obligation, law other than this article requires that the record include a statement to the effect that the rights of an assignee are subject to claims or defenses that the account debtor could assert against the original obligee, and the record does not include such a statement:

(1) the record has the same effect as if the record included such a statement; and

(2) the account debtor may assert against an assignee those claims and defenses that would have been available if the record included such a statement.

(e) This section is subject to law other than this article which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

(f) Except as otherwise provided in subsection (d) of this section, this section does not displace law other than this article which gives effect to an agreement by an account debtor not to assert a claim or defense against an assignee.

SECTION 73. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-404 of Title 12A, unless there is created a duplication in numbering, reads as follows:

RIGHTS ACQUIRED BY ASSIGNEE;
CLAIMS AND DEFENSES AGAINST ASSIGNEE

(a) Unless an account debtor has made an enforceable agreement not to assert defenses or claims, and subject to subsections (b) through (e) of this section, the rights of an assignee are subject to:

(1) all terms of the agreement between the account debtor and assignor and any defense or claim in recoupment arising from the transaction that gave rise to the contract; and

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

(b) Subject to subsection (c) of this section and except as otherwise provided in subsection (d) of this section, the claim of an account debtor against an assignor may be asserted against an assignee under subsection (a) of this section only to reduce the amount the account debtor owes.

(c) This section is subject to law other than this article which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

(d) In a consumer transaction, if a record evidences the account debtor's obligation, law other than this article 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 the record does not include such a 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 such a statement.

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

SECTION 74. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-405 of Title 12A, unless there is created a duplication in numbering, reads as follows:

MODIFICATION OF ASSIGNED CONTRACT

(a) A modification of or substitution for an assigned contract is effective against an assignee if made in good faith. The assignee acquires corresponding rights under the modified or substituted contract. The assignment may provide that the modification or substitution is a breach of contract by the

assignor. This subsection is subject to subsections (b) through (d) of this section.

(b) Subsection (a) of this section applies to the extent that:

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

(2) the right to payment or a part thereof has been fully earned by performance and the account debtor has not received notification of the assignment under subsection (a) of Section 1-9-406 of this title.

(c) This section is subject to law other than this article which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

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

SECTION 75. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-406 of Title 12A, unless there is created a duplication in numbering, reads as follows:

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

(a) Subject to subsections (b) through (i) of this section, an account debtor on an account, chattel paper, or a payment intangible may discharge its obligation by paying the assignor until, but not after, the account debtor receives a notification, authenticated 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 subsection (h) of this section, notification is ineffective under subsection (a) of this section:

(1) if it does not reasonably identify the rights assigned;

(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 article; or

(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:

(A) only a portion of the account, chattel paper, or general intangible has been assigned to that assignee;

(B) a portion has been assigned to another assignee; or

(C) the account debtor knows that the assignment to that assignee is limited.

(c) Subject to subsection (h) 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 subsection (a) of this section.

(d) (1) Except as otherwise provided in paragraph (2) of this subsection and subsection (e) of this section and Sections 2A-303 and 1-9-407 of this title, and subject to subsection (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:

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

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

(2) This subsection does not apply to the assignment or transfer of or creation of a security interest in the following:

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

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

(e) Subsection (d) of this section does not apply to the sale of a payment intangible or promissory note.

(f) Except as otherwise provided in Sections 2A-303 and 1-9-407 of this title and subject to subsections (h) and (i) of this section, a rule of law, statute, or regulation, that prohibits, restricts, or requires the consent of a government, governmental body or official, or account debtor to the assignment or transfer of, or creation of a security interest in, an account or chattel paper is ineffective to the extent that the rule of law, statute, or regulation:

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

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

(g) Subject to subsection (h) of this section, an account debtor may not waive or vary its option under paragraph (3) of subsection (b) of this section.

(h) This section is subject to law other than this article which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

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

SECTION 76. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-407 of Title 12A, unless there is created a duplication in numbering, reads as follows:

RESTRICTIONS ON CREATION OR ENFORCEMENT
OF SECURITY INTEREST IN LEASEHOLD INTEREST
OR IN LESSOR'S RESIDUAL INTEREST

(a) Except as otherwise provided in subsection (b) of this section, a term in a lease agreement is ineffective to the extent that it:

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

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

(b) Except as otherwise provided in paragraph (7) of Section 2A-303 of this title, a term described in paragraph (2) of subsection (a) of this section is effective to the extent that there is:

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

(2) a delegation of a material performance of either party to the lease contract in violation of the term.

(c) The creation, attachment, perfection, or enforcement of a security interest in the lessor's interest under the lease contract or the lessor's residual interest in the goods is not a transfer that materially impairs the lessee's prospect of obtaining return performance or materially changes the duty of or materially increases the burden or risk imposed on the lessee within the purview of paragraph (4) of Section 2A-303 of this title unless, and then only to the extent that, enforcement actually results in delegation of material performance of the lessor.

SECTION 77. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-408 of Title 12A, unless there is created a duplication in numbering, reads as follows:

RESTRICTIONS ON ASSIGNMENT OF PROMISSORY NOTES, HEALTH-CARE-INSURANCE RECEIVABLES, AND CERTAIN GENERAL INTANGIBLES INEFFECTIVE

(a) Except as otherwise provided in subsection (b) of this section, a term in a promissory note or in an agreement between an account debtor and a debtor which relates to a health-care-insurance receivable or a general intangible, including a contract, permit, license, or franchise, and which term prohibits, restricts, or requires the consent of the person obligated on the promissory note or the account debtor to, the assignment or transfer of, or creation, attachment, or perfection of a security interest in, the promissory note, health-care-insurance receivable, or general intangible, is ineffective to the extent that the term:

(1) would impair the creation, attachment, or perfection of a security interest; or

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

(b) Subsection (a) of this section applies to a security interest in a payment intangible or promissory note only if the security interest arises out of a sale of the payment intangible or promissory note.

(c) A rule of law, statute, or regulation, that prohibits, restricts, or requires the consent of a government, governmental body or official, person obligated on a promissory note, or account debtor to the assignment or transfer of, or creation of a security interest in, a promissory note, health-care-insurance receivable, or general intangible, including a contract, permit, license, or franchise between an account debtor and a debtor, is ineffective to the extent that the rule of law, statute, or regulation:

(1) would impair the creation, attachment, or perfection of a security interest; or

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

(d) To the extent that a term in a promissory note or in an agreement between an account debtor and a debtor which relates to a health-care-insurance receivable or general intangible or a rule of law, statute, or regulation described in subsection (c) of this section would be effective under law other than this article but is ineffective under subsection (a) or (c) of this section, the creation, attachment, or perfection of a security interest in the promissory note, health-care-insurance receivable, or general intangible:

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

(2) does not impose a duty or obligation on the person obligated on the promissory note or the account debtor;

(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;

(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;

(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

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

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

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

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

SECTION 78. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-409 of Title 12A, unless there is created a duplication in numbering, reads as follows:

RESTRICTIONS ON ASSIGNMENT OF
LETTER-OF-CREDIT RIGHTS INEFFECTIVE

(a) A term in a letter of credit or a rule of law, statute, regulation, custom, or practice applicable to the letter of credit which prohibits, restricts, or requires the consent of an applicant, issuer, or nominated person to a beneficiary's assignment of or creation of a security interest in a letter-of-credit right is ineffective to the extent that the term or rule of law, statute, regulation, custom, or practice:

(1) would impair the creation, attachment, or perfection of a security interest in the letter-of-credit right; or

(2) provides that the assignment or the creation, attachment, or perfection of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the letter-of-credit right.

(b) To the extent that a term in a letter of credit is ineffective under subsection (a) of this section but would be effective under law other than this article or a custom or practice applicable to the letter of credit, to the transfer of a right to draw or otherwise demand performance under the letter of credit, or to the assignment of a right to proceeds of the letter of credit, the creation, attachment, or perfection of a security interest in the letter-of-credit right:

(1) is not enforceable against the applicant, issuer, nominated person, or transferee beneficiary;

(2) imposes no duties or obligations on the applicant, issuer, nominated person, or transferee beneficiary; and

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

SECTION 79. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-501 of Title 12A, unless there is created a duplication in numbering, reads as follows:

FILING OFFICE

(a) Except as otherwise provided in subsection (b) of this section, if the local law of this state governs perfection of a security interest or agricultural lien, the office in which to file a financing statement to perfect the security interest or agricultural lien is:

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

(A) the collateral is as-extracted collateral or timber to be cut; or

(B) the financing statement is filed as a fixture filing and the collateral is goods that are or are to become fixtures; or

(2) the office of the county clerk of Oklahoma County, in all other cases, including a case in which the collateral is goods that are or are to become fixtures and the financing statement is not filed as a fixture filing.

(b) The office in which to file a financing statement to perfect a security interest in collateral, including fixtures, of a transmitting utility is the office of the Secretary of State pursuant to Sections 17 and 18 of Title 46 of the Oklahoma Statutes. The financing statement also constitutes a fixture filing as to the collateral indicated in the financing statement which is or is to become fixtures.

SECTION 80. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-502 of Title 12A, unless there is created a duplication in numbering, reads as follows:

CONTENTS OF FINANCING STATEMENT; RECORD OF MORTGAGE AS FINANCING STATEMENT; TIME OF FILING FINANCING STATEMENT

(a) Subject to subsection (b) of this section, a financing statement is sufficient only if it:

(1) provides the name of the debtor;

(2) provides the name of the secured party or a representative of the secured party; and

(3) indicates the collateral covered by the financing statement.

(b) Except as otherwise provided in subsection (b) of Section 1-9-501 of this title, to be sufficient, a financing statement that covers as-extracted collateral or timber to be cut, or which is filed as a fixture filing and covers goods that are or are to become fixtures, must satisfy subsection (a) of this section and also:

(1) indicate that it covers this type of collateral;

(2) indicate that it is to be filed against the tract index in the real property records;

(3) provide a description of the real property to which the collateral is related; and

(4) if the debtor does not have an interest of record in the real property, provide the name of a record owner.

(c) A record of a mortgage is effective, from the date of recording as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut only if:

(1) the record indicates the goods or accounts that it covers;

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

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

(4) the record is duly recorded.

(d) A financing statement may be filed before a security agreement is made or a security interest otherwise attaches.

(e) (1) No filing of a financing statement, continuation statement, termination statement, or assignment or release of a financing statement under the provisions of paragraph (1) of subsection (a) of Section 1-9-501 of this title shall constitute record notice of the contents thereof against any subsequent purchaser or encumbrancer of real estate or any interest therein unless the same contains a legal description of the real estate adequate for the purposes of indexing in the tract indexes of the county wherein the real estate is situated.

(2) It shall be the duty of the county clerk to cause all such financing statements, continuation statements, termination statements, or assignments or releases of financing statements containing an adequate legal description to be recorded and indexed in the records of said office in the same place and manner as a mortgage on real estate or assignment or release thereof.

(3) To effectuate the provisions of Section 2A-309 of this title, a lessor of goods that are or are to become fixtures may file a fixture filing complying with that section, and filings related to that fixture filing, using the terms "lessor," "lessee," or the like instead of the terms specified in this part. The provisions of this article relating to a fixture filing or a filing related to it shall apply as appropriate in conjunction with the provisions of Article 2A of this title with respect to such filings.

(f) Except as otherwise provided in subsection (c) of this section, a financing statement, or any filing related to it, that complies with this section is sufficient and may be recorded and shall be effective as a financing statement even though it does not comply with the execution and acknowledgement requirements of Sections 15, 26, 93, 94, or 95 of Title 16 of the Oklahoma Statutes, as amended, or other statutes, if any, of like import that would impose requirements beyond those of the kind encompassed in this section.

SECTION 81. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-503 of Title 12A, unless there is created a duplication in numbering, reads as follows:

NAME OF DEBTOR AND SECURED PARTY

(a) A financing statement sufficiently provides the name of the debtor:

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

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

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

(A) provides the name specified for the trust in its organic documents or, if no name is specified, provides the name of the settlor and additional information sufficient to distinguish the debtor from other trusts having one or more of the same settlors; and

(B) indicates, in the debtor's name or otherwise, that the debtor is a trust or is a trustee acting with respect to property held in trust; and

(4) in other cases:

(A) if the debtor has a name, only if it provides the individual or organizational name of the debtor; and

(B) if the debtor does not have a name, only if it provides the names of the partners, members, associates, or other persons comprising the debtor.

(b) A financing statement that provides the name of the debtor in accordance with subsection (a) of this section is not rendered ineffective by the absence of:

(1) a trade name or other name of the debtor; or

(2) unless required under subparagraph (B) of paragraph (4) of subsection (a) of this section, names of partners, members, associates, or other persons comprising the debtor.

(c) A financing statement that provides only the debtor's trade name does not sufficiently provide the name of the debtor.

(d) Failure to indicate the representative capacity of a secured party or representative of a secured party does not affect the sufficiency of a financing statement.

(e) A financing statement may provide the name of more than one debtor and the name of more than one secured party.

SECTION 82. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-504 of Title 12A, unless there is created a duplication in numbering, reads as follows:

INDICATION OF COLLATERAL

A financing statement sufficiently indicates the collateral that it covers if the financing statement provides:

(1) a description of the collateral pursuant to Section 1-9-108 of this title; or

(2) an indication that the financing statement covers all assets or all personal property.

SECTION 83. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-505 of Title 12A, unless there is created a duplication in numbering, reads as follows:

FILING AND COMPLIANCE WITH OTHER STATUTES AND TREATIES FOR CONSIGNMENTS, LEASES, OTHER BAILMENTS, AND OTHER TRANSACTIONS

(a) A consignor, lessor, or other bailor of goods, a licensor, or a buyer of a payment intangible or promissory note may file a financing statement, or may comply with a statute or treaty described in subsection (a) of Section 1-9-311 of this title, using the terms "consignor", "consignee", "lessor", "lessee", "bailor", "bailee", "licensor", "licensee", "owner", "registered owner", "buyer", "seller", or words of similar import, instead of the terms "secured party" and "debtor".

(b) This part applies to the filing of a financing statement under subsection (a) of this section and, as appropriate, to compliance that is equivalent to filing a financing statement under subsection (b) of Section 1-9-311 of this title, but the filing or compliance is not of itself a factor in determining whether the collateral secures an obligation. If it is determined for another reason that the collateral secures an obligation, a security interest held by the consignor, lessor, bailor, licensor, owner, or buyer which attaches to the collateral is perfected by the filing or compliance.

SECTION 84. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-506 of Title 12A, unless there is created a duplication in numbering, reads as follows:

EFFECT OF ERRORS OR OMISSIONS

(a) A financing statement substantially satisfying the requirements of this part is effective, even if it has minor errors or omissions, unless the errors or omissions make the financing statement seriously misleading.

(b) Except as otherwise provided in subsection (c) of this section, a financing statement that fails sufficiently to provide the name of the debtor in accordance with subsection (a) of Section 1-9-503 of this title is seriously misleading.

(c) If a search of the records of the filing office under the debtor's correct name, using the filing office's standard search logic, if any, would disclose a financing statement that fails sufficiently to provide the name of the debtor in accordance with subsection (a) of Section 1-9-503 of this title, the name provided does not make the financing statement seriously misleading.

(d) For purposes of subsection (b) of Section 1-9-508 of this title, the "debtor's correct name" in subsection (c) of this section means the correct name of the new debtor.

SECTION 85. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-507 of Title 12A, unless there is created a duplication in numbering, reads as follows:

EFFECT OF CERTAIN EVENTS ON
EFFECTIVENESS OF FINANCING STATEMENT

(a) A filed financing statement remains effective with respect to collateral that is sold, exchanged, leased, licensed, or otherwise disposed of and in which a security interest or agricultural lien continues, even if the secured party knows of or consents to the disposition.

(b) Except as otherwise provided in subsection (c) of this section and Section 1-9-508 of this title, a financing statement is not rendered ineffective if, after the financing statement is filed, the information provided in the financing statement becomes seriously misleading under Section 1-9-506 of this title.

(c) If a debtor so changes its name that a filed financing statement becomes seriously misleading under Section 1-9-506 of this title:

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

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

SECTION 86. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-508 of Title 12A, unless there is created a duplication in numbering, reads as follows:

EFFECTIVENESS OF FINANCING STATEMENT IF
NEW DEBTOR BECOMES BOUND BY SECURITY AGREEMENT

(a) Except as otherwise provided in this section, a filed financing statement naming an original debtor is effective to perfect a security interest in collateral in which a new debtor has or acquires rights to the extent that the financing statement would

have been effective had the original debtor acquired rights in the collateral.

(b) If the difference between the name of the original debtor and that of the new debtor causes a filed financing statement that is effective under subsection (a) of this section to be seriously misleading under Section 1-9-506 of this title:

(1) the financing statement is effective to perfect a security interest in collateral acquired by the new debtor before, and within four (4) months after, the new debtor becomes bound under subsection (d) of Section 1-9-203 of this title; and

(2) the financing statement is not effective to perfect a security interest in collateral acquired by the new debtor more than four (4) months after the new debtor becomes bound under subsection (d) of Section 1-9-203 of this title unless an initial financing statement providing the name of the new debtor if filed before the expiration of that time.

(c) This section does not apply to collateral for which a filed financing statement remains effective against the new debtor under subsection (a) of Section 1-9-507 of this title.

SECTION 87. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-509 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PERSONS ENTITLED TO FILE A RECORD

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

(1) the debtor authorizes the filing in an authenticated record; or

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

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

(1) the collateral described in the security agreement; and

(2) property that becomes collateral under paragraph (2) of subsection (a) of Section 1-9-315 of this title, whether or not the security agreement expressly covers proceeds.

(c) By acquiring collateral in which a security interest or agricultural lien continues under paragraph (1) of subsection (a) of Section 1-9-315 of this title, a debtor authorizes the filing of an initial financing statement, and an amendment, covering the collateral and property that becomes collateral under paragraph (2) of subsection (a) of Section 1-9-315 of this title.

(d) A person may file an amendment other than an amendment that adds collateral covered by a financing statement or an amendment that adds a debtor to a financing statement only if:

(1) the secured party of record authorizes the filing; or

(2) the amendment is a termination statement for a financing statement for which the secured party of record has failed to file or send a termination statement as required by subsection (a) or (c) of Section 1-9-513 of this title, the debtor authorizes the filing, and the termination statement indicates that the debtor authorized it to be filed.

(e) If there is more than one secured party of record for a financing statement, each secured party of record may authorize the filing of an amendment under subsection (d) of this section.

SECTION 88. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-510 of Title 12A, unless there is created a duplication in numbering, reads as follows:

EFFECTIVENESS OF FILED RECORD

(a) A filed record is effective only to the extent that it was filed by a person that may file it under Section 1-9-509 of this title.

(b) A record authorized by one secured party of record does not affect the financing statement with respect to another secured party of record.

(c) A continuation statement that is not filed within the six-month period prescribed by subsection (d) of Section 1-9-515 of this title is ineffective.

SECTION 89. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-511 of Title 12A, unless there is created a duplication in numbering, reads as follows:

SECURED PARTY OF RECORD

(a) A secured party of record with respect to a financing statement is a person whose name is provided as the name of the secured party or a representative of the secured party in an initial financing statement that has been filed. If an initial financing statement is filed under subsection (a) of Section 1-9-514 of this title, the assignee named in the initial financing statement is the secured party of record with respect to the financing statement.

(b) If an amendment of a financing statement which provides the name of a person as a secured party or a representative of a secured party is filed, the person named in the amendment is a secured party of record. If an amendment is filed under subsection (b) of Section 1-9-514 of this title, the assignee named in the amendment is a secured party of record.

(c) A person remains a secured party of record until the filing of an amendment of the financing statement which deletes the person.

SECTION 90. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-512 of Title 12A, unless there is created a duplication in numbering, reads as follows:

AMENDMENT OF FINANCING STATEMENT

(a) Subject to Section 1-9-509 of this title, a person may add or delete collateral covered by, continue or terminate the effectiveness of, or, subject to subsection (e) of this section, otherwise amend the information provided in, a financing statement by filing an amendment that:

(1) identifies, by its file number, the initial financing statement to which the amendment relates; and

(2) if the amendment relates to an initial financing statement filed or recorded in a filing office described in paragraph (1) of subsection (a) of Section 1-9-501 of this title, provides the file number and date that the initial financing statement was filed or recorded, and the information specified in subsection (b) of Section 1-9-502 of this title.

(b) Except as otherwise provided in Section 1-9-515 of this title, the filing of an amendment does not extend the period of effectiveness of the financing statement.

(c) A financing statement that is amended by an amendment that adds collateral is effective as to the added collateral only from the date of the filing of the amendment.

(d) A financing statement that is amended by an amendment that adds a debtor is effective as to the added debtor only from the date of the filing of the amendment.

(e) An amendment is ineffective to the extent it:

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

(2) purports to delete all secured parties of record and fails to provide the name of a new secured party of record.

SECTION 91. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-513 of Title 12A, unless there is created a duplication in numbering, reads as follows:

TERMINATION STATEMENT

(a) A secured party shall cause the secured party of record for a financing statement to file a termination statement for the financing statement if the financing statement covers consumer goods and:

(1) there is no obligation secured by the collateral covered by the financing statement and no commitment to make an advance, incur an obligation, or otherwise give value; or

(2) the debtor did not authorize the filing of the initial financing statement.

(b) To comply with subsection (a) of this section, a secured party shall cause the secured party of record to file the termination statement:

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

(2) if earlier, within twenty (20) days after the secured party receives an authenticated demand from a debtor.

(c) In cases not governed by subsection (a) of this section, within twenty (20) days after a secured party receives an authenticated demand from a debtor, the secured party shall cause the secured party of record for a financing statement to send to the debtor a termination statement for the financing statement or file the termination statement in the filing office if:

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

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

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

(4) the debtor did not authorize the filing of the initial financing statement.

(d) Except as otherwise provided in Section 1-9-510 of this title, upon the filing of a termination statement with the filing office, the financing statement to which the termination statement relates ceases to be effective. Except as otherwise provided in Section 1-9-510 of this title, for purposes of subsection (g) of Section 1-9-519, subsection (a) of Section 1-9-522, and subsection (c) of Section 1-9-523 of this title, the filing with the filing office of a termination statement relating to a financing statement that indicates that the debtor is a transmitting utility also causes the effectiveness of the financing statement to lapse.

SECTION 92. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-514 of Title 12A, unless there is created a duplication in numbering, reads as follows:

ASSIGNMENT OF POWERS OF SECURED PARTY OF RECORD

(a) Except as otherwise provided in subsection (c) of this section, an initial financing statement may reflect an assignment of all of the secured party's power to authorize an amendment to the financing statement by providing the name and mailing address of the assignee as the name and address of the secured party.

(b) Except as otherwise provided in subsection (c) of this section, a secured party of record may assign of record all or part of its power to authorize an amendment to a financing statement by filing in the filing office an amendment of the financing statement which:

(1) identifies, by its file number, the initial financing statement to which it relates;

(2) provides the name of the assignor; and

(3) provides the name and mailing address of the assignee.

(c) An assignment of record of a security interest in a fixture covered by a record of a mortgage which is effective as a fixture filing under subsection (c) of Section 1-9-502 of this title may be made only by an assignment of record of the mortgage in the manner provided by law of this state other than the Uniform Commercial Code.

SECTION 93. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-515 of Title 12A, unless there is created a duplication in numbering, reads as follows:

DURATION AND EFFECTIVENESS OF FINANCING STATEMENT;
EFFECT OF LAPSED FINANCING STATEMENT

(a) Except as otherwise provided in subsections (b), (e), (f), and (g) of this section, a filed financing statement is effective for a period of five (5) years after the date of filing.

(b) Except as otherwise provided in subsections (e), (f), and (g) of this section, an initial financing statement filed in connection with a public-finance transaction or manufactured-home transaction is effective for a period of thirty (30) years after the date of filing if it indicates that it is filed in connection with a public-finance transaction or manufactured-home transaction.

(c) The effectiveness of a filed financing statement lapses on the expiration of the period of its effectiveness unless before the lapse a continuation statement is filed pursuant to subsection (d) of this section. Upon lapse, a financing statement ceases to be effective and any security interest or agricultural lien that was perfected by the financing statement becomes unperfected, unless the security interest is perfected otherwise. If the security interest or agricultural lien becomes unperfected upon lapse, it is deemed never to have been perfected as against a purchaser of the collateral for value.

(d) A continuation statement may be filed only within six (6) months before the expiration of the five-year period specified in subsection (a) of this section or the thirty-year period specified in subsection (b) of this section, whichever is applicable.

(e) Except as otherwise provided in Section 1-9-510 of this title, upon timely filing of a continuation statement, the effectiveness of the initial financing statement continues for a period of five (5) years commencing on the day on which the financing statement would have become ineffective in the absence of the filing. Upon the expiration of the five-year period, the financing statement lapses in the same manner as provided in subsection (c) of this section, unless, before the lapse, another continuation statement is filed pursuant to subsection (d) of this section. Succeeding continuation statements may be filed in the same manner to continue the effectiveness of the initial financing statement.

(f) If a debtor is a transmitting utility and a filed financing statement so indicates, the financing statement is effective until a termination statement is filed.

(g) A record of a mortgage that is effective as a financing statement filed as a fixture filing under subsection (c) of Section 1-9-502 of this title remains effective as a financing statement filed as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real property.

SECTION 94. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-516 of Title 12A, unless there is created a duplication in numbering, reads as follows:

WHAT CONSTITUTES FILING; EFFECTIVENESS OF FILING

(a) Except as otherwise provided in subsection (b) of this section, communication of a record to a filing office and tender of the filing fee or acceptance of the record by the filing office constitutes filing.

(b) Filing does not occur with respect to a record that a filing office refuses to accept because:

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

(2) an amount equal to or greater than the applicable filing fee is not tendered;

(3) the filing office is unable to index the record because:

(A) in the case of an initial financing statement, the record does not provide a name for the debtor;

(B) in the case of an amendment or correction statement, the record:

(i) does not identify the initial financing statement as required by Section 1-9-512 or 1-9-518 of this title, as applicable; or

(ii) identifies an initial financing statement whose effectiveness has lapsed under Section 1-9-515 of this title;

(C) in the case of an initial financing statement that provides the name of a debtor identified as an individual or an amendment that provides a name of a debtor identified as an individual which was not previously provided in the financing statement to which the record relates, the record does not identify the debtor's last name; or

(D) in the case of a record filed or recorded in the filing office described in paragraph (1) of subsection (a) of Section 1-9-501 of this title, the record does not provide a sufficient description of the real property to which it relates;

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

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

(A) provide a mailing address for the debtor;

(B) indicate whether the debtor is an individual or an organization; or

(C) if the financing statement indicates that the debtor is an organization, provide:

(i) a type of organization for the debtor;

(ii) a jurisdiction of organization for the debtor; or

(iii) an organizational identification number for the debtor or indicate that the debtor has none;

(6) in the case of an assignment reflected in an initial financing statement under paragraph (a) of Section 1-9-514 of this title or an amendment filed under subsection (b) of Section 1-9-514 of this title, the record does not provide a name and mailing address for the assignee; or

(7) in the case of a continuation statement, the record is not filed within the six-month period prescribed by subsection (d) of Section 1-9-515 of this title.

(c) For purposes of subsection (b) of this section:

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

(2) a record that does not indicate that it is an amendment or identify an initial financing statement to which it relates, as required by Section 1-9-512, 1-9-514, or 1-9-518 of this title, is an initial financing statement.

(d) A record that is communicated to the filing office with tender of the filing fee, but which the filing office refuses to accept for a reason other than one set forth in subsection (b) of this section, is effective as a filed record except as against a purchaser of the collateral which gives value in reasonable reliance upon the absence of the record from the files.

SECTION 95. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-517 of Title 12A, unless there is created a duplication in numbering, reads as follows:

EFFECT OF INDEXING ERRORS

The failure of the filing office to index a record correctly does not affect the effectiveness of the filed record.

SECTION 96. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-518 of Title 12A, unless there is created a duplication in numbering, reads as follows:

CLAIM CONCERNING INACCURATE OR WRONGFULLY FILED RECORD

(a) A person may file in the filing office a correction statement with respect to a record indexed there under the person's name if the person believes that the record is inaccurate or was wrongfully filed.

(b) A correction statement must:

(1) identify the record to which it relates by:

(A) the file number of the initial financing statement to which the record relates; and

(B) if the correction statement relates to a record filed or recorded in a filing office described in paragraph (1) of subsection (a) of Section 1-9-501 of this title, the file number, the date that the initial financing statement was filed or recorded, and the information specified in paragraph (1) of subsection (e) of Section 1-9-502 of this title;

(2) indicate that it is a correction statement; and

(3) provide the basis for the person's belief that the record is inaccurate and indicate the manner in which the person believes

the record should be amended to cure any inaccuracy or provide the basis for the person's belief that the record was wrongfully filed.

(c) The filing of a correction statement does not affect the effectiveness of an initial financing statement or other filed record.

SECTION 97. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-519 of Title 12A, unless there is created a duplication in numbering, reads as follows:

NUMBERING, MAINTAINING, AND INDEXING RECORDS; COMMUNICATING INFORMATION PROVIDED IN RECORDS

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

(1) assign a unique number to the filed record;

(2) create a record that bears the number assigned to the filed record and the date and time of filing;

(3) maintain the filed record for public inspection; and

(4) index the filed record in accordance with subsections (c), (d), and (e) of this section.

(b) A file number assigned by the county clerk of Oklahoma County after July 1, 2001, must include a digit that:

(1) is mathematically derived from or related to the other digits of the file number; and

(2) aids the filing office in determining whether a number communicated as the file number includes a single-digit or transpositional error.

(c) Except as otherwise provided in subsections (d) and (e) of this section, the filing office shall:

(1) index an initial financing statement according to the name of the debtor and shall index all filed records relating to the initial financing statement in a manner that associates with one another an initial financing statement and all filed records relating to the initial financing statement; and

(2) index a record that provides a name of a debtor which was not previously provided in the financing statement to which the record relates also according to the name that was not previously provided.

(d) If a financing statement is filed as a fixture filing or covers as-extracted collateral or timber to be cut, it must be filed for record and the filing office shall index it:

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

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

(e) If a financing statement is filed as a fixture filing or covers as-extracted collateral or timber to be cut, the filing office shall index an assignment filed under subsection (a) of Section 1-9-514 of this title or an amendment filed under subsection (b) of Section 1-9-514 of this title:

(1) under the name of the assignor as grantor; and

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

(f) The filing office shall maintain a capability:

(1) to retrieve a record by the name of the debtor and:

(A) if the filing office is described in paragraph (1) of subsection (a) of Section 1-9-501 of this title, by the file number assigned to the initial financing statement to which the record relates, the date that the record was filed or recorded, and the legal description of the real estate adequate for the purposes of indexing in the tract indexes of the county where the real estate is situated; or

(B) if the filing office is described in paragraph (2) of subsection (a) of Section 1-9-501 of this title, by the file number and date of the initial financing statement to which the record relates; and

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

(g) The filing office may not remove a debtor's name from the index until one (1) year after the effectiveness of a financing statement naming the debtor lapses under Section 1-9-515 of this title with respect to all secured parties of record.

(h) The filing office shall perform the acts required by subsections (a) through (e) of this section at the time and in the manner prescribed by filing-office rule, but not later than two (2) business days after the filing office receives the record in question.

(i) Subsection (b) of this section does not apply to a filing office described in paragraph (1) of subsection (a) of Section 1-9-501 of this title.

SECTION 98. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-520 of Title 12A, unless there is created a duplication in numbering, reads as follows:

ACCEPTANCE AND REFUSAL TO ACCEPT RECORD

(a) A filing office shall refuse to accept a record for filing for a reason set forth in subsection (b) of Section 1-9-516 of this title and may refuse to accept a record for filing only for a reason set forth in subsection (b) of Section 1-9-516 of this title.

(b) If a filing office refuses to accept a record for filing, it shall communicate to the person that presented the record the fact of and reason for the refusal and the date and time the record would have been filed had the filing office accepted it. The communication must be made at the time and in the manner prescribed by filing-office rule, but, in the case of a filing office described in paragraph (2) of subsection (a) of Section 1-9-501 of this title, in no event more than two (2) business days after the filing office receives the record.

(c) A filed financing statement satisfying subsections (a) and (b) of Section 1-9-502 of this title is effective, even if the filing office is required to refuse to accept it for filing under subsection (a). However, Section 1-9-338 of this title applies to a filed financing statement providing information described in paragraph (5) of subsection (b) of Section 1-9-516 of this title which is incorrect at the time the financing statement is filed.

(d) If a record communicated to a filing office provides information that relates to more than one debtor, this part applies to each debtor separately.

SECTION 99. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-521 of Title 12A, unless there is created a duplication in numbering, reads as follows:

UNIFORM FORM OF WRITTEN FINANCING STATEMENT AND AMENDMENT

(a) A filing office that accepts written records may not refuse to accept a written initial financing statement in the following form and format, except for a reason set forth in subsection (b) of Section 1-9-516:

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

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

_____

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

_____

_____ THE ABOVE SPACE IS FOR

_____ FILING OFFICE USE ONLY

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

1a. ORGANIZATION'S NAME

_____

OR 1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

_____

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

_____

1d. TAX ID. NO. SSN OR EIN ADD'L INFO. RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION

_____

1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID No., if any

_____[ ] NONE

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

2a. ORGANIZATION'S NAME

_____

OR 2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

_____

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

_____

2d. TAX ID. NO. SSN OR EIN ADD'L INFO. RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION

_____

2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID No.,

if any

_____[ ] NONE

3. SECURED PARTY'S NAME (or name of total assignee of assignor S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

_____

OR 3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

_____

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

_____

4. This FINANCING STATEMENT covers the following collateral:

_____

5. ALTERNATIVE DESIGNATION [if applicable]: [ ] LESSEE/LESSOR

[ ] CONSIGNEE/CONSIGNOR [ ] BAILEE/BAILOR [ ] SELLER/BUYER

[ ] AG. LIEN [ ] NON-UCC FILING

6. [ ] This FINANCING STATEMENT is to be filed against the tract index in the REAL ESTATE RECORDS.

Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s)

[ ] All Debtors [ ] Debtor 1 [ ] Debtor 2

[ADDITIONAL FEE] [optional]

_____

8. OPTIONAL FILER REFERENCE DATA

_____

FILING OFFICE COPY - NATIONAL UCC FILING STATEMENT (FORM UCC 1))

[BACK OF FORM]

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY.

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

_____

9a. ORGANIZATION'S NAME

_____

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

_____

10. MISCELLANEOUS:

_____

_____ THE ABOVE SPACE IS FOR

_____ FILING OFFICE USE ONLY

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

11a. ORGANIZATION'S NAME

_____

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

_____

11c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

_____

11d. TAX ID. NO. SSN OR EIN ADD'L INFO. RE ORGANIZATION DEBTOR 11e. TYPE OF ORGANIZATION

_____

11f. JURISDICTION OF ORGANIZATION 11g. ORGANIZATIONAL ID No., if any

_____[ ] NONE

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

12a. ORGANIZATION'S NAME

_____

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

_____

12c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

_____

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

14. Description of real estate:

_____

_____

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

_____

_____

16. Additional collateral description:

_____

_____

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

Debtor is a [ ] Trust or [ ] Trustee acting with respect to property held in trust or

[ ] Decedent's Estate

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

[ ] Debtor is a TRANSMITTING UTILITY

[ ] Filed in connection with a Manufactured-Home Transaction - effective 30 years

[ ] Filed in connection with a Public-Finance Transaction - effective 30 years

FILING OFFICE COPY - NATIONAL UCC FILING STATEMENT

(FORM UCC 1Ad)

(b) A filing office that accepts written records for filing may not refuse to accept a written financing statement amendment in the following form, except for a reason set forth in subsection (b) of Section 1-9-516:

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

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

_____

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

_____

_____ THE ABOVE SPACE IS FOR

_____ FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NO. _____

1b. [ ] This FINANCING STATEMENT AMENDMENT is to be filed against the tract index in the REAL ESTATE RECORDS.

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

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

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

_____

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

[ ] CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.

[ ] DELETE name: Give record name to be deleted in item 6a or 6b.

[ ] ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

_____

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

_____

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

_____

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

_____

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

_____

7d. TAX ID. NO. SSN OR EIN ADD'L INFO. RE ORGANIZATION DEBTOR 7e. TYPE OF ORGANIZATION

_____

7f. JURISDICTION OF ORGANIZATION 7g. ORGANIZATIONAL ID No., if any

_____[ ] NONE

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

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

_____

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

9a. ORGANIZATION'S NAME

_____

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

_____

10. OPTIONAL FILE REFERENCE DATA

_____

FILING OFFICE COPY - NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3)

[BACK OF FORM]

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE NO. (same as item 1a on Amendment form)

_____

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

12a. ORGANIZATION'S NAME

_____

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

_____

13. USE THIS SPACE FOR ADDITIONAL INFORMATION

_____

_____THE ABOVE SPACE IS FOR

_____FILING OFFICE USE ONLY

FILING OFFICE COPY - NATIONAL UCC FINANCING STATEMENT AMENDMENT ADDENDUM (FORM UCC3Ad)

(c) A form that a filing office may not refuse to accept under subsection (a) or (b) of this section must conform to the format prescribed for the form by the National Conference of Commissioners on Uniform State Laws.

SECTION 100. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-522 of Title 12A, unless there is created a duplication in numbering, reads as follows:

MAINTENANCE AND DESTRUCTION OF RECORDS

(a) The filing office shall maintain a record of the information provided in a filed financing statement for at least one year after the effectiveness of the financing statement has lapsed under Section 1-9-515 of this title with respect to all secured parties of record. The record must be retrievable by using the name of the debtor and:

(1) if the record was filed or recorded in the filing office described in paragraph (1) of subsection (a) of Section 1-9-501 of this title, by using the file number of the initial financing statement to which the record relates and the date and that the record was filed or recorded, and by the legal description of the real estate adequate for the purposes of indexing in the tract indexes of the county where the real estate is situated; or

(2) if the record was filed in the filing office described in paragraph (2) of subsection (a) of Section 1-9-501 of this title, by using the file number of the initial financing statement to which the record relates.

(b) Except to the extent that a statute governing disposition of public records provides otherwise, the filing office immediately may destroy any written record evidencing a financing statement. However, if the filing office destroys a written record, it shall maintain another record of the financing statement which complies with subsection (a) of this section.

SECTION 101. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-523 of Title 12A, unless there is created a duplication in numbering, reads as follows:

INFORMATION FROM FILING OFFICE; SALE OR LICENSE OF RECORDS

(a) If a person that files a written record requests an acknowledgment of the filing, the filing office shall send to the person an image of the record showing the number assigned to the record pursuant to paragraph (1) of subsection (a) of Section 1-9-519 of this title and the date and time of the filing of the record. However, if the person furnishes a copy of the record to the filing office, the filing office may instead:

(1) note upon the copy the number assigned to the record pursuant to paragraph (1) of subsection (a) of Section 1-9-519 of this title and the date and time of the filing of the record; and

(2) send the copy to the person.

(b) If a person files a record other than a written record, the filing office shall communicate to the person an acknowledgment that provides:

(1) the information in the record;

(2) the number assigned to the record pursuant to paragraph (1) of subsection (a) of Section 1-9-519 of this title; and

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

(c) The filing office shall communicate or otherwise make available in a record the following information to any person that requests it:

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

(A) designates a particular debtor or, if the request so states, designates a particular debtor at the address specified in the request;

(B) has not lapsed under Section 1-9-515 of this title with respect to all secured parties of record; and

(C) if the request so states, has lapsed under Section 1-9-515 of this title and a record of which is maintained by the filing office under subsection (a) of Section 1-9-522 of this title;

(2) the date and time of filing of each financing statement; and

(3) the information provided in each financing statement.

(d) In complying with its duty under subsection (c) of this section, the filing office may communicate information in any medium. However, if requested, the filing office shall communicate information by issuing a record that can be admitted into evidence in the courts of this state without extrinsic evidence of its authenticity.

(e) The filing office shall perform the acts required by subsections (a) through (d) of this section at the time and in the manner prescribed by filing-office rule, but not later than two (2) business days after the filing office receives the request.

(f) At least weekly, the filing office shall offer to sell or license to the public on a nonexclusive basis, in bulk, copies of all records filed in it under this part, in every medium from time to time available to the filing office.

SECTION 102. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-524 of Title 12A, unless there is created a duplication in numbering, reads as follows:

DELAY BY FILING OFFICE

Delay by the filing office beyond a time limit prescribed by this part is excused if:

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

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

SECTION 103. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-525 of Title 12A, unless there is created a duplication in numbering, reads as follows:

FEES

(a) Except as otherwise provided in subsection (e) of this section, the fee for filing and indexing a record under this part, other than an initial financing statement of the kind described in subsection (c) of Section 1-9-502 of this title, is:

(1) Ten Dollars ($10.00) if the record is communicated in writing and consists of one to five pages, and an additional One Dollar ($1.00) per page for each page exceeding five; and

(2) Ten Dollars ($10.00) if the record is communicated by an electronic medium authorized by filing-office rule.

(b) The number of names required to be indexed does not affect the amount of the fee in subsection (a) of this section.

(c) The fee for responding to a request for information from the filing office in any medium designated by the filing office, including issuing a certificate showing whether there is on file any financing statement naming a particular debtor, is Ten Dollars ($10.00) for each debtor.

(d) The fee for a copy of a record is One Dollar ($1.00) per page regardless of the medium used.

(e) This section does not require a fee with respect to a record of a mortgage which is effective as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut under subsection (c) of Section 1-9-502 of this title. However, the recording and satisfaction fees that otherwise would be applicable to the record of the mortgage apply pursuant to paragraphs 1, 2, 4, 7, 11, 15 and 16 of subsection A of Section 32 of Title 28 of the Oklahoma Statutes.

(f) The fee for providing certified copies shall be One Dollar ($1.00) per page regardless of medium.

(g) The fee for providing bulk data of indexed records as described in subsection (f) of Section 1-9-523 of this title is as follows:

(1) Five Hundred Dollars ($500.00) for the initial database history.

(2) Fifty Dollars ($50.00) for weekly updates to the database.

(3) Four cents ($0.04) per page for images of filed records.

(h) The filing office may accept payment for fees by automated clearing house or by a nationally recognized debit or credit card. If payment is made by a credit or debit card, the filing office may add an amount equal to the amount of the service charge incurred for the acceptance of the payment. The filing office may enter into contracts for credit card processing services according to applicable county purchasing laws or may enter into agreements with the State Treasurer to participate in any credit card processing agreements entered into by the State Treasurer.

SECTION 104. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-525.1 of Title 12A, unless there is created a duplication in numbering, reads as follows:

DISPOSITION OF FEES

(a) There is hereby created a cash account to be known as the "Oklahoma County Clerk's Uniform Commercial Code Central Filing Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all fees and penalties collected pursuant to Section 1-9-525 of this title by the county clerk of Oklahoma County, all monies otherwise credited to the account, and any interest accruing thereon.

(b) Monies in this account shall be expended in the following amounts for the following purposes:

(1) Of the fees collected pursuant to paragraphs (1) and (2) of subsection (a) of Section 1-9-525 of this title, Five Dollars ($5.00) shall be paid monthly by the thirtieth day following the month in which collected to the general fund of Oklahoma County as a liquidated fee for capital and other expenses associated with operation of the filing office; and

(2) All other fees or parts of fees and any interest accruing to this account shall be expended by the county clerk of Oklahoma County for the lawful operation of the filing office.

(c) The county clerk of Oklahoma County may, by rule, establish prepaid fee accounts. If adopted, the rule shall provide for at least the following:

(1) An application for an account on a form prescribed in the rule;

(2) A one-time application fee of not more than Twenty Dollars ($20.00);

(3) Acceptable methods of making deposits to an account;

(4) Any requirements for a minimum initial deposit, a minimum balance, and a minimum amount for subsequent deposits;

(5) The fees and penalties which may be paid from the account;

(6) Procedures for making deposits to and payments from an account; and

(7) Procedures for closing an account.

SECTION 105. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-526 of Title 12A, unless there is created a duplication in numbering, reads as follows:

FILING-OFFICE RULES

(a) The county clerk of Oklahoma County shall adopt and publish rules to implement this article. The filing-office rules must be:

(1) consistent with this article; and

(2) adopted and published in accordance with Section 1-9-526.1 of this title.

(b) To keep the filing-office rules and practices of the filing office in harmony with the rules and practices of filing offices in other jurisdictions that enact substantially this part, and to keep the technology used by the filing office compatible with the technology used by filing offices in other jurisdictions that enact substantially this part, the county clerk of Oklahoma County, so far as is consistent with the purposes, policies, and provisions of this article, in adopting, amending, and repealing filing-office rules, shall:

(1) consult with filing offices in other jurisdictions that enact substantially this part;

(2) consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators or any successor organization; and

(3) take into consideration the rules and practices of, and the technology used by, filing offices in other jurisdictions that enact substantially this part.

SECTION 106. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-526.1 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PROCEDURES FOR ADOPTING RULES

(a) The county clerk of Oklahoma County shall adopt rules, pursuant to Section 1-9-526 of this title, for the operation of the filing office designated in paragraph (2) of subsection (a) of Section 1-9-501 of this title. Initial rules for the filing office shall be adopted on or before January 1, 2001. These rules may be amended or repealed and additional rules may be adopted at any time in the same manner as initial rules.

(b) The county clerk of Oklahoma County, or a designee, shall conduct a meeting which complies with the Oklahoma Open Meeting Act at which public comment regarding the proposed rules may be given and received orally or in writing.

(c) In addition to any notice required by the Oklahoma Open Meeting Act, notice shall be given of the proposed rulemaking which shall:

(1) Be published in at least two newspapers in this state and in other periodicals and on Internet sites as the county clerk deems appropriate, at least thirty (30) and no more than sixty (60) days prior to the meeting at which public comment is invited on the proposed rules;

(2) Be sent to any person who requests notice of proposed rulemaking under this section; and

(3) Include the following:

(A) the date, time, and place of the meeting or meetings at which public comment is invited on the proposed rules,

(B) the address, telephone number, and Internet address, if any, for the office to which comments regarding the rules may be made or a request for a copy of the proposed rules may be directed,

(C) the deadline for making comments, and

(D) the reason for the proposed rule, repeal, or amendment, and a brief summary of the proposed rule, repeal, or amendment, including citations to the rules.

(d) At the request of any person, the county clerk of Oklahoma County shall provide copies of proposed rules and rules adopted pursuant to this section.

(1) One copy of each proposed rule, repeal, or amendment shall be provided free of charge. Additional copies shall be made available upon payment of a fee which shall not exceed twenty-five cents ($0.25) per page plus the cost of mailing, if any.

(2) Copies of rules adopted pursuant to this section shall be made available either:

(A) upon payment of a fee which shall not exceed twenty-five cents ($0.25) per page plus the cost of mailing, if any, or

(B) pursuant to subsection (f) of this section, or

(C) a combination of subparagraphs (A) and (B) of this paragraph.

(e) Proposed rules and rules adopted pursuant to this section may also be published on one or more Internet sites designated by the county clerk.

(f) The county clerk of Oklahoma County shall, no less than annually, compile and publish all rules adopted pursuant to this section which have been adopted and are effective or have been adopted and will become effective during the year after publication. Copies of this compilation shall be made available upon payment of a fee which shall not exceed Five Dollars ($5.00) plus the cost of mailing, if any.

(g) The county clerk of Oklahoma County may agree with the Office of Administrative Rules in the Office of the Secretary of State to publish the rules with the Oklahoma Administrative Code. An agreement made pursuant to this subsection shall not require compliance with the Administrative Procedures Act.

SECTION 107. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-527 of Title 12A, unless there is created a duplication in numbering, reads as follows:

DUTY TO REPORT

The county clerk of Oklahoma County shall report annually on or before January 1 to the Governor and Legislature on the operation of the filing office. The report must contain a statement of the extent to which:

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

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

SECTION 108. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-601 of Title 12A, unless there is created a duplication in numbering, reads as follows:

RIGHTS AFTER DEFAULT; JUDICIAL ENFORCEMENT; CONSIGNOR OR BUYER OF ACCOUNTS, CHATTEL PAPER, PAYMENT INTANGIBLES, OR PROMISSORY NOTES

(a) After default, a secured party has the rights provided in this part and, except as otherwise provided in Section 1-9-602 of this title, those provided by agreement of the parties. A secured party:

(1) may reduce a claim to judgment, foreclose, or otherwise enforce the claim, security interest, or agricultural lien by any available judicial procedure, but Section 686 of Title 12 of the Oklahoma Statutes, shall not apply to the enforcement of a claim, security interest, or agricultural lien under this article except as provided in Section 1-9-604 of this title where the procedure is in accordance with the rights of the parties with respect to real property; and

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

(b) A secured party in possession of collateral or control of collateral under Section 1-9-104, 1-9-105, 1-9-106, or 1-9-107 of this title has the rights and duties provided in Section 1-9-207 of this title.

(c) The rights under subsections (a) and (b) of this section are cumulative and may be exercised simultaneously.

(d) Except as otherwise provided in subsection (g) of this section and Section 1-9-605 of this title, after default, a debtor and an obligor have the rights provided in this part and by agreement of the parties.

(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:

(1) the date of perfection of the security interest or agricultural lien in the collateral;

(2) the date of filing a financing statement covering the collateral; or

(3) any date specified in a statute under which the agricultural lien was created.

(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 thereafter hold the collateral free of any other requirements of this article.

(g) Except as otherwise provided in subsection (c) of Section 1-9-607 of this title, this part imposes no duties upon a secured party that is a consignor or is a buyer of accounts, chattel paper, payment intangibles, or promissory notes.

SECTION 109. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-602 of Title 12A, unless there is created a duplication in numbering, reads as follows:

WAIVER AND VARIANCE OF RIGHTS AND DUTIES

Except as otherwise provided in Section 1-9-624 of this title, to the extent that they give rights to a debtor or obligor and impose duties on a secured party, the debtor or obligor may not waive or vary the rules stated in the following listed sections:

(1) Subparagraph (C) of paragraph (4) of subsection (b) of Section 1-9-207 of this title, which deals with use and operation of the collateral by the secured party;

(2) Section 1-9-210 of this title, which deals with requests for an accounting and requests concerning a list of collateral and statement of account;

(3) Subsection (c) of Section 1-9-607 of this title, which deals with collection and enforcement of collateral;

(4) Subsection (a) of Section 1-9-608 of this title and subsection (c) of Section 1-9-615 of this title to the extent that they deal with application or payment of noncash proceeds of collection, enforcement, or disposition;

(5) Subsection (a) of Section 1-9-608 of this title and subsection (d) of Section 1-9-615 of this title to the extent that they require accounting for or payment of surplus proceeds of collateral;

(6) Section 1-9-609 of this title to the extent that it imposes upon a secured party that takes possession of collateral without judicial process the duty to do so without breach of the peace;

(7) Subsection (b) of Section 1-9-610 of this title and Sections 1-9-611, 1-9-613, and 1-9-614 of this title, which deal with disposition of collateral;

(8) Subsection (f) of Section 1-9-615 of this title, which deals with calculation of a deficiency or surplus when a disposition is made to the secured party, a person related to the secured party, or a secondary obligor;

(9) Section 1-9-616 of this title, which deals with explanation of the calculation of a surplus or deficiency;

(10) Sections 1-9-620, 1-9-621, and 1-9-622 of this title, which deal with acceptance of collateral in satisfaction of obligation;

(11) Section 1-9-623 of this title, which deals with redemption of collateral;

(12) Section 1-9-624 of this title, which deals with permissible waivers; and

(13) Sections 1-9-625 and 1-9-626 of this title, which deal with the secured party's liability for failure to comply with this article.

SECTION 110. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-603 of Title 12A, unless there is created a duplication in numbering, reads as follows:

AGREEMENT ON STANDARDS CONCERNING RIGHTS AND DUTIES

(a) The parties may determine by agreement the standards measuring the fulfillment of the rights of a debtor or obligor and the duties of a secured party under a rule stated in Section 1-9-602 of this title if the standards are not manifestly unreasonable.

(b) Subsection (a) of this section does not apply to the duty under Section 1-9-609 of this title to refrain from breaching the peace.

SECTION 111. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-604 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PROCEDURE IF SECURITY AGREEMENT
COVERS REAL PROPERTY OR FIXTURES

(a) If a security agreement covers both personal and real property, a secured party may proceed:

(1) under this part as to the personal property without prejudicing any rights with respect to the real property; or

(2) as to both the personal property and the real property in accordance with the rights with respect to the real property, in which case the other provisions of this part do not apply.

(b) Subject to subsection (c) of this section, if a security agreement covers goods that are or become fixtures, a secured party may proceed:

(1) under this part; or

(2) in accordance with the rights with respect to real property, in which case the other provisions of this part do not apply.

(c) Subject to the other provisions of this part, if a secured party holding a security interest in fixtures has priority over all owners and encumbrances of the real property, the secured party, after default, may remove the collateral from the real property.

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

SECTION 112. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-605 of Title 12A, unless there is created a duplication in numbering, reads as follows:

UNKNOWN DEBTOR OR SECONDARY OBLIGOR

A secured party does not owe a duty based on its status as secured party:

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

(A) that the person is a debtor or obligor;

(B) the identity of the person; and

(C) how to communicate with the person; or

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

(A) that the person is a debtor; and

(B) the identity of the person.

SECTION 113. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-606 of Title 12A, unless there is created a duplication in numbering, reads as follows:

TIME OF DEFAULT FOR AGRICULTURAL LIEN

For purposes of this part, a default occurs in connection with an agricultural lien at the time the secured party becomes entitled to enforce the lien in accordance with the statute under which it was created.

SECTION 114. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-607 of Title 12A, unless there is created a duplication in numbering, reads as follows:

COLLECTION AND ENFORCEMENT BY SECURED PARTY

(a) If so agreed, and in any event after default, a secured party:

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

(2) may take any proceeds to which the secured party is entitled under Section 1-9-315 of this title;

(3) may enforce the obligations of an account debtor or other person obligated on collateral and exercise the rights of the debtor with respect to the obligation of the account debtor or other person obligated on collateral to make payment or otherwise render performance to the debtor, and with respect to any property that secures the obligations of the account debtor or other person obligated on the collateral;

(4) if it holds a security interest in a deposit account perfected by control under paragraph (1) of subsection (a) of Section 1-9-104 of this title, may apply the balance of the deposit account to the obligation secured by the deposit account; and

(5) if it holds a security interest in a deposit account perfected by control under paragraph (2) or (3) of subsection (a) Section 1-9-104 of this title, may instruct the bank to pay the balance of the deposit account to or for the benefit of the secured party.

(b) If necessary to enable a secured party to exercise under paragraph (3) of subsection (a) of this section the right of a debtor to enforce a mortgage nonjudicially, the secured party may record in the office in which a record of the mortgage is recorded:

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

(2) the secured party's sworn affidavit in recordable form stating that:

(A) a default has occurred; and

(B) the secured party is entitled to enforce the mortgage nonjudicially.

(c) A secured party shall proceed in a commercially reasonable manner if the secured party:

(1) undertakes to collect from or enforce an obligation of an account debtor or other person obligated on collateral; and

(2) is entitled to charge back uncollected collateral or otherwise to full or limited recourse against the debtor or a secondary obligor.

(d) A secured party may deduct from the collections made pursuant to subsection (c) of this section reasonable expenses of collection and enforcement, including reasonable attorney's fees and legal expenses incurred by the secured party.

(e) This section does not determine whether an account debtor, bank, or other person obligated on collateral owes a duty to a secured party.

SECTION 115. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-608 of Title 12A, unless there is created a duplication in numbering, reads as follows:

APPLICATION OF PROCEEDS OF COLLECTION OR ENFORCEMENT; LIABILITY FOR DEFICIENCY AND RIGHT TO SURPLUS

(a) If a security interest or agricultural lien secures payment or performance of an obligation, the following rules apply:

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

(A) the reasonable expenses of collection and enforcement and, to the extent provided for by agreement and not prohibited by law, reasonable attorney's fees and legal expenses incurred by the secured party;

(B) the satisfaction of obligations secured by the security interest or agricultural lien under which the collection or enforcement is made; and

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

(2) If requested by a secured party, a holder of a subordinate security interest or other lien shall furnish reasonable proof of the interest or lien within a reasonable time. Unless the holder complies, the secured party need not comply with the holder's demand under subparagraph (C) of paragraph (1) of this subsection.

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

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

(b) If the underlying transaction is a sale of accounts, chattel paper, payment intangibles, or promissory notes, the debtor is not entitled to any surplus, and the obligor is not liable for any deficiency.

SECTION 116. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-609 of Title 12A, unless there is created a duplication in numbering, reads as follows:

SECURED PARTY'S RIGHT TO TAKE POSSESSION AFTER DEFAULT

(a) After default, a secured party:

(1) may take possession of the collateral; and

(2) without removal, may render equipment unusable and dispose of collateral on a debtor's premises under Section 1-9-610 of this title.

(b) A secured party may proceed under subsection (a) of this section:

(1) pursuant to judicial process; or

(2) without judicial process, if it proceeds without breach of the peace.

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

SECTION 117. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-610 of Title 12A, unless there is created a duplication in numbering, reads as follows:

DISPOSITION OF COLLATERAL AFTER DEFAULT

(a) After default, a secured party may sell, lease, license, or otherwise dispose of any or all of the collateral in its present condition or following any commercially reasonable preparation or processing.

(b) Every aspect of a disposition of collateral, including the method, manner, time, place, and other terms, must be commercially reasonable. If commercially reasonable, a secured party may dispose of collateral by public or private proceedings, by one or more contracts, as a unit or in parcels, and at any time and place and on any terms.

(c) A secured party may purchase collateral:

(1) at a public disposition; or

(2) at a private disposition only if the collateral is of a kind that is customarily sold on a recognized market or the subject of widely distributed standard price quotations.

(d) A contract for sale, lease, license, or other disposition includes the warranties relating to title, possession, quiet enjoyment, and the like which by operation of law accompany a voluntary disposition of property of the kind subject to the contract.

(e) A secured party may disclaim or modify warranties under subsection (d) of this section:

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

(2) by communicating to the purchaser a record evidencing the contract for disposition and including an express disclaimer or modification of the warranties.

(f) A record is sufficient to disclaim warranties under subsection (e) of this section if it indicates "There is no warranty relating to title, possession, quiet enjoyment, or the like in this disposition" or uses words of similar import.

SECTION 118. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-611 of Title 12A, unless there is created a duplication in numbering, reads as follows:

NOTIFICATION BEFORE DISPOSITION OF COLLATERAL

(a) In this section, "notification date" means the earlier of the date on which:

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

(2) the debtor and any secondary obligor waive the right to notification.

(b) Except as otherwise provided in subsection (d) of this section, a secured party that disposes of collateral under Section 1-9-610 of this title shall send to the persons specified in

subsection (c) of this section a reasonable authenticated notification of disposition.

(c) To comply with subsection (b) of this section, the secured party shall send an authenticated notification of disposition to:

(1) the debtor;

(2) any secondary obligor; and

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

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

(B) any other secured party or lienholder that, ten (10) days before the notification date, held a security interest in or other lien on the collateral perfected by the filing of a financing statement that:

(i) identified the collateral;

(ii) was indexed under the debtor's name as of that date; and

(iii) was filed in the office in which to file a financing statement against the debtor covering the collateral as of that date; and

(C) any other secured party that, ten (10) days before the notification date, held a security interest in the collateral perfected by compliance with a statute, regulation, or treaty described in subsection (a) of Section 1-9-311 of this title.

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

(e) A secured party complies with the requirement for notification prescribed by subparagraph (B) of paragraph (3) of subsection (c) of this section if:

(1) not later than twenty (20) days or earlier than thirty (30) days before the notification date, the secured party requests, in a commercially reasonable manner, information concerning financing statements indexed under the debtor's name in the office indicated in subparagraph (B) of paragraph (3) of subsection (c) of this section; and

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

(A) did not receive a response to the request for information; or

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

SECTION 119. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-612 of Title 12A, unless there is created a duplication in numbering, reads as follows:

TIMELINESS OF NOTIFICATION BEFORE DISPOSITION OF COLLATERAL

(a) Except as otherwise provided in subsection (b) of this section, whether a notification is sent within a reasonable time is a question of fact.

(b) In a transaction other than a consumer transaction, a notification of disposition sent after default and ten (10) days or more before the earliest time of disposition set forth in the notification is sent within a reasonable time before the disposition.

SECTION 120. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-613 of Title 12A, unless there is created a duplication in numbering, reads as follows:

CONTENTS AND FORM OF NOTIFICATION
BEFORE DISPOSITION OF COLLATERAL: GENERAL

Except in a consumer-goods transaction, the following rules apply:

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

(A) describes the debtor and the secured party;

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

(C) states the method of intended disposition;

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

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

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

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

(A) information not specified by that paragraph; or

(B) minor errors that are not seriously misleading.

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

(5) The following form of notification and the form appearing in paragraph (3) of Section 1-9-614 of this title, when completed, each provides sufficient information:

NOTIFICATION OF DISPOSITION OF COLLATERAL

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

_____

_____

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

_____

_____

Name of Debtor(s):

[Include only if debtor(s) are not an addressee]

_____

[For a public disposition:]

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

Day and Date: _____

Time: _____

Place: _____

[For a private disposition:]

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

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

[End of Form]

SECTION 121. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-614 of Title 12A, unless there is created a duplication in numbering, reads as follows:

CONTENTS AND FORM OF NOTIFICATION BEFORE DISPOSITION OF COLLATERAL: CONSUMER-GOODS TRANSACTION

In a consumer-goods transaction, the following rules apply:

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

(A) the information specified in paragraph (1) of Section 1-9-613 of this title;

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

(C) a telephone number from which the amount that must be paid to the secured party to redeem the collateral under Section 1-9-623 of this title is available; and

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

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

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

[Name and address of secured party]

_____

[Date]

_____

NOTICE OF OUR PLAN TO SELL PROPERTY

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

_____

Subject: [Identification of Transaction]

_____

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

[For a public disposition:]

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

Date: _____

Time: _____

Place: _____

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

[For a private disposition:]

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

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

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

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

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

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

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

_____

[End of Form]

(4) A notification in the form of paragraph (3) of this section is sufficient, even if additional information appears at the end of the form.

(5) A notification in the form of paragraph (3) of this section is sufficient, even if it includes errors in information not required by paragraph (1) of this section, unless the error is misleading with respect to rights arising under this article.

(6) If a notification under this section is not in the form of paragraph (3) of this section, law other than this article determines the effect of including information not required by paragraph (1) of this section.

SECTION 122. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-615 of Title 12A, unless there is created a duplication in numbering, reads as follows:

APPLICATION OF PROCEEDS OF DISPOSITION;
LIABILITY FOR DEFICIENCY AND RIGHT TO SURPLUS

(a) A secured party shall apply or pay over for application the cash proceeds of disposition in the following order to:

(1) the reasonable expenses of retaking, holding, preparing for disposition, processing, and disposing, and, to the extent provided for by agreement and not prohibited by law, reasonable attorney's fees and legal expenses incurred by the secured party;

(2) the satisfaction of obligations secured by the security interest or agricultural lien under which the disposition is made;

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

(A) the secured party receives from the holder of the subordinate security interest or other lien an authenticated demand for proceeds before distribution of the proceeds is completed; and

(B) in a case in which a consignor has an interest in the collateral, the subordinate security interest or other lien is senior to the interest of the consignor; and

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

(b) If requested by a secured party, a holder of a subordinate security interest or other lien shall furnish reasonable proof of the interest or lien within a reasonable time. Unless the holder does so, the secured party need not comply with the holder's demand under paragraph (3) of subsection (a) of this section.

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

(d) If the security interest under which a disposition is made secures payment or performance of an obligation, after making the payments and applications required by subsection (a) of this section and permitted by subsection (c) of this section:

(1) unless paragraph (4) of subsection (a) of this section requires the secured party to apply or pay over cash proceeds to a consignor, the secured party shall account to and pay a debtor for any surplus; and

(2) the obligor is liable for any deficiency.

(e) If the underlying transaction is a sale of accounts, chattel paper, payment intangibles, or promissory notes:

(1) the debtor is not entitled to any surplus; and

(2) the obligor is not liable for any deficiency.

(f) The surplus or deficiency following a disposition is calculated based on the amount of proceeds that would have been realized in a disposition complying with this part to a transferee other than the secured party, a person related to the secured party, or a secondary obligor if:

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

(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.

(g) A secured party that 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:

(1) takes the cash proceeds free of the security interest or other lien;

(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

(3) is not obligated to account to or pay the holder of the security interest or other lien for any surplus.

SECTION 123. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-616 of Title 12A, unless there is created a duplication in numbering, reads as follows:

EXPLANATION OF CALCULATION OF SURPLUS OR DEFICIENCY

(a) In this section:

(1) "Explanation" means a writing that:

(A) states the amount of the surplus or deficiency;

(B) provides an explanation in accordance with subsection (c) of this section of how the secured party calculated the surplus or deficiency;

(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

(D) provides a telephone number or mailing address from which additional information concerning the transaction is available.

(2) "Request" means a record:

(A) authenticated by a debtor or consumer obligor;

(B) requesting that the recipient provide an explanation; and

(C) sent after disposition of the collateral under Section 1-9-610 of this title.

(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 1-9-615 of this title, the secured party shall:

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

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

(B) within fourteen (14) days after receipt of a request; or

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

(c) To comply with subparagraph (B) of paragraph (1) of subsection (a) of this section, a writing must provide the following information in the following order:

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

(A) if the secured party takes or receives possession of the collateral after default, not more than thirty-five (35) days before the secured party takes or receives possession; or

(B) if the secured party takes or receives possession of the collateral before default or does not take possession of the collateral, not more than thirty-five (35) days before the disposition;

(2) the amount of proceeds of the disposition;

(3) the aggregate amount of the obligations after deducting the amount of proceeds;

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

(5) the amount, in the aggregate or by type, and types of credits, including rebates of interest or credit service charges, to which the obligor is known to be entitled and which are not reflected in the amount in paragraph (1) of this subsection; and

(6) the amount of the surplus or deficiency.

(d) A particular phrasing of the explanation is not required. An explanation complying substantially with the requirements of subsection (a) of this section is sufficient, even if it includes minor errors that are not seriously misleading.

(e) A debtor or consumer obligor is entitled without charge to one response to a request under this section during any six-month period in which the secured party did not send to the debtor or consumer obligor an explanation pursuant to paragraph (1) of subsection (b) of this section. The secured party may require payment of a charge not exceeding Twenty-five Dollars ($25.00) for each additional response.

SECTION 124. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-617 of Title 12A, unless there is created a duplication in numbering, reads as follows:

RIGHTS OF TRANSFEREE OF COLLATERAL

(a) A secured party's disposition of collateral after default:

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

(2) discharges the security interest under which the disposition is made; and

(3) discharges any subordinate security interest or other subordinate lien.

(b) A transferee that acts in good faith takes free of the rights and interests described in subsection (a) of this section,

even if the secured party fails to comply with this article or the requirements of any judicial proceeding.

(c) If a transferee does not take free of the rights and interests described in subsection (a) of this section, the transferee takes the collateral subject to:

(1) the debtor's rights in the collateral;

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

(3) any other security interest or other lien.

SECTION 125. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-618 of Title 12A, unless there is created a duplication in numbering, reads as follows:

RIGHTS AND DUTIES OF CERTAIN SECONDARY OBLIGORS

(a) A secondary obligor acquires the rights and becomes obligated to perform the duties of the secured party after the secondary obligor:

(1) receives an assignment of a secured obligation from the secured party;

(2) receives a transfer of collateral from the secured party and agrees to accept the rights and assume the duties of the secured party; or

(3) is subrogated to the rights of a secured party with respect to collateral.

(b) An assignment, transfer, or subrogation described in subsection (a) of this section:

(1) is not a disposition of collateral under Section 1-9-610 of this title; and

(2) relieves the secured party of further duties under this article.

SECTION 126. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-619 of Title 12A, unless there is created a duplication in numbering, reads as follows:

TRANSFER OF RECORD OR LEGAL TITLE

(a) In this section, "transfer statement" means a record authenticated by a secured party stating:

(1) that the debtor has defaulted in connection with an obligation secured by specified collateral;

(2) that the secured party has exercised its post-default remedies with respect to the collateral;

(3) that, by reason of the exercise, a transferee has acquired the rights of the debtor in the collateral; and

(4) the name and mailing address of the secured party, debtor, and transferee.

(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 subsection (b) of this section or otherwise is not of itself a disposition of collateral under this article and does not of itself relieve the secured party of its duties under this article.

SECTION 127. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-620 of Title 12A, unless there is created a duplication in numbering, reads as follows:

ACCEPTANCE OF COLLATERAL IN FULL OR PARTIAL SATISFACTION OF OBLIGATION; COMPULSORY DISPOSITION OF COLLATERAL

(a) Except as otherwise provided in subsection (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 subsection (c) of this section;

(2) the secured party does not receive, within the time set forth in subsection (d) of this section, a notification of objection to the proposal authenticated by:

(A) a person to which the secured party was required to send a proposal under Section 1-9-621 of this title; or

(B) any other person, other than the debtor, holding an interest in the collateral subordinate to the security interest that is the subject of the proposal;

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

(4) subsection (e) of this section does not require the secured party to dispose of the collateral or the debtor waives the requirement pursuant to Section 1-9-624 of this title.

(b) A purported or apparent acceptance of collateral under this section is ineffective unless:

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

(2) the conditions of subsection (a) of this section are met.

(c) For purposes of this section:

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

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

(A) sends to the debtor after default a proposal that is unconditional or subject only to a condition that collateral not in the possession of the secured party be preserved or maintained;

(B) in the proposal, proposes to accept collateral in full satisfaction of the obligation it secures; and

(C) does not receive a notification of objection authenticated by the debtor within twenty (20) days after the proposal is sent.

(d) To be effective under paragraph (2) of subsection (a) of this section, a notification of objection must be received by the secured party:

(1) in the case of a person to which the proposal was sent pursuant to Section 1-9-621 of this title, within twenty (20) days after notification was sent to that person; and

(2) in other cases:

(A) within twenty (20) days after the last notification was sent pursuant to Section 1-9-621 of this title; or

(B) if a notification was not sent, before the debtor consents to the acceptance under subsection (c) of this section.

(e) A secured party that has taken possession of collateral shall dispose of the collateral pursuant to Section 1-9-610 of this title within the time specified in subsection (f) of this section if:

(1) Sixty percent (60%) of the cash price has been paid in the case of a purchase-money security interest in consumer goods; or

(2) Sixty percent (60%) of the principal amount of the obligation secured has been paid in the case of a non-purchase-money security interest in consumer goods.

(f) To comply with subsection (e) of this section, the secured party shall dispose of the collateral:

(1) within ninety (90) days after taking possession; or

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

(g) In a consumer transaction, a secured party may not accept collateral in partial satisfaction of the obligation it secures.

SECTION 128. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-621 of Title 12A, unless there is created a duplication in numbering, reads as follows:

NOTIFICATION OF PROPOSAL TO ACCEPT COLLATERAL

(a) A secured party that desires to accept collateral in full or partial satisfaction of the obligation it secures shall send its proposal to:

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

(2) any other secured party or lienholder that, ten (10) 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:

(A) identified the collateral;

(B) was indexed under the debtor's name as of that date; and

(C) was filed in the office or offices in which a financing statement against the debtor covering the collateral as of that date would have been filed; and

(3) any other secured party that, ten (10) 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 subsection (a) of Section 1-9-311 of this title.

(b) A secured party that 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 subsection (a) of this section.

SECTION 129. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-622 of Title 12A, unless there is created a duplication in numbering, reads as follows:

EFFECT OF ACCEPTANCE OF COLLATERAL

(a) A secured party's acceptance of collateral in full or partial satisfaction of the obligation it secures:

(1) discharges the obligation to the extent consented to by the debtor;

(2) transfers to the secured party all of a debtor's rights in the collateral;

(3) discharges the security interest or agricultural lien that is the subject of the debtor's consent and any subordinate security interest or other subordinate lien; and

(4) terminates any other subordinate interest.

(b) A subordinate interest is discharged or terminated under subsection (a) of this section, even if the secured party fails to comply with this article.

SECTION 130. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-623 of Title 12A, unless there is created a duplication in numbering, reads as follows:

RIGHT TO REDEEM COLLATERAL

(a) A debtor, any secondary obligor, or any other secured party or lienholder may redeem collateral.

(b) To redeem collateral, a person shall tender:

(1) fulfillment of all obligations secured by the collateral; and

(2) the reasonable expenses and attorney's fees described in paragraph (1) of subsection (a) of Section 1-9-615 of this title.

(c) A redemption may occur at any time before a secured party:

(1) has collected collateral under Section 1-9-607 of this title;

(2) has disposed of collateral or entered into a contract for its disposition under Section 1-9-610 of this title; or

(3) has accepted collateral in full or partial satisfaction of the obligation it secures under Section 1-9-622 of this title.

SECTION 131. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-624 of Title 12A, unless there is created a duplication in numbering, reads as follows:

WAIVER

(a) A debtor or secondary obligor may waive the right to notification of disposition of collateral under Section 1-9-611 of this title only by an agreement to that effect entered into and authenticated after default.

(b) A debtor may waive the right to require disposition of collateral under subsection (e) of Section 1-9-620 of this title only by agreement to that effect entered into and authenticated after default.

(c) Except in a consumer-goods transaction, a debtor or secondary obligor may waive the right to redeem collateral under Section 1-9-623 of this title only by an agreement to that effect entered into and authenticated after default.

SECTION 132. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-625 of Title 12A, unless there is created a duplication in numbering, reads as follows:

REMEDIES FOR SECURED PARTY'S
FAILURE TO COMPLY WITH ARTICLE

(a) If it is established that a secured party is not proceeding in accordance with this article, a court may order or restrain collection, enforcement, or disposition of collateral on appropriate terms and conditions.

(b) Subject to subsections (c), (d), and (f) of this section, a person is liable for damages in the amount of any loss caused by a failure to comply with this article. Loss caused by a failure to comply may include loss resulting from the debtor's inability to obtain, or increased costs of, alternative financing.

(c) Except as otherwise provided in Section 1-9-628 of this title:

(1) a person that, at the time of the failure, was a debtor, was an obligor, or held a security interest in or other lien on the collateral may recover damages under subsection (b) of this section for its loss; and

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

(d) A debtor whose deficiency is eliminated under Section 1-9-626 of this title may recover damages for the loss of any surplus. However, a debtor or secondary obligor whose deficiency is eliminated or reduced under Section 1-9-626 of this title may not otherwise recover under subsection (b) of this section for noncompliance with the provisions of this part relating to collection, enforcement, disposition, or acceptance.

(e) In addition to any damages recoverable under subsection (b) of this section, the debtor, consumer obligor, or person named as a debtor in a filed record, as applicable, may recover Five Hundred Dollars ($500.00) in each case from a person that:

(1) fails to comply with Section 1-9-208 of this title;

(2) fails to comply with Section 1-9-209 of this title;

(3) files a record that the person is not entitled to file under subsection (a) of Section 1-9-509 of this title;

(4) fails to cause the secured party of record to file or send a termination statement as required by subsection (a) or (c) Section 1-9-513 of this title;

(5) fails to comply with paragraph (1) of subsection (b) of Section 1-9-616 of this title and whose failure is part of a pattern, or consistent with a practice, of noncompliance; or

(6) fails to comply with paragraph (2) of subsection (b) of Section 1-9-616 of this title.

(f) A debtor or consumer obligor may recover damages under subsection (b) of this section and, in addition, Five Hundred Dollars ($500.00) in each case from a person that, without reasonable cause, fails to comply with a request under Section 1-9-210 of this title. A recipient of a request under Section 1-9-210 of this title which never claimed an interest in the collateral or obligations that are the subject of a request under that section has a reasonable excuse for failure to comply with the request within the meaning of this subsection.

(g) If a secured party fails to comply with a request regarding a list of collateral or a statement of account under Section 1-9-210 of this title, the secured party may claim a security interest only as shown in the list or statement included in the request as against a person that is reasonably misled by the failure.

SECTION 133. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-626 of Title 12A, unless there is created a duplication in numbering, reads as follows:

ACTION IN WHICH DEFICIENCY OR SURPLUS IS IN ISSUE

(a) In an action arising from a transaction, other than a consumer transaction, in which the amount of a deficiency or surplus is in issue, the following rules apply:

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

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

(3) Except as otherwise provided in Section 1-9-628 of this title, if a secured party fails to prove that the collection, enforcement, disposition, or acceptance was conducted in accordance with the provisions of this part relating to collection, enforcement, disposition, or acceptance, the liability of a debtor or a secondary obligor for a deficiency is limited to an amount by which the sum of the secured obligation, expenses, and attorney's fees exceeds the greater of:

(A) the proceeds of the collection, enforcement, disposition, or acceptance; or

(B) the amount of proceeds that would have been realized had the noncomplying secured party proceeded in accordance with the provisions of this part relating to collection, enforcement, disposition, or acceptance.

(4) For purposes of subparagraph (B) of paragraph (3) of this subsection, the amount of proceeds that would have been realized is equal to the sum of the secured obligation, expenses, and attorney's fees unless the secured party proves that the amount is less than that sum.

(5) If a deficiency or surplus is calculated under subsection (f) of Section 1-9-615 of this title, the debtor or obligor has the burden of establishing that the amount of proceeds of the disposition is significantly below the range of prices 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.

(b) The limitation of the rules in subsection (a) of this section to transactions other than consumer transactions is intended to leave to the court the determination of the proper rules in consumer transactions. The court may not infer from that limitation the nature of the proper rule in consumer transactions and may continue to apply established approaches.

SECTION 134. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-627 of Title 12A, unless there is created a duplication in numbering, reads as follows:

DETERMINATION OF WHETHER CONDUCT
WAS COMMERCIALLY REASONABLE

(a) The fact that a greater amount could have been obtained by a collection, enforcement, disposition, or acceptance at a different time or in a different method from that selected by the secured party is not of itself sufficient to preclude the secured party from establishing that the collection, enforcement, disposition, or acceptance was made in a commercially reasonable manner.

(b) A disposition of collateral is made in a commercially reasonable manner if the disposition is made:

(1) in the usual manner on any recognized market;

(2) at the price current in any recognized market at the time of the disposition; or

(3) otherwise in conformity with reasonable commercial practices among dealers in the type of property that was the subject of the disposition.

(c) A collection, enforcement, disposition, or acceptance is commercially reasonable if it has been approved:

(1) in a judicial proceeding;

(2) by a bona fide creditors' committee;

(3) by a representative of creditors; or

(4) by an assignee for the benefit of creditors.

(d) Approval under subsection (c) of this section need not be obtained, and lack of approval does not mean that the collection, enforcement, disposition, or acceptance is not commercially reasonable.

SECTION 135. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-628 of Title 12A, unless there is created a duplication in numbering, reads as follows:

NONLIABILITY AND LIMITATION ON LIABILITY
OF SECURED PARTY; LIABILITY OF SECONDARY OBLIGOR

(a) Unless a secured party knows that a person is a debtor or obligor, knows the identity of the person, and knows how to communicate with the person:

(1) the secured party is not liable to the person, or to a secured party or lienholder that has filed a financing statement against the person, for failure to comply with this article; and

(2) the secured party's failure to comply with this article does not affect the liability of the person for a deficiency.

(b) A secured party is not liable because of its status as secured party:

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

(A) that the person is a debtor or obligor;

(B) the identity of the person; and

(C) how to communicate with the person; or

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

(A) that the person is a debtor; and

(B) the identity of the person.

(c) A secured party is not liable to any person, and a person's liability for a deficiency is not affected, because of any act or omission arising out of the secured party's reasonable belief that a transaction is not a consumer-goods transaction or a consumer transaction or that goods are not consumer goods, if the secured party's belief is based on its reasonable reliance on:

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

(2) an obligor's representation concerning the purpose for which a secured obligation was incurred.

(d) A secured party is not liable to any person under paragraph (2) of subsection (c) of Section 1-9- 625 of this title for its failure to comply with Section 1-9-616 of this title.

(e) A secured party is not liable under paragraph (2) of subsection (c) of Section 1-9-625 of this title more than once with respect to any one secured obligation.

SECTION 136. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-702 of Title 12A, unless there is created a duplication in numbering, reads as follows:

SAVINGS CLAUSE

(a) Except as otherwise provided in this part, this act applies to a transaction or lien within its scope, even if the transaction or lien was entered into or created before this act takes effect.

(b) Except as otherwise provided in subsection (c) of this section and Sections 1-9-703 through 1-9-709 of this title:

(1) transactions and liens that were not governed by former Article 9 of this title, were validly entered into or created before this act takes effect, and would be subject to this act if they had been entered into or created after this act takes effect, and the rights, duties, and interests flowing from those transactions and liens remain valid after this act takes effect; and

(2) the transactions and liens may be terminated, completed, consummated, and enforced as required or permitted by this act or by the law that otherwise would apply if this act had not taken effect.

(c) This act does not affect an action, case, or proceeding commenced before this act takes effect.

SECTION 137. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-703 of Title 12A, unless there is created a duplication in numbering, reads as follows:

SECURITY INTEREST PERFECTED BEFORE EFFECTIVE DATE

(a) A security interest that is enforceable immediately before this act takes effect and would have priority over the rights of a person that becomes a lien creditor at that time is a perfected security interest under this act if, when this act takes effect, the applicable requirements for enforceability and perfection under this act are satisfied without further action.

(b) Except as otherwise provided in Section 1-9-705 of this title, if, immediately before this act takes effect, a security interest is enforceable and would have priority over the rights of a person that becomes a lien creditor at that time, but the applicable requirements for enforceability or perfection under this act are not satisfied when this act takes effect, the security interest:

(1) is a perfected security interest for one (1) year after this act takes effect;

(2) remains enforceable thereafter only if the security interest becomes enforceable under Section 1-9-203 of this title before the year expires; and

(3) remains perfected thereafter only if the applicable requirements for perfection under this act are satisfied before the year expires.

SECTION 138. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-704 of Title 12A, unless there is created a duplication in numbering, reads as follows:

SECURITY INTEREST UNPERFECTED BEFORE EFFECTIVE DATE

A security interest that is enforceable immediately before this act takes effect but which would be subordinate to the rights of a person that becomes a lien creditor at that time:

(1) remains an enforceable security interest for one (1) year after this act takes effect;

(2) remains enforceable thereafter if the security interest becomes enforceable under Section 1-9-203 of this title when this act takes effect or within one (1) year thereafter; and

(3) becomes perfected:

(A) without further action, when this act takes effect if the applicable requirements for perfection under this act are satisfied before or at that time; or

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

SECTION 139. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-705 of Title 12A, unless there is created a duplication in numbering, reads as follows:

EFFECTIVENESS OF ACTION TAKEN
BEFORE EFFECTIVE DATE OF ACT

(a) If action, other than the filing of a financing statement, is taken before this act takes effect and the action would have resulted in priority of a security interest over the rights of a person that becomes a lien creditor had the security interest become enforceable before this act takes effect, the action is effective to perfect a security interest that attaches under this act within one (1) year after this act takes effect. An attached security interest becomes unperfected one (1) year after this act takes effect unless the security interest becomes a perfected security interest under this act before the expiration of that period.

(b) The filing of a financing statement before this act takes effect is effective to perfect a security interest to the extent the filing would satisfy the applicable requirements for perfection under this act.

(c) This act does not render ineffective an effective financing statement that, before this act takes effect, is filed and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in former Section 9-103.1 of this title. However, except as otherwise provided in subsections (d) and (e) of this section and Section 1-9-706 of this title, the financing statement ceases to be effective at the earlier of:

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

(2) June 30, 2006.

(d) The filing of a continuation statement after this act takes effect does not continue the effectiveness of the financing statement filed before this act takes effect. However, upon the timely filing of a continuation statement after this act takes effect and in accordance with the law of the jurisdiction governing perfection as provided in Part 3 of this article, the effectiveness of a financing statement filed in the same office in that jurisdiction before this act takes effect continues for the period provided by the law of that jurisdiction.

(e) Paragraph (2) of subsection (c) of this section applies to a financing statement that, before this act takes effect, is filed

against a transmitting utility and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in former Section 9-103.1 only to the extent that Part 3 of this article provides that the law of a jurisdiction other than the jurisdiction in which the financing statement is filed governs perfection of a security interest in collateral covered by the financing statement.

(f) A financing statement that includes a financing statement filed before this act takes effect and a continuation statement filed after this act takes effect is effective only to the extent that it satisfies the requirements of Part 5 of this article for an initial financing statement.

SECTION 140. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-706 of Title 12A, unless there is created a duplication in numbering, reads as follows:

WHEN INITIAL FINANCING STATEMENT
SUFFICES TO CONTINUE EFFECTIVNESS OF FINANCING STATEMENT

(a) The filing of an initial financing statement in the office specified in Section 1-9-501 of this title continues the effectiveness of a financing statement filed before this act takes effect if:

(1) the filing of an initial financing statement in that office would be effective to perfect a security interest under this act;

(2) the pre-effective-date financing statement was filed in an office in another state or another office in this state; and

(3) the initial financing statement satisfies subsection (c) of this section.

(b) The filing of an initial financing statement under subsection (a) of this section continues the effectiveness of the pre-effective-date financing statement:

(1) if the initial financing statement is filed before this act takes effect, for the period provided in former Section 9-403 of this title with respect to a financing statement; and

(2) if the initial financing statement is filed after this act takes effect, for the period provided in Section 1-9-515 of this title with respect to an initial financing statement.

(c) To be effective for purposes of subsection (a) of this section, an initial financing statement must:

(1) satisfy the requirements of Part 5 of this article for an initial financing statement;

(2) identify the pre-effective-date financing statement by indicating the office in which the financing statement was filed and providing the dates of filing and file numbers, if any, of the

financing statement and of the most recent continuation statement filed with respect to the financing statement; and

(3) indicate that the pre-effective-date financing statement remains effective.

SECTION 141. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-707 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PERSONS ENTITLED TO FILE INITIAL FINANCING STATEMENT

(a) In this section, "pre-effective-date financing statement" means a financing statement filed before this act takes effect.

(b) After this act takes effect, a person may add or delete collateral covered by, continue or terminate the effectiveness of, or otherwise amend the information provided in, a pre-effective-date financing statement only in accordance with the law of the jurisdiction governing perfection as provided in Part 3 of this article of this title. However, the effectiveness of a pre-effective-date financing statement also may be terminated in accordance with the law of the jurisdiction in which the financing statement is filed.

(c) Except as otherwise provided in subsection (d) of this section, if the law of this state governs perfection of a security interest, the information in a pre-effective-date financing statement may be amended after this act takes effect only if:

(1) the pre-effective-date financing statement and an amendment are filed in the office specified in Section 1-9-501 of this title;

(2) an amendment is filed in the office specified in Section 1-9-501 of this title concurrently with, or after the filing in that office of, an initial financing statement that satisfies subsection (c) of Section 1-9-706 of this title; or

(3) an initial financing statement that provides the information as amended and satisfies subsection (c) of Section 1-9-706 of this title is filed in the office specified in Section 1-9-501 of this title.

(d) If the law of this state governs perfection of a security interest, the effectiveness of a pre-effective-date financing statement may be contoured only under subsections (d) and (f) of Section 1-9-705 or Section 1-9-706 of this title.

(e) Whether or not the law of this state governs perfection of a security interest, the effectiveness of a pre-effective-date financing statement filed in this state may be terminated after this act takes effect by filing a termination statement in the office in which the pre-effective-date financing statement is filed, unless an initial financing statement that satisfies subsection (c) of Section 1-9-706 of this title has been filed in the office specified by the law of the jurisdiction governing perfection as provided in Part 3

of this article of this title as the office in which to file a financing statement.

SECTION 142. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-708 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PERSONS ENTITLED TO FILE INITIAL
FINANCING STATEMENT OR CONTINUATION STATEMENT

A person may file an initial financing statement or a continuation statement under this part if:

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

(2) the filing is necessary under this part:

(A) to continue the effectiveness of a financing statement filed before this act takes effect; or

(B) to perfect or continue the perfection of a security interest.

SECTION 143. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-709 of Title 12A, unless there is created a duplication in numbering, reads as follows:

PRIORITY

(a) This act determines the priority of conflicting claims to collateral. However, if the relative priorities of the claims were established before this act takes effect, former Article 9 determines priority.

(b) For purposes of subsection (a) of Section 1-9-322 of this title, the priority of a security interest that becomes enforceable under Section 1-9-203 of this title dates from the time this act takes effect if the security interest is perfected under this act by the filing of a financing statement before this act takes effect which would not have been effective to perfect the security interest under former Article 9 of this title. This subsection does not apply to conflicting security interests each of which is perfected by the filing of such a financing statement.

SECTION 144. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-9-710 of Title 12A, unless there is created a duplication in numbering, reads as follows:

(a) In this section:

(1) "Local-filing office" means a filing office, other than the statewide filing office in the office of the County Clerk of Oklahoma County or the statewide filing office in the office of the Secretary of State, that is designated as the proper place to file a financing statement under former Article 9 of this title;

(2) (A) "Former-Article 9 records" means:

(i) financing statements and other records that have been filed in a local-filing office before July 1, 2001 and that are, or upon processing and indexing will be, reflected in the index maintained by the local-filing office for filing for financing statements and other records filed in the local-filing office before July 1, 2001, and

(ii) the index maintained by the local-filing office as of June 30, 2001, including entries for filings completed before July 1, 2001, even though processed on or after that date.

(B) "Former-Article 9 records" do not include records presented to a local-filing office for filing after June 30, 2001, whether or not the records relate to financing statements filed in the local-filing office before July 1, 2001; and

(3) "Mortgage", "as-extracted collateral", "fixture filing", "goods" and "fixtures" have the meanings set forth in this article of this title.

(b) A local-filing office shall not accept for filing a record presented after June 30, 2001, whether or not the record relates to a financing statement filed in the local-filing office before July 1, 2001.

(c) Until July 1, 2008, each local-filing office shall maintain all former-Article 9 records in accordance with former-Article 9. A former-Article 9 record which is filed before July 1, 2001, but which is not reflected on the index maintained as of June 30, 2001, by the local-filing office, shall be processed and indexed and reflected on the index maintained as of June 30, 2001, as soon as practicable, but in no event later than July 30, 2001.

(d) Until July 1, 2008, each local-filing office shall respond to requests for information with respect to former-Article 9 records relating to a debtor and shall issue certificates in accordance with former-Article 9. The fee for issuing a certificate shall be Five Dollars ($5.00). The fee for furnishing a certified copy of a former-Article 9 record shall be One Dollar ($1.00) per page.

(e) After June 30, 2008, each local-filing office may remove and destroy all former-Article 9 records pursuant to Section 155.2 of Title 19 of the Oklahoma Statutes.

(f) This section shall not apply, with respect to financing statements and other records, to a filing office in which mortgages or records of mortgages on real property are required to be filed or recorded if:

(1) the collateral is timber to be cut or as-extracted collateral, or

(2) the record is or relates to a financing statement files as a fixture filing and the collateral is goods that are or are to become fixtures.

SECTION 145. AMENDATORY Section 9, Chapter 198, O.S.L. 1993, as last amended by Section 4, Chapter 381, O.S.L. 1997 (2 O.S. Supp. 1999, Section 3-50.9), is amended to read as follows:

Section 3-50.9 A. At the request of the board of directors of the Oklahoma Boll Weevil Eradication Organization, the State Department of Agriculture shall provide for a referendum among cotton growers upon the question of whether an assessment shall be levied upon cotton growers in the state to offset this cost of boll weevil eradication.

B. A public hearing regarding the proposed assessment shall be held in each of several locations within the state.

C. All cotton growers actively engaged in the production of cotton in the year ~~of the calling of such~~ in which a referendum is called or who were actively engaged in production of cotton in any two (2) of the three (3) years immediately preceding the calling of the referendum shall be entitled to vote in ~~any such~~ the referendum. The board of directors shall determine any questions ~~of~~ regarding eligibility to vote.

D. The Department shall bear all reasonable expenses incurred in conducting a referendum. All such expenses shall be approved by the Commissioner prior to their being incurred.

E. The bylaws of the board of directors shall provide for referendum procedures.

F. 1. The board of directors shall propose in the referendum the:

~~1.~~ a. maximum assessment to be paid by cotton growers by district~~;~~,

~~2.~~ b. time for which the assessment will be levied~~;~~, and

~~3.~~ c. method and manner of assessment.

2. Upon receipt of all ~~the~~ ballots, the board of directors shall count the ballots for and against the assessment as prescribed in the bylaws and submit a complete transcript of the election to the Oklahoma Attorney General for review. Upon approval of the election transcript by the Attorney General, the election shall become incontestable in any court in ~~the State of Oklahoma~~ this state unless ~~such shall be~~ brought in a court having jurisdiction of the matter within thirty (30) days of ~~such~~ approval.

G. An eligible cotton grower may vote only once in the referendum.

H. Ballots in a referendum may be mailed to a central location or may be cast personally by the cotton grower at a location or locations specified by the board of directors.

I. A referendum is approved if at least sixty percent (60%) of those voting vote in favor of the assessment.

J. If a boll weevil eradication referendum is approved, the board of directors shall provide for the collection of the annual assessment from the cotton growers in the year ~~such~~ in which the assessment is approved.

K. If the first assessment under this section is not approved, the board of directors may conduct one other referendum at state expense. Additional referenda may be conducted as necessary by the board of directors from any other funds available to the board of directors. Such other referenda shall not be held before the one hundred twenty-first day after the date on which the last referendum on the same issue was held.

L. 1. After the passage of any referendum, the eligible voters shall be allowed, by subsequent referenda periodically to vote on whether to continue the assessments. All of the requirements for an initial referendum must be met in subsequent referenda except that any subsequent referenda, except as otherwise provided by subsection K of this section, shall be paid from any funds available to the organization.

2. For any referendum proposing to terminate the assessment, the ballots must inform the eligible voters that even though the termination of the assessment may be approved by the eligible voters, the assessment shall continue to be paid until all outstanding bonds or other obligations of the Organization have expired or been retired.

3. Upon the determination by the board of directors that the boll weevil assessment has been terminated, pursuant to this subsection, the board of directors shall provide notice of such termination to the Commissioner. Any such notice shall include documentation of the termination of the assessment and a plan for expiring all of the organization's outstanding obligations. In the event a referendum results in the termination of the eradication program, the assessment shall continue to be paid by the existing membership of the eradication district until any outstanding obligations are expired. Upon the completion of the expiration of all outstanding obligations of the organization, the board of directors shall file a financial final report with the Commissioner showing payment of such obligations.

M. 1. The board of directors, or the Department if the board of directors is unable to comply with the provisions of this section, shall, upon filing, have ~~a~~ an agricultural lien for the value of such assessment or treatment on the cotton production of the cotton grower in the district. The lien shall be superior and paramount, whether in time or not, to that of all persons having an interest in such ~~real property~~ cotton production and shall continue until the total assessment, due and owing, is paid.

2. The lien created by this section shall not be effective unless~~:~~

~~a. a verified statement is filed by the board of directors in the office of the county clerk of the county where the land on which the cotton is growing or to be grown is located within one hundred twenty (120) days after the treatment on the cotton production has been applied or the assessment is required to be paid. The statement shall be recorded by the county clerk in the same manner as other filings required by Title 12A of the Oklahoma Statutes. The statement shall contain the following:~~

~~(1) the name and address of the person to whom the treatment was furnished,~~

~~(2) the name and address of the supplier,~~

~~(3) the legal description of the land on which the cotton is growing or to be grown, and~~

~~(4) a description and value of the services provided or the amount of assessment due and owing, and~~

~~b. a verified statement is filed by the board of directors in the office of the Secretary of State of the State of Oklahoma with the name of each cotton producer and the other relevant information set forth in subparagraph a of this paragraph~~ filed as an agricultural lien pursuant to Article 9 of the Uniform Commercial Code.

3. The lien created by this section may be foreclosed by the sale of the cotton subject to the lien anytime within twelve (12) months after the filing of the lien in accordance with the provisions of this section.

4. The board of directors shall file the verified statements specified by this subsection annually during the course of the program.

5. The verified statements may list all of the information on a single affidavit for each county. The verified statement filed with the Secretary of State may also cover all of the cotton producers involved in the program on one affidavit.

SECTION 146. AMENDATORY 12A O.S. 1991, Section 1-105, as last amended by Section 1, Chapter 112, O.S.L. 1997 (12A O.S. Supp. 1999, Section 1-105), is amended to read as follows:

Section 1-105. Territorial Application of the Act; Parties' Power to Choose Applicable Law.

(1) Except as provided hereafter in this section, when a transaction bears a reasonable relation to this state and also to

another state or nation, the parties may agree that the law either of this state or of such other state or nation shall govern their rights and duties. Failing such agreement, this title applies to transactions bearing an appropriate relation to this state.

(2) Where one of the following provisions of this title specifies the applicable law, that provision governs and a contrary agreement is effective only to the extent permitted by the law, including the conflict of laws rules, so specified:

Rights of creditors against sold goods. Section 2-402 of this title.

Applicability of the article on Leases. Sections 2A-105 and 2A-106 of this title.

Applicability of the Article on Bank Deposits and Collections. Section 4-102 of this title.

Governing law in the article on Funds Transfers. Section 4A-507 of this title.

Letters of credit. Section 5-116 of this title.

Applicability of the article on Investment Securities. Section 8-110 of this title.

~~Perfection provisions of the article on Secured Transactions. Section 9-103.1 of this title~~ Law governing perfection, the effect of perfection or nonperfection, and the priority of security interests and agricultural liens. Sections 1-9-301 through 1-9-307 of this title.

SECTION 147. AMENDATORY 12A O.S. 1991, Section 1-201, as amended by Section 1, Chapter 46, O.S.L. 1994 (12A O.S. Supp. 1999, Section 1-201), is amended to read as follows:

Section 1-201.

GENERAL DEFINITIONS.

Subject to additional definitions contained in the subsequent articles of the Uniform Commercial Code which are applicable to specific articles or parts thereof, and unless the context otherwise requires, in the Uniform Commercial Code:

(1) "Action" in the sense of a judicial proceeding includes a recoupment, counterclaim, setoff, suit in equity, and any other proceedings in which rights are determined.

(2) "Aggrieved party" means a party entitled to resort to a remedy.

(3) "Agreement" means the bargain of the parties in fact as found in their language or by implication from other circumstances including course of dealing or usage of trade or course of performance as provided for in the Uniform Commercial Code (Sections

1-205, 2-208 and 2A-207 of this title). Whether an agreement has legal consequences is determined by the provisions of the Uniform Commercial Code, if applicable; otherwise by the law of contracts (Section 1-103 of this title). (Compare "Contract".)

(4) "Bank" means any person engaged in the business of banking.

(5) "Bearer" means the person in possession of an instrument, document of title, or certificated security payable to bearer or endorsed in blank.

(6) "Bill of lading" means a document evidencing the receipt of goods for shipment issued by a person engaged in the business of transporting or forwarding goods, and includes an airbill. "Airbill" means a document serving for air transportation as a bill of lading does for marine or rail transportation, and includes an air consignment note or air waybill.

(7) "Branch" includes a separately incorporated foreign branch of a bank.

(8) "Burden of establishing" means the burden of persuading the triers of fact that the existence of the fact is more probable than its nonexistence.

(9) "Buyer in ordinary course of business" means a person ~~who~~ that buys goods in good faith ~~and~~, without knowledge that the sale ~~to him is in violation of~~ violates the ~~ownership~~ rights ~~or security interest~~ of ~~a third party~~ another person in the goods ~~buys~~, and in the ordinary course from a person, other than a pawnbroker, in the business of selling goods of that kind~~, but does not include a pawnbroker~~. ~~"Buying"~~ 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 business may ~~be~~ buy for cash ~~or~~, by exchange of other property or on secured or unsecured credit, and ~~includes receiving~~ may acquire goods or documents of title under a preexisting contract for sale ~~but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt~~. Only a buyer that takes possession of the goods or has a right to recover the goods from the seller under Article 2 may be a buyer in ordinary course of business. A person that acquires goods in a transfer in bulk or as security for or total or partial satisfaction of a money debt is not a buyer in ordinary course of business.

(10) "Conspicuous": A term or clause is conspicuous when it is so written that a reasonable person against whom it is to operate ought to have noticed it. A printed heading in capitals, as: NONNEGOTIABLE BILL OF LADING, is conspicuous. Language in the body of a form is "conspicuous" if it is in larger or other contrasting type or color. But in a telegram any stated term is "conspicuous". Whether a term or clause is "conspicuous" or not is for decision by the court.

(11) "Contract" means the total legal obligation which results from the parties' agreement as affected by the provisions of the Uniform Commercial Code and any other applicable rules of law. (Compare "Agreement".)

(12) "Creditor" includes a general creditor, a secured creditor, a lien creditor, and any representative of creditors, including an assignee for the benefit of creditors, a trustee in bankruptcy, a receiver in equity, and an executor or administrator of an insolvent debtor's or assignor's estate.

(13) "Defendant" includes a person in the position of defendant in a cross action or counterclaim.

(14) "Delivery" with respect to instruments, documents of title, chattel paper, or certificated securities means voluntary transfer of possession.

(15) "Document of title" includes bill of lading, dock warrant, dock receipt, warehouse receipt, or order for the delivery of goods, and also any other document which in the regular course of business or financing is treated as adequately evidencing that the person in possession of it is entitled to receive, hold, and dispose of the document and the goods it covers. To be a document of title a document must purport to be issued by or addressed to a bailee and purport to cover goods in the bailee's possession which are either identified or are fungible portions of an identified mass.

(16) "Fault" means wrongful act, omission, or breach.

(17) "Fungible" means goods or securities of which any unit is, by nature or usage of trade, the equivalent of any other like unit. Goods which are not fungible shall be deemed fungible for the purposes of the Uniform Commercial Code to the extent that according to a particular agreement or document unlike units are treated as equivalents.

(18) "Genuine" means free of forgery or counterfeiting.

(19) "Good faith" means honesty in fact in the conduct or transaction concerned.

(20) "Holder" with respect to a negotiable instrument, means the person in possession if the instrument is payable to bearer or, in the case of an instrument payable to an identified person, if the identified person is in possession. "Holder" with respect to a document of title means the person in possession if the goods are deliverable to bearer or to the order of the person in possession.

(21) To "honor" is to pay or to accept and pay, or where a credit so engages to purchase or discount a draft complying with the terms of the credit.

(22) "Insolvency proceedings" includes any assignment for the benefit of creditors or other proceedings intended to liquidate or rehabilitate the estate of the person involved.

(23) A person is "insolvent" who either has ceased to pay his debts in the ordinary course of business or cannot pay his debts as they become due or is insolvent within the meaning of the federal bankruptcy law.

(24) "Money" means a medium of exchange authorized or adopted by a domestic or foreign government and includes a monetary unit of account established by an intergovernmental organization or by agreement between two or more nations.

(25) A person has "notice" of a fact when:

(a) he has actual knowledge of it; or

(b) he has received a notice or notification of it; or

(c) from all the facts and circumstances known to him at the time in question he has reason to know that it exists.

A person "knows" or has "knowledge" of a fact when he has actual knowledge of it. "Discover" or "learn" or a word or phrase of similar import refers to knowledge rather than to reason to know. The time and circumstances under which a notice or notification may cease to be effective are not determined by the provisions of the Uniform Commercial Code.

(26) A person "notifies" or "gives" a notice or notification to another by taking such steps as may be reasonably required to inform the other in ordinary course whether or not such other actually comes to know of it. A person "receives" a notice or notification when:

(a) it comes to his attention; or

(b) it is duly delivered at the place of business through which the contract was made or at any other place held out by him as the place for receipt of such communications.

(27) Notice, knowledge, or a notice or notification received by an organization is effective for a particular transaction from the time when it is brought to the attention of the individual conducting that transaction, and in any event from the time when it would have been brought to his attention if the organization had exercised due diligence. An organization exercises due diligence if it maintains reasonable routines for communicating significant information to the person conducting the transaction and there is reasonable compliance with the routines. Due diligence does not require an individual acting for the organization to communicate information unless such communication is part of his regular duties or unless he has reason to know of the transaction and that the transaction would be materially affected by the information.

(28) "Organization" includes a corporation, government or governmental subdivision or agency, business trust, estate, trust,

partnership, or association, two or more persons having a joint or common interest, or any other legal or commercial entity.

(29) "Party", as distinct from "third party", means a person who has engaged in a transaction or made an agreement within the provisions of the Uniform Commercial Code.

(30) "Person" includes an individual or an organization (See Section 1-102 of this title).

(31) "Presumption" or "presumed" means that the trier of fact must find the existence of the fact presumed unless and until evidence is introduced which would support a finding of its nonexistence.

(32) "Purchase" includes taking by sale, discount, negotiation, mortgage, pledge, lien, security interest, issue or reissue, gift, or any other voluntary transaction creating an interest in property.

(33) "Purchaser" means a person who takes by purchase.

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

(35) "Representative" includes an agent, an officer of a corporation or association, and a trustee, executor, or administrator of an estate, or any other person empowered to act for another.

(36) "Rights" includes remedies.

(37) (a) "Security interest" means an interest in personal property or fixtures which secures payment or performance of an obligation. ~~The retention or reservation of title by a seller of goods regardless of shipment or delivery to the buyer (Section 2-401 of this title) is limited in effect to a reservation of a "security interest".~~ The term also includes any interest of a consignor and a buyer of accounts ~~or~~, chattel paper ~~which~~, a payment intangible, or a promissory note in a transaction that is subject to Article 9 of this title. The special property interest of a buyer of goods on identification of such goods to a contract for sale under Section 2-401 of this title is not a "security interest", but a buyer may also acquire a "security interest" by complying with the provisions of Article 9 of this title. ~~Unless a consignment is intended as security, reservation of title thereunder is not a "security interest" but a consignment is in any event subject to the provisions on consignment sales (Section 2-326 of this title)~~ Except as otherwise provided in Section 2-505 of this title, the right of a seller or lessor of goods under Article 2 or 2A of this title to retain or acquire possession of the goods is not a "security interest", but a seller or lessor may also acquire a "security interest" by complying with Article 9 of

this title. The retention or reservation of title by a seller of goods notwithstanding shipment or delivery to the buyer (Section 2-401 of this title) is limited in effect to a reservation of a "security interest".

(b) Whether a transaction creates a lease or security interest is determined by the facts of each case; however, a transaction creates a security interest if the consideration the lessee is to pay the lessor for the right to possession and use of the goods is an obligation for the term of the lease not subject to termination by the lessee, and:

(i) the original term of the lease is equal to or greater than the remaining economic life of the goods,

(ii) the lessee is bound to renew the lease for the remaining economic life of the goods or is bound to become the owner of the goods,

(iii) the lessee has an option to renew the lease for the remaining economic life of the goods for no additional consideration or nominal additional consideration upon compliance with the lease agreement, or

(iv) the lessee has an option to become the owner of the goods for no additional consideration or nominal additional consideration upon compliance with the lease agreement.

(c) A transaction does not create a security interest merely because it provides that:

(i) the present value of the consideration the lessee is obligated to pay the lessor for the right to possession and use of the goods is substantially equal to or is greater than the fair market value of the goods at the time the lease is entered into,

(ii) the lessee assumes risk of loss of the goods, or agrees to pay taxes, insurance, filing, recording, or registration fees, or service or maintenance costs with respect to the goods,

(iii) the lessee has an option to renew the lease or to become the owner of the goods,

(iv) the lessee has an option to renew the lease for a fixed rent that is equal to or greater than the reasonably predictable fair market rent for the use of the goods for the term of the renewal at the time the option is to be performed, or

(v) the lessee has an option to become the owner of the goods for a fixed price that is equal to or greater than the reasonably predictable fair market value of the goods at the time the option is to be performed.

(d) For purposes of this subsection:

(i) additional consideration is not nominal if:

(A) when the option to renew the lease is granted to the lessee the rent is stated to be the fair market rent for the use of the goods for the term of the renewal determined at the time the option is to be performed, or

(B) when the option to become the owner of the goods is granted to the lessee the price is stated to be the fair market value of the goods determined at the time the option is to be performed. Additional consideration is nominal if it is less than the lessee's reasonably predictable cost of performing under the lease agreement if the option is not exercised;

(ii) "reasonably predictable" and "remaining economic life of the goods" are to be determined with reference to the facts and circumstances at the time the transaction is entered into; and

(iii) "present value" means the amount as of a date certain of one or more sums payable in the future, discounted to the date certain. The discount is determined by the interest rate specified by the parties if the rate is not manifestly unreasonable at the time the transaction is entered into; otherwise, the discount is determined by a commercially reasonable rate that takes into account the facts and circumstances of each case at the time the transaction was entered into.

(38) "Send" in connection with any writing or notice means to deposit in the mail or deliver for transmission by any other usual means of communication with postage or cost of transmission provided for and properly addressed and in the case of an instrument, to an address specified thereon or otherwise agreed, or if there be none, to any address reasonable under the circumstances. The receipt of any writing or notice within the time at which it would have arrived if properly sent has the effect of a proper sending.

(39) "Signed" includes any symbol executed or adopted by a party with present intention to authenticate a writing.

(40) "Surety" includes guarantor.

(41) "Telegram" includes a message transmitted by radio, teletype, cable, any mechanical method of transmission, or the like.

(42) "Term" means that portion of an agreement which relates to a particular matter.

(43) "Unauthorized" means a signature made without actual, implied or apparent authority and includes a forgery.

(44) "Value". Except as otherwise provided for in Sections 3-303, 4-210 and 4-211 of this title with respect to negotiable instruments and bank collections, a person gives "value" for rights if he acquires them:

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

(b) as security for or in total or partial satisfaction of a preexisting claim; or

(c) by accepting delivery pursuant to a preexisting contract for purchase; or

(d) generally, in return for any consideration sufficient to support a simple contract.

(45) "Warehouse receipt" means a receipt issued by a person engaged in the business of storing goods for hire.

(46) "Written" or "writing" includes printing, typewriting, or any other intentional reduction to tangible form.

SECTION 148. AMENDATORY 12A O.S. 1991, Section 2-103, as amended by Section 2, Chapter 46, O.S.L. 1994 (12A O.S. Supp. 1999, Section 2-103), is amended to read as follows:

Section 2-103. Definitions and Index of Definitions.

(1) In this article unless the context otherwise requires:

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

(b) "Good faith" in the case of a merchant means honesty in fact and the observance of reasonable commercial standards of fair dealing in the trade.

(c) "Receipt" of goods means taking physical possession of them.

(d) "Seller" means a person who sells or contracts to sell goods.

(2) Other definitions applying to this article or to specified parts thereof, and the sections in which they appear are:

"Acceptance". Section 2-606 of this title.

"Banker's credit". Section 2-325 of this title.

"Between merchants". Section 2-104 of this title.

"Cancellation". Section 2-106(4) of this title.

"Commercial unit". Section 2-105 of this title.

"Confirmed credit". Section 2-325 of this title.

"Conforming to contract". Section 2-106 of this title.

"Contract for sale". Section 2-106 of this title.

"Cover". Section 2-712 of this title.

"Entrusting". Section 2-403 of this title.

"Financing agency". Section 2-104 of this title.

"Future goods". Section 2-105 of this title.

"Goods". Section 2-105 of this title.

"Identification". Section 2-501 of this title.

"Installment contract". Section 2-612 of this title.

"Letter of credit". Section 2-325 of this title.

"Lot". Section 2-105 of this title.

"Merchant". Section 2-104 of this title.

"Overseas". Section 2-323 of this title.

"Person in position of seller". Section 2-707 of this title.

"Present sale". Section 2-106 of this title.

"Sale". Section 2-106 of this title.

"Sale on approval". Section 2-326 of this title.

"Sale or return". Section 2-326 of this title.

"Termination". Section 2-106 of this title.

(3) The following definitions in other articles apply to this article:

"Check". Section 3-104 of this title.

"Consignee". Section 7-102 of this title.

"Consignor". Section 7-102 of this title.

"Consumer goods". Section ~~9-109~~ 9-102 of this title.

"Dishonor". Section 3-502 of this title.

"Draft". Section 3-104 of this title.

(4) In addition, Article 1 of this title contains general definitions and principles of construction and interpretation applicable throughout this article.

SECTION 149. AMENDATORY 12A O.S. 1991, Section 2-210, is amended to read as follows:

Section 2-210. Delegation of Performance; Assignment of Rights.

(1) A party may perform his duty through a delegate unless otherwise agreed or unless the other party has a substantial interest in having his original promisor perform or control the acts required by the contract. No delegation of performance relieves the party delegating of any duty to perform or any liability for breach.

(2) ~~Unless~~ Except as otherwise provided in Section 1-9-406 of this title, unless otherwise agreed all rights of either seller or buyer can be assigned except where the assignment would materially change the duty of the other party, or increase materially the burden or risk imposed on him by his contract, or impair materially his chance of obtaining return performance. A right to damages for breach of the whole contract or a right arising out of the assignor's due performance of his entire obligation can be assigned despite agreement otherwise.

(3) The creation, attachment, perfection, or enforcement of a security interest in the seller's interest under a contract is not a transfer that materially changes the duty of or increases materially the burden or risk imposed on the buyer or impairs materially the buyer's chance of obtaining return performance within the purview of paragraph (2) of this section unless, and then only to the extent that enforcement actually results in a delegation of material performance of the seller. Even in that event, the creation, attachment, perfection, and enforcement of the security interest remain effective, but (i) the seller is liable to the buyer for damages caused by the delegation to the extent that the damages could not reasonably be prevented by the buyer, and (ii) a court having jurisdiction may grant other appropriate relief, including cancellation of the contract for sale or an injunction against enforcement of the security interest or consummation of the enforcement.

(4) Unless the circumstances indicate the contrary a prohibition of assignment of "the contract" is to be construed as

barring only the delegation to the assignee of the assignor's performance.

~~(4)~~ (5) An assignment of "the contract" or of "all my rights under the contract" or an assignment in similar general terms is an assignment of rights and unless the language or the circumstances (as in an assignment for security) indicate the contrary, it is a delegation of performance of the duties of the assignor and its acceptance by the assignee constitutes a promise by him to perform those duties. This promise is enforceable by either the assignor or the other party to the original contract.

~~(5)~~ (6) The other party may treat any assignment which delegates performance as creating reasonable grounds for insecurity and may without prejudice to his rights against the assignor demand assurances from the assignee (Section 2-609).

SECTION 150. AMENDATORY 12A O.S. 1991, Section 2-326, is amended to read as follows:

Section 2-326. Sale on Approval and Sale or Return; Consignment Sales and Rights of Creditors.

(1) Unless otherwise agreed, if delivered goods may be returned by the buyer even though they conform to the contract, the transaction is

(a) a "sale on approval" if the goods are delivered primarily for use, and

(b) a "sale or return" if the goods are delivered primarily for resale.

(2) ~~Except as provided in subsection (3), goods~~ Goods held on approval are not subject to the claims of the buyer's creditors until acceptance; goods held on sale or return are subject to such claims while in the buyer's possession.

(3) ~~Where goods are delivered to a person for sale and such person maintains a place of business at which he deals in goods of the kind involved, under a name other than the name of the person making delivery, then with respect to claims of creditors of the person conducting the business the goods are deemed to be on sale or return. The provisions of this subsection are applicable even though an agreement purports to reserve title to the person making delivery until payment or resale or uses such words as "on consignment" or "on memorandum". However, this subsection is not applicable if the person making delivery~~

~~(a) complies with an applicable law providing for a consignor's interest or the like to be evidenced by a sign, or~~

~~(b) establishes that the person conducting the business is generally known by his creditors to be substantially engaged in selling the goods of others, or~~

~~(c) complies with the filing provisions of the article on Secured Transactions (Article 9).~~

~~(4)~~ Any "or return" term of a contract for sale is to be treated as a separate contract for sale within the statute of frauds section of this article (Section 2-201 of this title) and as contradicting the sale aspect of the contract within the provisions of this article on parole or extrinsic evidence (Section 2-202 of this title).

SECTION 151. AMENDATORY 12A O.S. 1991, Section 2-502, is amended to read as follows:

Section 2-502. Buyer's Right to Goods on Seller's Insolvency.

(1) Subject to ~~subsection~~ paragraphs (2) and (3) of this section and even though the goods have not been shipped a buyer who has paid a part or all of the price of goods in which ~~he~~ the buyer has a special property under the provisions of ~~the immediately preceding section~~ Section 2-501 of this title may on making and keeping good a tender of any unpaid portion of their price recover them from the seller if:

(a) in the case of goods bought for personal, family, or household purposes, the seller repudiates or fails to deliver as required by the contract; or

(b) in all cases, the seller becomes insolvent within ten (10) days after receipt of the first installment on their price.

(2) The buyer's right to recover the goods under subparagraph (a) of paragraph (1) vests upon acquisition of a special property, even if the seller had not then repudiated or failed to deliver.

(3) If the identification creating his special property has been made by the buyer he acquires the right to recover the goods only if they conform to the contract for sale.

SECTION 152. AMENDATORY 12A O.S. 1991, Section 2-716, is amended to read as follows:

Section 2-716. Buyer's Right to Specific Performance or Replevin.

(1) Specific performance may be decreed where the goods are unique or in other proper circumstances.

(2) The decree for specific performance may include such terms and conditions as to payment of the price, damages, or other relief as the court may deem just.

(3) The buyer has a right of replevin for goods identified to the contract if after reasonable effort he is unable to effect cover for such goods or the circumstances reasonably indicate that such effort will be unavailing or if the goods have been shipped under reservation and satisfaction of the security interest in them has been made or tendered. In the case of goods bought for personal,

family, or household purposes, the buyer's right of replevin vests upon acquisition of a special property, even if the seller had not then repudiated or failed to deliver.

SECTION 153. AMENDATORY 12A O.S. 1991, Section 2A-103, is amended to read as follows:

Section 2A-103.

DEFINITIONS AND INDEX OF DEFINITIONS

(1) In this article unless the context otherwise requires:

(a) "Buyer in the ordinary course of business" means a person who in good faith and without knowledge that the sale to him is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods, buys in the ordinary course from a person in the business of selling goods of that kind but does not include a pawnbroker. "Buying" may be for cash or by exchange of other property or on secured or unsecured credit and includes receiving goods or documents of title under a preexisting contract for sale but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

(b) "Cancellation" occurs when either party puts an end to the lease contract for default by the other party.

(c) "Commercial unit" means such a unit of goods as by commercial usage is a single whole for purposes of lease and division of which materially impairs its character or value on the market or in use. A commercial unit may be a single article, as a machine, or a set of articles, as a suite of furniture or a line of machinery, or a quantity, as a gross or carload, or any other unit treated in use or in the relevant market as a single whole.

(d) "Conforming" goods or performance under a lease contract means goods or performance that are in accordance with the obligations under the lease contract.

(e) "Consumer lease" means a lease that a lessor regularly engaged in the business of leasing or selling makes to a lessee who is an individual and who takes under the lease primarily for a personal, family, or household purpose, if the total payments to be made under the lease contract, excluding payments for options to renew or buy, do not exceed Forty-five Thousand Dollars ($45,000.00).

(f) "Fault" means wrongful act, omission, breach, or default.

(g) "Finance lease" means a lease with respect to which:

(i) the lessor does not select, manufacture or supply the goods;

(ii) the lessor acquires the goods or the right to possession and use of the goods in connection with the lease; and

(iii) one of the following occurs:

(A) the lessee receives a copy of the contract by which the lessor acquired the goods or the right to possession and use of the goods before signing the lease contract;

(B) the lessee's approval of the contract by which the lessor acquired the goods or the right to possession and use of the goods is a condition to effectiveness of the lease contract;

(C) the lessee, before signing the lease contract, receives an accurate and complete statement designating the promises and warranties, and any disclaimers of warranties, limitations or modifications of remedies, or liquidated damages, including those of a third party, such as the manufacturer of the goods, provided to the lessor by the person supplying the goods in connection with or as part of the contract by which the lessor acquired the goods or the right to possession and use of the goods; or

(D) if the lease is not a consumer lease, the lessor, before the lessee signs the lease contract, informs the lessee in writing (a) of the identity of the person supplying the goods to the lessor, unless the lessee has selected that person and directed the lessor to acquire the goods or the right to possession and use of the goods from that person, (b) that the lessee is entitled under this article to the promises and warranties, including those of any third party, provided to the lessor by the person supplying the goods in connection with or as part of the contract by which the lessor acquired the goods or the right to possession and use of the goods, and (c) that the lessee may communicate with the person supplying the goods to the lessor and receive an accurate and complete statement of those promises and warranties, including

any disclaimers and limitations of them or of remedies.

(h) "Goods" means all things that are movable at the time of identification to the lease contract, or are fixtures (Section 2A-309 of this title), but the term does not include money, documents, instruments, accounts, chattel paper, general intangibles, or minerals or the like, including oil and gas, before extraction. The term also includes the unborn young of animals.

(i) "Installment lease contract" means a lease contract that authorizes or requires the delivery of goods in separate lots to be separately accepted, even though the lease contract contains a clause "each delivery is a separate lease" or its equivalent.

(j) "Lease" means a transfer of the right to possession and use of goods for a term in return for consideration, but a sale, including a sale on approval or a sale or return, or retention or creation of a security interest is not a lease. Unless the context clearly indicates otherwise, the term includes a sublease.

(k) "Lease agreement" means the bargain, with respect to the lease, of the lessor and the lessee in fact as found in their language or by implication from other circumstances including course of dealing of usage of trade or course of performance as provided in this article. Unless the context clearly indicates otherwise, the term includes a sublease agreement.

(l) "Lease contract" means the total legal obligation that results from the lease agreement as affected by this article and any other applicable rules of law. Unless the context clearly indicates otherwise, the term includes a sublease contract.

(m) "Leasehold interest" means the interest of the lessor or the lessee under a lease contract.

(n) "Lessee" means a person who acquires the right to possession and use of goods under a lease. Unless the context clearly indicates otherwise, the term includes a sublessee.

(o) "Lessee in the ordinary course of business" means a person who in good faith and without knowledge that the lease to him is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods leases in the ordinary course from a person in the business of selling or leasing goods of that kind but does not include a pawnbroker. "Leasing" may be for cash or by exchange of other property or on secured or unsecured credit and

includes receiving goods or documents of title under a preexisting lease contract but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

(p) "Lessor" means a person who transfers the right to possession and use of goods under a lease. Unless the context clearly indicates otherwise, the term includes a sublessor.

(q) "Lessor's residual interest" means the lessor's interest in the goods after expiration, termination, or cancellation of the lease contract.

(r) "Lien" means a charge against or interest in goods to secure payment of a debt or performance of an obligation, but the term does not include a security interest.

(s) "Lot" means a parcel or a single article that is the subject matter of a separate lease or delivery, whether or not it is sufficient to perform the lease contract.

(t) "Merchant lessee" means a lessee that is a merchant with respect to goods of the kind subject to the lease.

(u) "Present value" means the amount as of a date certain of one or more sums payable in the future, discounted to the date certain. The discount is determined by the interest rate specified by the parties if the rate was not manifestly unreasonable at the time the transaction was entered into; otherwise, the discount is determined by a commercially reasonable rate that takes into account the facts and circumstances of each case at the time the transaction was entered into.

(v) "Purchase" includes taking by sale, lease, mortgage, security interest, pledge, gift, or any other voluntary transaction creating an interest in goods.

(w) "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.

(x) "Supplier" means a person from whom a lessor buys or leases goods to be leased under a finance lease.

(y) "Supply contract" means a contract under which a lessor buys or leases goods to be leased.

(z) "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.

(2) Other definitions applying to this article and the sections in which they appear are:

"Accessions". Subsection (1) of Section 2A-310 of this title.

"Construction mortgage". Paragraph (d) of subsection (1) of Section 2A-309 of this title.

"Encumbrance". Paragraph (e) of subsection (1) of Section 2A-309 of this title.

"Fixtures". Paragraph (a) of subsection (1) of Section 2A-309 of this title.

"Fixture filing". Paragraph (b) of subsection (1) of Section 2A-309 of this title.

"Purchase money lease". Paragraph (c) of subsection (1) of Section 2A-309 of this title.

(3) The following definitions in other articles apply to this article:

"Account". Paragraph (2) of subsection (a) of Section ~~9-106~~ 1-9-102 of this title.

"Between merchants". Subsection (3) of Section 2-104 of this title.

"Buyer". Paragraph (a) of subsection (1) of Section 2-103 of this title.

"Chattel paper". Paragraph ~~(b)~~ (11) of subsection ~~(1)~~ (a) of Section ~~9-105~~ 1-9-102 of this title.

"Consumer goods". ~~Subsection (1)~~ Paragraph (23) of subsection (a) of Section ~~9-109~~ 1-9-102 of this title.

"Document". Paragraph ~~(f)~~ (30) of subsection ~~(1)~~ (a) of Section ~~9-105~~ 1-9-102 of this title.

"Entrusting". ~~Subsection~~ Paragraph (3) of Section 2-403 of this title.

"General ~~intangibles~~ intangible". Paragraph (42) of subsection (a) of Section ~~9-106~~ 1-9-102 of this title.

"Good faith". Paragraph (b) of subsection (1) of Section 2-103 of this title.

"Instrument". Paragraph ~~(i)~~ (47) of subsection ~~(1)~~ (a) of Section ~~9-105~~ 1-9-102 of this title.

"Merchant". Subsection (1) of Section 2-104 of this title.

"Mortgage". Paragraph ~~(j)~~ (55) of subsection ~~(1)~~ (a) of Section ~~9-105~~ 1-9-102 of this title.

"Pursuant to commitment". Paragraph ~~(k)~~ (68) of subsection ~~(1)~~ (a) of Section ~~9-105~~ 1-9-102 of this title.

"Receipt". ~~Paragraph~~ Subsection (c) of ~~subsection~~ paragraph (1) of Section 2-103 of this title.

"Sale". ~~Subsection~~ Paragraph (1) of Section 2-106 of this title.

"Sale on approval". Section 2-326 of this title.

"Sale or return". Section 2-326 of this title.

"Seller". ~~Paragraph~~ Subparagraph (d) of ~~subsection~~ paragraph (1) of Section 2-103 of this title.

(4) In addition, Article 1 of ~~the Uniform Commercial Code,~~ this title, contains general definitions and principles of construction and interpretation applicable throughout this article.

SECTION 154. AMENDATORY 12A O.S. 1991, Section 2A-303, is amended to read as follows:

Section 2A-303.

ALIENABILITY OF PARTY'S INTEREST UNDER LEASE CONTRACT
OR OF LESSOR'S RESIDUAL INTEREST IN GOODS;
DELEGATION OF PERFORMANCE; TRANSFER OF RIGHTS

(1) As used in this section, "creation of a security interest" includes the sale of a lease contract that is subject to Article 9 of this title, Secured Transactions, by reason of paragraph ~~(b)~~ (3) of subsection ~~(1)~~ (a) of Section ~~9-102~~ 1-9-109 of this title.

(2) Except as provided in ~~subsections~~ subsection (3) ~~and (4) of this section~~ of Section 1-9-407 of this title, a provision in a lease agreement which (i) prohibits the voluntary or involuntary transfer, including a transfer by sale, sublease, creation or enforcement of a security interest, or attachment, levy, or other judicial process, of an interest of a party under the lease contract or of the lessor's residual interest in the goods, or (ii) makes such a transfer an event of default, gives rise to the rights and remedies provided in subsection ~~(5)~~ (4) of this section, but a transfer that is prohibited or is an event of default under the lease agreement is otherwise effective.

(3) ~~A provision in a lease agreement which (i) prohibits the creation or enforcement of a security interest in an interest of a party under the lease contract or in the lessor's residual interest in the goods, or (ii) makes such a transfer an event of default, is not enforceable unless, and then only to the extent that, there is an actual transfer by the lessee of the lessee's right of possession or use of the goods in violation of the provision or an actual delegation of a material performance of either party to the lease~~

~~contract in violation of the provision. Neither the granting nor the enforcement of a security interest in (i) the lessor's interest under the lease contract or (ii) the lessor's residual interest in the goods is a transfer that materially impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden or risk imposed on, the lessee within the purview of subsection (5) of this section unless, and then only to the extent that, there is an actual delegation of a material performance of the lessor.~~

~~(4)~~ A provision in a lease agreement which (i) prohibits a transfer of a right to damages for default with respect to the whole lease contract or of a right to payment arising out of the transferor's due performance of the transferor's entire obligation, or (ii) makes such a transfer an event of default, is not enforceable, and such a transfer is not a transfer that materially impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden of risk imposed on, the other party to the lease contract within the purview of subsection ~~(5)~~ (4) of this section.

~~(5)~~ (4) Subject to ~~subsections~~ subsection (3) ~~and (4)~~ of this section and Section 1-9-407 of this article:

(a) if a transfer is made which is made an event of default under a lease agreement, the party to the lease contract not making the transfer, unless that party waives the default or otherwise agrees, has the rights and remedies described in subsection (2) of Section 2A-501 of this title; or

(b) if paragraph (a) of this subsection is not applicable and if a transfer is made that (i) is prohibited under a lease agreement or (ii) materially impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden or risk imposed on, the other party to the lease contract, unless the party not making the transfer agrees at any time to the transfer in the lease contract or otherwise, then, except as limited by contract, (i) the transferor is liable to the party not making the transfer for damages caused by the transfer to the extent that the damages could not reasonably be prevented by the party not making the transfer and (ii) a court having jurisdiction may grant other appropriate relief, including cancellation of the lease contract or an injunction against the transfer.

~~(6)~~ (5) A transfer of "the lease" or of "all my rights under the lease", or a transfer in similar general terms, is a transfer of rights and, unless the language or the circumstances, as in a transfer for security, indicate the contrary, the transfer is a delegation of duties by the transferor to the transferee. Acceptance by the transferee constitutes a promise by the transferee to perform those duties. The promise is enforceable by either the transferor or the other party to the lease contract.

~~(7)~~ (6) Unless otherwise agreed by the lessor and the lessee, a delegation of performance does not relieve the transferor as against the other party of any duty to perform or of any liability for default.

~~(8)~~ (7) In a consumer lease, to prohibit the transfer of an interest of a party under the lease contract or to make a transfer an event of default, the language must be specific, by a writing, and conspicuous.

SECTION 155. AMENDATORY 12A O.S. 1991, Section 2A-307, is amended to read as follows:

Section 2A-307.

PRIORITY OF LIENS ARISING BY ATTACHMENT OR LEVY ON, SECURITY INTERESTS IN, AND OTHER CLAIMS TO GOODS

(1) Except as otherwise provided in Section 2A-306 of this title, a creditor of a lessee takes subject to the lease contract.

(2) Except as otherwise provided in subsection (3) of this section and in Sections 2A-306 and 2A-308 of this title, a creditor of a lessor takes subject to the lease contract unless~~:~~

~~(a)~~ the creditor holds a lien that attached to the goods before the lease contract became enforceable~~;~~

~~(b) the creditor holds a security interest in the goods and the lessee did not give value and receive delivery of the goods without knowledge of the security interest; or~~

~~(c) the creditor holds a security interest in the goods which was perfected (Section 9-303 of this title) before the lease contract became enforceable~~.

(3) ~~A lessee in the ordinary course of business takes the leasehold interest free of a security interest in the goods created by the lessor even though the security interest is perfected (Section 9-303 of this title) and the lessee knows of its existence.~~

~~(4) A lessee other than a lessee in the ordinary course of business takes the leasehold interest free of a security interest to the extent that it secures future advances made after the secured party acquires knowledge of the lease or more than forty-five (45) days after the lease contract becomes enforceable, whichever first occurs, unless the future advances are made pursuant to a commitment entered into without knowledge of the lease and before the expiration of the forty-five-day period~~ Except as otherwise provided in Sections 1-9-317, 1-9-321, and 1-9-323 of this title, a lessee takes a leasehold interest subject to a security interest held by a creditor of the lessor.

SECTION 156. AMENDATORY 12A O.S. 1991, Section 2A-309, is amended to read as follows:

Section 2A-309.

LESSOR'S AND LESSEE'S RIGHTS WHEN GOODS BECOME FIXTURES

(1) In this section:

(a) goods are "fixtures" when they become so related to particular real estate that an interest in them ~~arise~~ arises under real estate law;

(b) a "fixture filing" is the filing, in the office where a mortgage on the real estate would be filed or recorded, of a financing statement covering goods that are or are to become fixtures and conforming to the requirements of ~~subsection (5)~~ subsections (a) and (b) of Section ~~9-402~~ 1-9-502 of this title, as applicable~~, and Section 9-401A of this title~~;

(c) a lease is a "purchase money lease" unless the lessee has possession or use of the goods or the right to possession or use of the goods before the lease agreement is enforceable;

(d) a mortgage is a "construction mortgage" to the extent it secures an obligation incurred for the construction of an improvement on land including the acquisition cost of the land, if the recorded writing so indicates; and

(e) "encumbrance" includes real estate mortgages and other liens on real estate and all other rights in real estate that are not ownership interests.

(2) Under this article a lease may be of goods that are fixtures or may continue in goods that become fixtures, but no lease exists under this article of ordinary building materials incorporated into an improvement on land.

(3) This article does not prevent creation of a lease of fixtures pursuant to real estate law.

(4) The perfected interest of a lessor of fixtures has priority over a conflicting interest of an encumbrancer or owner of the real estate if:

(a) the lease is a purchase money lease, the conflicting interest of the encumbrancer or owner arises before the goods become fixtures, the interest of the lessor is perfected by a fixture filing before the goods become fixtures or within ten (10) days thereafter, and the lessee has an interest of record in the real estate or is in possession of the real estate; or

(b) the interest of the lessor is perfected by a fixture filing before the interest of the encumbrancer or owner is of record, the lessor's interest has priority

over any conflicting interest of a predecessor in title of the encumbrancer or owner, and the lessee has an interest of record in the real estate or is in possession of the real estate.

(5) The interest of a lessor of fixtures, whether or not perfected, has priority over the conflicting interest of an encumbrancer or owner of the real estate if:

(a) the fixtures are readily removable factory or office machines, readily removable equipment that is not primarily used or leased for use in the operation of the real estate, or readily removable replacements of domestic appliances that are goods subject to a consumer lease, and before the goods become fixtures the lease contract is enforceable; or

(b) the conflicting interest is a lien on the real estate obtained by legal or equitable proceedings after the lease contract is enforceable; or

(c) the encumbrancer or owner has consented in writing to the lease or has disclaimed an interest in the goods as fixtures; or

(d) the lessee has a right to remove the goods as against the encumbrancer or owner. If the lessee's right to remove terminates, the priority of the interest of the lessor continues for a reasonable time.

(6) Notwithstanding paragraph (a) of subsection (4) of this section but otherwise subject to subsections (4) and (5) of this section, the interest of a lessor of fixtures, including the lessor's residual interest, is subordinate to the conflicting interest of an encumbrancer of the real estate under a construction mortgage recorded before the goods become fixtures if the goods become fixtures before the completion of the construction. To the extent given to refinance a construction mortgage, the conflicting interest of an encumbrancer of the real estate under a mortgage has this priority to the same extent as the encumbrancer of the real estate under the construction mortgage.

(7) In cases other than those described in subsections (1) through (6) of this section, priority between the interest of a lessor of fixtures, including the lessor's residual interest, and the conflicting interest of an encumbrancer or owner of the real estate who is not the lessee is determined by the priority rules governing conflicting interests in real estate.

(8) If the interest of a lessor of fixtures, including the lessor's residual interest, has priority over all conflicting interests of all owners and encumbrancers of the real estate, the lessor or the lessee may (i) on default, expiration, termination, or cancellation of the lease agreement but subject to the lease agreement and this article, or (ii) if necessary to enforce other rights and remedies of the lessor or lessee under this article, remove the goods from the real estate, free and clear of all

conflicting interests of all owners and encumbrancers of the real estate, but the lessor or lessee must reimburse any encumbrancer or owner of the real estate who is not the lessee and who has not otherwise agreed for the cost of repair of any physical injury, but not for any diminution in value of the real estate caused by the absence of the goods removed or by any necessity of replacing them. A person entitled to reimbursement may refuse permission to remove until the party seeking removal gives adequate security for the performance of this obligation.

(9) Even though the lease agreement does not create a security interest, the interest of a lessor of fixtures, including the lessor's residual interest, is perfected by filing a financing statement as a fixture filing for leased goods that are or are to become fixtures in accordance with the relevant provisions of the Uniform Commercial Code - Secured Transactions.

SECTION 157. AMENDATORY 12A O.S. 1991, Section 4-210, is amended to read as follows:

Section 4-210.

SECURITY INTEREST OF COLLECTING BANK IN ITEMS, ACCOMPANYING DOCUMENTS AND PROCEEDS

(a) A collecting bank has a security interest in an item and any accompanying documents or the proceeds of either:

(1) In case of an item deposited in an account, to the extent to which credit given for the item has been withdrawn or applied;

(2) In case of an item for which it has given credit available for withdrawal as of right, to the extent of the credit given, whether or not the credit is drawn upon or there is a right of charge-back; or

(3) If it makes an advance on or against the item.

(b) If credit given for several items received at one time or pursuant to a single agreement is withdrawn or applied in part, the security interest remains upon all the items, any accompanying documents or the proceeds of either. For the purpose of this section, credits first given are first withdrawn.

(c) Receipt by a collecting bank of a final settlement for an item is a realization on its security interest in the item, accompanying documents, and proceeds. So long as the bank does not receive final settlement for the item or give up possession of the item or accompanying documents for purposes other than collection, the security interest continues to that extent and is subject to Article 9 of this title, but:

(1) No security agreement is necessary to make the security interest enforceable (subparagraph (A) of paragraph ~~(a)~~ (3) of subsection ~~(1)~~ (b) of Section ~~9-203~~ 1-9-203 of this title);

(2) No filing is required to perfect the security interest; and

(3) The security interest has priority over conflicting perfected security interests in the item, accompanying documents, or proceeds.

SECTION 158. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5-118.1 of Title 12A, unless there is created a duplication in numbering, reads as follows:

SECURITY INTEREST OF ISSUER OR NOMINATED PERSON

(a) An issuer or nominated person has a security interest in a document presented under a letter of credit and any identifiable proceeds of the collateral to the extent that the issuer or nominated person honors or gives value for the presentation.

(b) As long as and to the extent that an issuer or nominated person has not been reimbursed or has not otherwise recovered the value given with respect to a security interest in a document under subsection (a) of this section, the security interest continues and is subject to Article 9 of this title, but:

(1) a security agreement is not necessary to make the security interest enforceable under paragraph (3) of subsection (b) of Section 1-9-203 of this title;

(2) if the document is presented in a medium other than a written or other tangible medium, the security interest is perfected; and

(3) if the document is presented in a written or other tangible medium and is not a certificated security, chattel paper, a document of title, an instrument, or a letter of credit, so long as the debtor does not have possession of the document, the security is perfected and has priority over a conflicting security interest in the document.

SECTION 159. AMENDATORY 12A O.S. 1991, Section 7-503, is amended to read as follows:

Section 7-503. (1) A document of title confers no right in goods against a person who before issuance of the document had a legal interest or a perfected security interest in them and who neither

(a) delivered or entrusted them or any document of title covering them to the bailor or his nominee with actual or apparent authority to ship, store or sell or with power to obtain delivery under this article (Section 7-403 of this title) or with power of disposition under this act (Sections 2-403 and ~~9-307~~ 1-9-320 of this title) or other statute or rule of law; nor

(b) acquiesced in the procurement by the bailor or his nominee of any document of title.

(2) Title to goods based upon an unaccepted delivery order is subject to the rights of anyone to whom a negotiable warehouse receipt or bill of lading covering the goods has been duly negotiated. Such a title may be defeated under the next section to the same extent as the rights of the issuer or a transferee from the issuer.

(3) Title to goods based upon a bill of lading issued to a freight forwarder is subject to the rights of anyone to whom a bill issued by the freight forwarder is duly negotiated; but delivery by the carrier in accordance with Part 4 of this article pursuant to its own bill of lading discharges the carrier's obligation to deliver.

SECTION 160. AMENDATORY Section 3, Chapter 242, O.S.L. 1995 (12A O.S. Supp. 1999, Section 8-103), is amended to read as follows:

Section 8-103. Rules for Determining Whether Certain Obligations and Interests Are Securities or Financial Assets.

(a) A share or similar equity interest issued by a corporation, business trust, joint stock company, or similar entity is a security.

(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.

(c) An interest in a partnership or limited liability company is not a security unless it is dealt in or traded on securities exchanges or in securities markets, its terms expressly provide that it is a security governed by this article, or it is an investment company security. However, an interest in a partnership or limited liability company is a financial asset if it is held in a securities account.

(d) A writing that is a security certificate is governed by this article and not by Article 3 of this code, even though it also meets the requirements of that article. However, a negotiable instrument governed by Article 3 of this code is a financial asset if it is held in a securities account.

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

(f) A commodity contract, as defined in paragraph (15) of subsection (a) of Section ~~9-115~~ 1-9-102 of this title, is not a security or a financial asset.

SECTION 161. AMENDATORY Section 6, Chapter 242, O.S.L. 1995 (12A O.S. Supp. 1999, Section 8-106), is amended to read as follows:

Section 8-106. Control.

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

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

(1) the certificate is indorsed to the purchaser or in blank by an effective endorsement; or

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

(c) A purchaser has "control" of an uncertificated security if:

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

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

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

(1) the purchaser becomes the entitlement holder; ~~or~~

(2) the securities intermediary has agreed that it will comply with entitlement orders originated by the purchaser without further consent by the entitlement holder; or

(3) another person has control of the security entitlement on behalf of the purchaser or, having previously acquired control of the security entitlement, acknowledges that it has control on behalf of the purchaser.

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

(f) A purchaser who has satisfied the requirements of ~~paragraph (2) of~~ subsection (c) or ~~paragraph (2) of subsection~~ (d) of this section has control even if the registered owner in the case of ~~paragraph (2) of~~ subsection (c) of this section or the entitlement

holder in the case of ~~paragraph (2) of~~ subsection (d) of this section retains the right to make substitutions for the uncertificated security or security entitlement, to originate instructions or entitlement orders to the issuer or securities intermediary, or otherwise to deal with the uncertificated security or security entitlement.

(g) An issuer or a securities intermediary may not enter into an agreement of the kind described in paragraph (2) of subsection (c) or paragraph (2) of subsection (d) of this section without the consent of the registered owner or entitlement holder, but an issuer or a securities intermediary is not required to enter into such an agreement even though the registered owner or entitlement holder so directs. An issuer or securities intermediary that has entered into such an agreement is not required to confirm the existence of the agreement to another party unless requested to do so by the registered owner or entitlement holder.

SECTION 162. AMENDATORY Section 10, Chapter 242, O.S.L. 1995 (12A O.S. Supp. 1999, Section 8-110), is amended to read as follows:

Section 8-110. Applicability; Choice of Law.

(a) The local law of the issuer's jurisdiction, as specified in subsection (d) of this section, governs:

(1) the validity of a security;

(2) the rights and duties of the issuer with respect to registration of transfer;

(3) the effectiveness of registration of transfer by the issuer;

(4) whether the issuer owes any duties to an adverse claimant to a security; and

(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.

(b) The local law of the securities intermediary's jurisdiction, as specified in subsection (e) of this section, governs:

(1) acquisition of a security entitlement from the securities intermediary;

(2) the rights and duties of the securities intermediary and entitlement holder arising out of a security entitlement;

(3) whether the securities intermediary owes any duties to an adverse claimant to a security entitlement; and

(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.

(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 security certificate is delivered.

(d) "Issuer's jurisdiction" means the jurisdiction under which the issuer of the security is organized or, if permitted by the law of that jurisdiction, the law of another jurisdiction specified by the issuer. An issuer organized under the law of this state may specify the law of another jurisdiction as the law governing the matters specified in paragraphs (2) through (5) of subsection (a) of this section.

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

(1) If an agreement between the securities intermediary and its entitlement holder ~~specifies that it is governed by the law of a particular jurisdiction~~ governing the securities account expressly provides that a particular jurisdiction is the securities intermediary's jurisdiction for purposes of this part, this article, or this title, that jurisdiction is the securities intermediary's jurisdiction;

(2) If paragraph (1) does not apply and an agreement between the securities intermediary and its entitlement holder governing the securities account expressly provides that the agreement is governed by the law of a particular jurisdiction, that jurisdiction is the securities intermediary's jurisdiction.

(3) If neither paragraph (1) nor paragraph (2) of this subsection applies and an agreement between the securities intermediary and its entitlement holder ~~does not specify the governing law as provided in paragraph (1) of this subsection, but~~ governing the securities account expressly ~~specifies~~ provides that the securities account is maintained at an office in a particular jurisdiction, that jurisdiction is the securities intermediary's jurisdiction;

~~(3)~~ (4) If ~~an agreement between the securities intermediary and its entitlement holder does not specify a jurisdiction as provided in paragraph (1) or (2)~~ none of the preceding paragraphs of this subsection applies, the securities intermediary's jurisdiction is the jurisdiction in which ~~is located~~ the office identified in an account statement as the

office serving the entitlement holder's account is located; and

~~(4)~~ (5) If ~~an agreement between the securities intermediary and its entitlement holder does not specify a jurisdiction as provided in paragraph (1) or (2) of this subsection and an account statement does not identify an office serving the entitlement holder's account as provided in paragraph (3)~~ none of the preceding paragraphs of this subsection applies, the securities intermediary's jurisdiction is the jurisdiction in which ~~is located~~ the chief executive office of the securities intermediary is located.

(f) A securities intermediary's jurisdiction is not determined by the physical location of certificates representing financial assets, or by the jurisdiction in which is organized the issuer of the financial asset with respect to which an entitlement holder has a security entitlement, or by the location of facilities for data processing or other recordkeeping concerning the account.

SECTION 163. AMENDATORY Section 27, Chapter 242, O.S.L. 1995 (12A O.S. Supp. 1999, Section 8-301), is amended to read as follows:

Section 8-301. Delivery.

(a) Delivery of a certificated security to a purchaser occurs when:

(1) the purchaser acquires possession of the security certificate;

(2) another person, other than a securities intermediary, either acquires possession of the security certificate on behalf of the purchaser or, having previously acquired possession of the certificate, acknowledges that it holds for the purchaser; or

(3) a securities intermediary acting on behalf of the purchaser acquires possession of the security certificate, only if the certificate is in registered form and ~~has been~~ is (i) registered in the name of the purchaser, (ii) payable to the order of the purchaser, or (iii) specially indorsed to the purchaser by an effective endorsement and has not been indorsed to the securities intermediary or in blank.

(b) Delivery of an uncertificated security to a purchaser occurs when:

(1) the issuer registers the purchaser as the registered owner, upon original issue or registration of transfer; or

(2) another person, other than a securities intermediary, either becomes the registered owner of the

uncertificated security on behalf of the purchaser or, having previously become the registered owner, acknowledges that it holds for the purchaser.

SECTION 164. AMENDATORY Section 28, Chapter 242, O.S.L. 1995 (12A O.S. Supp. 1999, Section 8-302), is amended to read as follows:

Section 8-302. Rights of Purchaser.

(a) Except as otherwise provided in subsections (b) and (c) of this section, ~~upon delivery~~ a purchaser of a certificated or uncertificated security ~~to a purchaser, the purchaser~~ acquires all rights in the security that the transferor had or had power to transfer.

(b) A purchaser of a limited interest acquires rights only to the extent of the interest purchased.

(c) A purchaser of a certificated security who as a previous holder had notice of an adverse claim does not improve its position by taking from a protected purchaser.

SECTION 165. AMENDATORY Section 42, Chapter 242, O.S.L. 1995 (12A O.S. Supp. 1999, Section 8-502), is amended to read as follows:

Section 8-502. Assertion of Adverse Claim Against Entitlement Holder.

An action based on an adverse claim to a financial asset, whether framed in conversion, replevin, constructive trust, equitable lien, or other theory, may not be asserted against a person who acquires a security entitlement under Section 8-501 of this title for value and without notice of the adverse claim.

SECTION 166. AMENDATORY Section 50, Chapter 242, O.S.L. 1995 (12A O.S. Supp. 1999, Section 8-510), is amended to read as follows:

Section 8-510. Rights of Purchaser of Security Entitlement from Entitlement Holder.

(a) ~~An~~ In a case not covered by the priority rules in Article 9 or the rules stated in subsection (c), an action based on an adverse claim to a financial asset or security entitlement, whether framed in conversion, replevin, constructive trust, equitable lien, or other theory, may not be asserted against a person who purchases a security entitlement, or an interest therein, from an entitlement holder if the purchaser gave value, does not have notice of the adverse claim, and obtains control.

(b) If an adverse claim could not have been asserted against an entitlement holder under Section 8-502 of this title, the adverse claim cannot be asserted against a person who purchases a security entitlement, or an interest therein, from the entitlement holder.

(c) In a case not covered by the priority rules in Article 9 of this code, a purchaser for value of a security entitlement, or an interest therein, who obtains control has priority over a purchaser of a security entitlement, or an interest therein, who does not obtain control. ~~Purchasers~~ Except as otherwise provided in subsection (d) of this section, purchasers who have control rank ~~equally, except that a~~ according to priority in time of:

(1) the purchaser's becoming the person for whom the securities account, in which the security entitlement is carried, is maintained, if the purchaser obtained control under paragraph (1) of subsection (d) of Section 8-106 of this title;

(2) the securities intermediary's agreement to comply with the purchaser's entitlement orders with respect to security entitlements carried or to be carried in the securities account in which the security entitlement is carried, if the purchaser obtained control under paragraph (2) of subsection (d) of Section 8-106 of this title; or

(3) if the purchaser obtained control through another person under paragraph (3) of subsection (d) of Section 8-106 of this title, the time on which priority would be based under this subsection if the other person were the secured party.

(d) A securities intermediary as purchaser has priority over a conflicting purchaser who has control unless otherwise agreed by the securities intermediary.

SECTION 167. AMENDATORY 19 O.S. 1991, Section 155.2, as amended by Section 1, Chapter 101, O.S.L. 1996 (19 O.S. Supp. 1999, Section 155.2), is amended to read as follows:

Section 155.2 A. The county clerk in each county in Oklahoma is hereby authorized each year to destroy the following workbooks, reports and transient and subsidiary records that have been on file or stored in the office the period of time specifically provided herein.

1. After the expiration of one (1) year:

   a. unused blank forms printed for fiscal year series, and

   b. blank forms obsolete by change of law;

2. After the expiration of five (5) years:

   a. financing statements, except as otherwise provided by Article 9 of Title 12A of the Oklahoma Statutes or other statute, chattel mortgages ~~or~~, bills of sale, releases and renewals thereof ~~of either on file~~, after the same ceases to be effective ~~under Section 9-403 of Title 12 of the Oklahoma Statutes~~,

   b. all county claims, claim calendars,

   c. chattel mortgage indexes,

d. appropriation ledgers, warrant ledgers, financial ledgers,

e. requisitions,

f. upon retirement, discharge, or termination of employment, loyalty oath of said employee or officer,

g. certificates of error,

h. copies of reports and remittances, deposits and receipts,

i. monthly reports to the State Auditor and Inspector and reports to other officers and warrant issues,

j. daily reports including daily report jacket and all contents therein,

k. physician liens, insurance agent's liens, hospital liens, thresher and combiners liens, mechanic and materialmans liens, oil and gas liens, vendor liens, banker liens, mining liens, district attorney liens, labor liens, and personal property liens,

l. reports, checks, purchase orders and other bookkeeping records,

m. all tax protests, evidences, letters of orders of the board, letters of increased assessment, correspondence, reports, docket books, lists of parcels under protest, agendas, and

n. records pertaining to the Open Meetings Act and Open Records Act;

3. After the expiration of seven (7) years after the final settlement following appeal to district court, all tax protest records;

4. After the expiration of seven (7) years, balance sheets, deposit slips, tax records, W-2's and investment authorization slips for the retirement system; and

5. After the expiration of ten (10) years:

a. all tax rolls and tax roll adjustments, and

b. all special assessment rolls.

B. The State Library may be given any records that would otherwise be destroyed.

SECTION 168. AMENDATORY 28 O.S. 1991, Section 32, as last amended by Section 1, Chapter 92, O.S.L. 1998 (28 O.S. Supp. 1999, Section 32), is amended to read as follows:

Section 32. A. Notwithstanding any other provision of law county clerks shall charge and collect the following flat fees to be uniform throughout the state regardless of the recording method used, and the county clerks shall not be required to itemize or charge these fees pursuant to any other schedule, except as specifically provided by law:

1. For recording the first page of deeds, mortgages and any other instruments <u>not subject to the fee imposed by Section 1-9-525 of Title 12A of the Oklahoma Statutes</u> $8.00

2. For recording each additional page of same instrument $2.00

3. For furnishing hard copies of microfilmed records to bonded abstractors only, per page.....$1.00

4. For furnishing photographic copies of photographic records, or of typewritten script or printed records, per page.....$1.00

5. For recording plat of one block or less $10.00

6. For recording plat of more than one block $25.00

7. For certifying to any copy per page..... $1.00

8. For recording an assignment of Tax Sale Certificate to be paid by the party purchasing.....$5.00

9. For recording of any mark or brand and giving certificate for same $5.00

10. For recording each certificate for estrays and forwarding description of same, as required by law $1.00

11. a. For recording and filing of mechanics' or materialmen's liens which includes the release thereof $10.00

    b. For preparing and mailing notice of mechanics' or materialmen's lien $8.00

    c. For each additional page or exhibit $2.00

12. For recording and filing of fictitious name partnership certificates $5.00

To this fee shall be added the fees required by Sections 81 through 86 of Title 54 of the Oklahoma Statutes.

13. ~~For filing and indexing an original financing statement or a continuation statement and for filing a termination statement and a statement of release therefor.....$10.00~~

~~(Section 9-403 of Title 12A)~~

~~14. For a filing pursuant to Section 6-209 of Title 12A of the Oklahoma Statutes.....$10.00~~

~~15.~~ For recording the first page of deeds, mortgages, and any other instruments which are nonconforming pursuant to subsection C of Section 298 of Title 19 of the Oklahoma Statutes~~:~~

~~a. before January 1, 1998 ..... $8.00~~

~~b. beginning January 1, 1998~~..... $25.00

~~16.~~ 14. For recording each additional page of an instrument which is nonconforming pursuant to subsection C of Section 298 of Title 19 of the Oklahoma Statutes~~:~~

~~a. before January 1, 1998 ..... $2.00~~

~~b. beginning January 1, 1998~~..... $10.00

B. The fees prescribed in paragraph 4 of subsection A of this section shall be deposited into the County Clerk's Lien Fee Account, created pursuant to Section 265 of Title 19 of the Oklahoma Statutes in an amount not to exceed Twenty Thousand Dollars ($20,000.00) each fiscal year.

C. For the purpose of preserving, maintaining, and archiving recorded instruments including, but not limited to, records management, records preservation, automation, modernization, and related lawful expenditures, in addition to all other fees required by law, the county clerk shall collect Five Dollars ($5.00) for each instrument recorded with the Registrar of Deeds.

D. There is hereby created a fund to be known as the "County Clerk's Records Management and Preservation Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of the fees and monies accruing to the fund, as prescribed in subsection C of this section with all monies accruing to the fund to be expended by the clerk and not transferred to any other fund.

SECTION 169. AMENDATORY 28 O.S. 1991, Section 111, as last amended by Section 16, Chapter 69, O.S.L. 1996 (28 O.S. Supp. 1999, Section 111), is amended to read as follows:

Section 111. A. In addition to other fees provided for by law, the Secretary of State shall collect the following fees:

1. For affixing the certificate of the Secretary and the seal of the State of Oklahoma, Ten Dollars ($10.00).

2. For copy of any paper or document to be paid for by the person demanding the same, One Dollar ($1.00) per page, provided the minimum charge shall not be less than Two Dollars ($2.00).

3. For filing an effective financing statement in the office of the Secretary of State pursuant to Section ~~9-307.6~~ 1-9-320.6 of Title 12A of the Oklahoma Statutes, Ten Dollars ($10.00).

4. For filing a continuation statement, partial release, assignment of or amendment to an effective financing statement filed in the office of the Secretary of State pursuant to Section ~~9-307.6~~ 1-9-320.6 of Title 12A of the Oklahoma Statutes, Ten Dollars ($10.00).

5. For filing a termination statement for an effective financing statement filed in the office of the Secretary of State pursuant to Section ~~9-307.6~~ 1-9-320.6 of Title 12A of the Oklahoma Statutes, Ten Dollars ($10.00).

6. For registering a buyer of farm products, commission merchant ~~or~~, selling agent or other person as provided for in Section ~~9-307.6~~ 1-9-320.6 of Title 12A of the Oklahoma Statutes, Fifty Dollars ($50.00) per year.

7. For distributing a copy of the master list or portions thereof to buyers of farm products, commission merchants, and selling agents, as provided for in Section ~~9-307.6~~ 1-9-320.6 of Title 12A of the Oklahoma Statutes, or for providing a copy of such master list or portions thereof to other interested parties, in accordance with the following fee schedule. Such fees may be paid annually or semi-annually:

a. For information requested for five or less counties:

	Number of Farm Products	Photostatic Reproduction	Microfiche
(1)	1 to 5 products.....	$150 per year	$25 per year
(2)	6 to 10 products.....	$200 per year	$50 per year
(3)	11 to 20 products.....	$250 per year	$75 per year
(4)	over 20 products.....	$300 per year	$100 per year

b. For information requested for six to twenty-five counties:

Number of Farm Products	Photostatic Reproduction	Microfiche
(1) 1 to 10 products.....	$200 per year	$50 per year
(2) 11 to 20 products.....	$250 per year	$75 per year
(3) over 20 products.....	$300 per year	$100 per year

c. For information requested for twenty-six (26) to fifty counties:

Number of Farm Products	Photostatic Reproduction	Microfiche
(1) 1 to 10 products.....	$250 per year	$75 per year
(2) 11 to 20 products.....	$300 per year	$100 per year
(3) over 20 products.....	$350 per year	$125 per year

d. For information requested for over fifty counties:

Number of Farm Products	Photostatic Reproduction	Microfiche
(1) 1 to 10 products.....	$300 per year	$100 per year
(2) 11 to 20 products.....	$350 per year	$125 per year
(3) over 20 products.....	$400 per year	$150 per year

8. a. The Secretary of State is authorized to provide for the distribution of the master list or portions thereof to those persons specified in paragraph 7 of this subsection through electronic data or machine readable equipment or other communication media in such form and manner as is specified by the Secretary of State.

b. The Secretary of State is authorized to establish a fee system for such transfer of information pursuant to this paragraph. Such fee shall not exceed the amount necessary to cover the costs of the Secretary of State in providing such transfer of information.

c. In providing for the transfer of the information specified by this paragraph, the Secretary of State shall ensure the integrity of confidential information within the office of the Secretary of State through data security measures, internal controls and appropriate data base management.

9. For issuing a written confirmation of the existence or nonexistence of any effective financing statement on file in the office of the Secretary of State, Six Dollars ($6.00).

10. The Secretary of State shall collect a fee of Twenty-five Dollars ($25.00) for every apostille, which is a special certificate which is attached to a public foreign document in order to certify the authenticity of the signature, the capacity in which the person signing the document has acted and, where appropriate, the identity of the seal or stamp which it bears, issued.

11. For each service rendered and not specified in this section, such fees as are allowed for similar services in other cases.

B. All of said fees shall be properly accounted for and shall be paid into the State Treasury monthly. The fees generated by paragraphs 1, 2 and 10 of subsection A of this section shall be deposited to the credit of the Revolving Fund for the Office of the Secretary of State created pursuant to Section 276.1 of Title 62 of the Oklahoma Statutes. The fees generated by paragraphs 3 through 9 of subsection A of this section shall be deposited to the credit of the Central Filing System Revolving Fund created pursuant to Section 276.3 of Title 62 of the Oklahoma Statutes.

SECTION 170. AMENDATORY Section 1, Chapter 276, O.S.L. 1992 (42 O.S. Supp. 1999, Section 47), is amended to read as follows:

Section 47. A. Any person selling, furnishing, applying or providing to the owner of crops which are growing or to be grown, any seed, chemicals, pesticides, herbicides or fertilizer for the growing of ~~said~~ the crops shall, upon filing, have a lien on ~~said~~ the crops for the amount due for such seed, chemicals, pesticides, herbicides or fertilizer or for the application thereof. The lien provided for in this section shall be subject to all prior perfected liens.

B. The lien created by this section shall not be effective unless:

1. ~~A verified statement is filed within one hundred twenty (120) days after the seed, chemicals, pesticides, herbicides or fertilizer are sold, furnished, applied or provided in the office of the county clerk of the county where the land on which the crops are growing or to be grown is located. The statement shall be recorded by the county clerk in the same manner as other filings required by Title 12A of the Oklahoma Statutes. The statement shall contain the following:~~

~~a. the name and address of the person to whom the seed, chemicals, pesticides, herbicides or fertilizer were furnished,~~

~~b. the name and address of the supplier,~~

~~c. a description of the crops with the legal description of the land on which the crops are growing or to be grown, and~~

~~d. a description and value of the seed, chemicals, pesticides, herbicides or fertilizer furnished or services provided~~ Filed as an agricultural lien pursuant to Article 9 of the Uniform Commercial Code; and

2. Notice is given to the owner of the land on which the crops are growing or to be grown at the time of filing by mailing a copy of the verified statement by certified mail, return receipt requested.

C. The lien created by this section may be foreclosed by the sale of the crops subject to the lien anytime within twelve (12) months after filing of the lien in accordance with the provisions of Title 12A of the Oklahoma Statutes.

SECTION 171. AMENDATORY 42 O.S. 1991, Section 115, as amended by Section 3, Chapter 202, O.S.L. 1994 (42 O.S. Supp. 1999, Section 115), is amended to read as follows:

Section 115. The lien created by Section 111 of this title may be ~~foreclosed by the sale of the property any time within six (6) months after the date of filing of the statement of lien, as provided in Section 112 of this title,~~ enforced in the same manner as provided by law for the ~~foreclosure of a security interest in farm products~~ enforcement of an agricultural lien pursuant to Article 9 of the Uniform Commercial Code.

SECTION 172. AMENDATORY Section 7, Chapter 306, O.S.L. 1998, as amended by Section 3, Chapter 212, O.S.L. 1999 (42 O.S. Supp. 1999, Section 197), is amended to read as follows:

Section 197. A. An owner's lien as provided for a claim which has become due may be satisfied as provided by this section. ~~With respect to any lien on personal property sold in satisfaction of obligations secured by the lien authorized by this section, the provisions of Section 9-310 of Title 12A of the Oklahoma Statutes shall be applicable and the~~ The possessory lien ~~as~~ authorized by this section shall be prior to any previously perfected security interest in the personal property pursuant to Section 1-9-333 of Title 12A of the Oklahoma Statutes.

B. No enforcement action shall be taken by the owner until the occupant has been in default continuously for a period of thirty (30) days. As used in this subsection, "enforcement action" shall not include actions of the owner taken pursuant to Section 5 of this act.

C. After the occupant has been in default continuously for a period of thirty (30) days, the owner may begin enforcement action if the occupant has been notified in writing. Said notice shall be delivered in person or sent by certified mail return receipt requested to the last-known address of the occupant. Any lienholder with an interest in the property to be sold or otherwise disposed of, of whom the owner has actual knowledge, shall be included in the notice process as provided in this section.

D. The notice shall include:

1. An itemized statement of the owner's claim showing the sum due at the time of the notice and the date when the sum became due;

2. A brief and general description of the personal property subject to the lien. ~~Such~~ The description shall be reasonably adequate to permit the person notified to identify such property, except that any container including, but not limited to, a trunk, valise, or box that is locked, fastened, sealed, or tied in a manner which deters immediate access to its contents may be described as such without describing its contents;

3. A notification of denial of access to the personal property, if such denial is permitted under the terms of the rental agreement, which notification shall provide the name, street address, and telephone number of the owner or his designated agent whom the occupant may contact to respond to such notification;

4. A demand for payment within a specified time not less than fifteen (15) days after delivery of the notice; and

5. A conspicuous statement that, unless the claim is paid within the time stated in the notice, the personal property will be advertised for sale or other disposition and will be sold or otherwise disposed of at a specified time and place.

E. Any notice made pursuant to this section shall be presumed delivered when it is deposited with the United States Postal Service and properly addressed with postage prepaid.

F. After the expiration of the time given in the notice, an advertisement of the sale or other disposition shall be published once a week for two (2) consecutive weeks in a newspaper of general circulation in the county where the self-service storage facility is located.

G. The advertisement prescribed by subsection F of this section shall include:

1. A brief and general description of the personal property reasonably adequate to permit its identification as provided in paragraph 2 of subsection D of this section, the address of the self-service storage facility and the number, if any, of the space where the personal property is located, and the name of the occupant and his last-known address;

2. The time, place, and manner of the sale or other disposition. The sale or other disposition shall take place not sooner than fifteen (15) days after the first publication; or

3. If there is no newspaper of general circulation in the county where the self-service storage facility is located, the advertisement shall be posted at least ten (10) days before the date of the sale or other disposition in not less than six conspicuous places in the neighborhood where the self-service storage facility is located.

H. Any sale or other disposition of the personal property shall conform to the terms of the notification as provided for in this section.

I. Any sale or other disposition of the personal property shall be held at the self-service storage facility or at the nearest suitable place to where the personal property is held or stored.

J. Before any sale or other disposition of personal property pursuant to this section, the occupant may pay the amount necessary to satisfy the lien and the reasonable expenses incurred under this section and thereby redeem the personal property. Upon receipt of such payment, the owner shall return the personal property, and thereafter the owner shall have no liability to any person with respect to such personal property.

K. A purchaser in good faith of the personal property sold to satisfy a lien as provided in this act takes the property free of any rights of persons against whom the lien was valid and free of any rights of a secured creditor, despite noncompliance by the owner with the requirements of this section.

L. In the event of a sale under this section, the owner may satisfy his lien from the proceeds of the sale.

M. If the proceeds from sale of the property are less than the amount required to pay the obligation secured by the lien, the owner may pursue a deficiency against the tenant. If the proceeds from sale of the property are more than the amount required to pay the obligation secured by the owner's lien, the owner shall hold the excess proceeds for a period of ninety (90) days from the date of the sale. During this period, any persons, including the tenant, claiming an interest in the excess proceeds from the sale of the property shall present adequate proof of their claim to the owner. After the expiration of the ninety-day period, the owner shall make such distribution of the excess proceeds as is required based upon the claims presented. If after making distribution of the proceeds as prescribed by this subsection there are any remaining proceeds, the proceeds shall become the property of the owner without further recourse by the occupant, any lienholder or other person in interest.

N. If the requirements of this act are not satisfied, if the sale of the personal property is not in conformity with the notice of sale, or if there is a willful violation of this act, nothing in this section affects the rights and liabilities of the owner, the occupant, or any other person.

O. Any purchaser of personal property sold pursuant to this section for which a certificate of title has been issued by the Oklahoma Tax Commission shall obtain a certificate of title to be issued in the purchaser's name in the same manner as provided by law for the issuance of a certificate of title for ~~a motor vehicle~~ property requiring a certificate of title sold pursuant to the provisions of Sections 91 through 102 of Title 42 of the Oklahoma

Statutes ~~if the personal property is sold as authorized by this section~~.

SECTION 173. AMENDATORY 47 O.S. 1991, Section 1110, as last amended by Section 3, Chapter 92, O.S.L. 1999 (47 O.S. Supp. 1999, Section 1110), is amended to read as follows:

Section 1110. A. 1. Except for a security interest in vehicles held by a dealer for sale or lease, as defined in paragraph (37) of Section 1-112 of this title and a vehicle being registered in this state which was previously registered in another state and which title contains the name of a secured party on the face of the other state certificate or title, a security interest, as defined in Section 1-201 of Title 12A of the Oklahoma Statutes, in a vehicle as to which a certificate of title may be properly issued by the Oklahoma Tax Commission shall be perfected only when a lien entry form, and the existing certificate of title, if any, or application for a certificate of title and manufacturer's certificate of origin containing the name and address of the secured party and the date of the security agreement and the required fee are delivered to the Commission or to a motor license agent. When a vehicle title is presented to a motor license agent for transferring or registering and the documents reflect a lien holder, the motor license agent shall perfect the lien pursuant to subsection G of Section 1105 of Title 47 of the Oklahoma Statutes. For the purposes of this section, the term "vehicle" shall not include special mobilized machinery, machinery used in highway construction or road material construction and rubber-tired road construction vehicles including rubber-tired cranes. The filing and duration of perfection of a security interest, pursuant to the provisions of Title 12A of the Oklahoma Statutes, including, but not limited to, Section ~~9-302~~ 1-9-311 of Title 12A of the Oklahoma Statutes, shall not be applicable to perfection of security interests in vehicles as to which a certificate of title may be properly issued by the Commission, except as to vehicles held by a dealer for sale or lease and except as provided in subsection D of this section. In all other respects Title 12A of the Oklahoma Statutes shall be applicable to such security interests in vehicles as to which a certificate of title may be properly issued by the Commission.

2. Whenever a person creates a security interest in a vehicle, the person shall surrender to the secured party the certificate of title or the signed application for a new certificate of title, on the form prescribed by the Commission, and the manufacturer's certificate of origin. The secured party shall deliver the lien entry form and the required lien filing fee within twenty (20) days as provided hereafter with certificate of title or the application for certificate of title and the manufacturer's certificate of origin to the Commission or to a motor license agent. ~~If the lien entry form, the lien filing fee and the certificate of title or application for certificate of title and the manufacturer's certificate of origin are delivered to the Commission or to a motor license agent within twenty (20) days after the date of the lien entry form, perfection of the security interest shall begin from the date of the execution of the lien entry form, but, otherwise, perfection of the security interest shall begin from the date of the delivery to the Commission or to a motor license agent~~ Perfection of

the security interest shall begin from the date of the delivery to the Commission or to a motor license agent of (i) the lien entry form, (ii) the lien filing fee, and (iii) the certificate of title or application for certificate of title and the manufacturer's certificate of origin.

3. a. For each security interest recorded on a certificate of title, or manufacturer's certificate of origin, such person shall pay a fee of Ten Dollars ($10.00), which shall be in addition to other fees provided for in the Oklahoma Vehicle License and Registration Act. Upon the receipt of the lien entry form and the required fees with either the certificate of title or an application for certificate of title and manufacturer's certificate of origin, a motor license agent shall, by placement of a clearly distinguishing mark, record the date and number shown in a conspicuous place, on each of these instruments. Of the ten-dollar fee, the motor license agent shall retain Two Dollars ($2.00) for recording the security interest lien.

b. It shall be unlawful for any person to solicit, accept or receive any gratuity or compensation for acting as a messenger and for acting as the agent or representative of another person in applying for the recording of a security interest or for the registration of a motor vehicle and obtaining the license plates or for the issuance of a certificate of title therefor unless the Commission has appointed and approved the person to perform such acts; and before acting as a messenger, any such person shall furnish to the Commission a surety bond in such amount as the Commission shall determine appropriate.

4. The certificate of title or the application for certificate of title and manufacturer's certificate of origin with the record of the date of receipt clearly marked thereon shall be returned to the debtor together with a notice that the debtor is required to register and pay all additional fees and taxes due within thirty (30) days from the date of purchase of the vehicle.

5. Any person creating a security interest in a vehicle that has been previously registered in the debtor's name and on which all taxes due the state have been paid shall surrender the certificate of ownership to the secured party. The secured party shall have the duty to record the security interest as provided in this section and shall, at the same time, obtain a new certificate of title which shall show the secured interest on the face of the certificate of title.

6. The lien entry form with the date and assigned number thereof clearly marked thereon shall be returned to the secured party. If the lien entry form is received and authenticated, as herein provided, by a motor license agent, the agent shall make a report thereof to the Commission upon the forms and in the manner as may be prescribed by the Commission.

7. The Commission shall have the duty to record the lien upon the face of the certificate of title issued at the time of registering and paying all fees and taxes due on the vehicle.

B. 1. A secured party shall, within seven (7) business days after the satisfaction of the security interest, furnish directly or by mail a release of a security interest to the Commission and mail a copy thereof to the last-known address of the debtor. If the security interest has been satisfied by payment from a licensed used motor vehicle dealer to whom the motor vehicle has been transferred, the secured party shall also, within seven (7) business days after such satisfaction, mail an additional copy of the release to the dealer. If the secured party fails to furnish the release as required, the secured party shall be liable to the debtor for a penalty of One Hundred Dollars ($100.00) and, in addition, any loss caused to the debtor by such failure.

2. Upon release of a security interest the owner may obtain a new certificate of title omitting reference to the security interest, by submitting to the Commission or to a motor license agent:

a. a release signed by the secured party, an application for new certificate of title and the proper fees, or

b. by submitting to the Commission or the motor license agent an affidavit, supported by such documentation as the Commission may require, by the owner on a form prescribed by the Commission stating that the security interest has been satisfied and stating the reasons why a release cannot be obtained, an application for a new certificate of title and the proper fees.

Upon receiving such affidavit that the security interest has been satisfied, the Commission shall issue a new certificate of title eliminating the satisfied security interest and the name and address of the secured parties who have been paid and satisfied. The Commission shall accept a release of a security interest in any form that identifies the debtor, the secured party, and the vehicle, and contains the signature of the secured party. The Commission shall not require any particular form for the release of a security interest.

The words "security interest" when used in this act do not include liens dependent upon possession.

C. The Commission shall file and index certificates of title so that at all times it will be possible to trace a certificate of title to the vehicle designated therein, identify the lien entry form, and the names and addresses of secured parties, or their assignees, so that all or any part of such information may be made readily available to those who make legitimate inquiry of the Commission as to the existence or nonexistence of security interest in the vehicle.

D. 1. Any security interest in a vehicle properly perfected prior to July 1, 1979, may be continued as to its effectiveness or duration as provided by subsection (3) of Section 9-401 and subsection (3) of Section 9-403 of Title 12A of the Oklahoma Statutes, or may be terminated, assigned or released as provided by Sections 9-404, 9-405 and 9-406 of Title 12A of the Oklahoma Statutes, as fully as if this section had not been enacted, or, at the option of the secured party, may also be perfected under this section, and, if so perfected, the time of perfection under this section shall be the date the security interest was originally perfected under the prior law.

2. Upon request of the secured party, the debtor or any other holder of the certificate of title shall surrender the certificate of title to the secured party and shall do such other acts as may be required to perfect the security interest under this section.

E. The priority of a valid security interest in a manufactured home, including without limitation a mobile home or sectional home, perfected pursuant to this section, shall not be affected by reason of the manufactured home becoming a fixture or otherwise being permanently attached to real property after the date of perfection of the security interest. A security interest in a manufactured home perfected pursuant to this section shall have priority over a conflicting interest of a mortgagee or other lien encumbrancer, or the owner of the real property upon which the manufactured home became affixed or otherwise permanently attached. The holder of the security interest in the manufactured home, upon default, may remove the manufactured home from such real property. The holder of the security interest in the manufactured home shall reimburse the owner of the real property who is not the debtor and who has not otherwise agreed to access the real property for the cost of repair of any physical injury to the real property, but shall not be liable for any diminution in value to the real property caused by the removal of the manufactured home, trespass, or any other damages caused by the removal. The debtor shall notify the holder of the security interest in the manufactured home of the street address, if any, and the legal description of the real property upon which the manufactured home is affixed or otherwise permanently attached and shall sign such other documents, including any appropriate mortgage, as may reasonably be requested by the holder of such security interest.

F. In the case of motor vehicles or trailers, notwithstanding any other provision of law, a transaction does not create a sale or security interest merely because it provides that the rental price is permitted or required to be adjusted under the agreement either upward or downward by reference to the amount realized upon sale or other disposition of the motor vehicle or trailer.

SECTION 174. AMENDATORY 51 O.S. 1991, Section 155, as last amended by Section 74, Chapter 133, O.S.L. 1997 (51 O.S. Supp. 1999, Section 155), is amended to read as follows:

Section 155. The state or a political subdivision shall not be liable if a loss or claim results from:

1. Legislative functions;

2. Judicial, quasi-judicial, or prosecutorial functions;

3. Execution or enforcement of the lawful orders of any court;

4. Adoption or enforcement of or failure to adopt or enforce a law, whether valid or invalid, including, but not limited to, any statute, charter provision, ordinance, resolution, rule, regulation or written policy;

5. Performance of or the failure to exercise or perform any act or service which is in the discretion of the state or political subdivision or its employees;

6. Civil disobedience, riot, insurrection or rebellion or the failure to provide, or the method of providing, police, law enforcement or fire protection;

7. Any claim based on the theory of attractive nuisance;

8. Snow or ice conditions or temporary or natural conditions on any public way or other public place due to weather conditions, unless the condition is affirmatively caused by the negligent act of the state or a political subdivision;

9. Entry upon any property where that entry is expressly or implied authorized by law;

10. Natural conditions of property of the state or political subdivision;

11. Assessment or collection of taxes or special assessments, license or registration fees, or other fees or charges imposed by law;

12. Licensing powers or functions including, but not limited to, the issuance, denial, suspension or revocation of or failure or refusal to issue, deny, suspend or revoke any permit, license, certificate, approval, order or similar authority;

13. Inspection powers or functions, including failure to make an inspection, review or approval, or making an inadequate or negligent inspection, review or approval of any property, real or personal, to determine whether the property complies with or violates any law or contains a hazard to health or safety, or fails to conform to a recognized standard;

14. Any loss to any person covered by any workers' compensation act or any employer's liability act;

15. Absence, condition, location or malfunction of any traffic or road sign, signal or warning device unless the absence, condition, location or malfunction is not corrected by the state or political subdivision responsible within a reasonable time after actual or constructive notice or the removal or destruction of such signs, signals or warning devices by third parties, action of

weather elements or as a result of traffic collision except on failure of the state or political subdivision to correct the same within a reasonable time after actual or constructive notice. Nothing herein shall give rise to liability arising from the failure of the state or any political subdivision to initially place any of the above signs, signals or warning devices. The signs, signals and warning devices referred to herein are those used in connection with hazards normally connected with the use of roadways or public ways and do not apply to the duty to warn of special defects such as excavations or roadway obstructions;

16. Any claim which is limited or barred by any other law;

17. Misrepresentation, if unintentional;

18. An act or omission of an independent contractor or consultant or his employees, agents, subcontractors or suppliers or of a person other than an employee of the state or political subdivision at the time the act or omission occurred;

19. Theft by a third person of money in the custody of an employee unless the loss was sustained because of the negligence or wrongful act or omission of the employee;

20. Participation in or practice for any interscholastic or other athletic contest sponsored or conducted by or on the property of the state or a political subdivision;

21. Participation in any activity approved by a local board of education and held within a building or on the grounds of the school district served by that local board of education before or after normal school hours or on weekends;

22. Any court-ordered or Department of Corrections approved work release program; provided, however, this provision shall not apply to claims from individuals not in the custody of the Department of Corrections based on accidents involving motor vehicles owned or operated by the Department of Corrections;

23. The activities of the National Guard, the militia or other military organization administered by the Military Department of the state when on duty pursuant to the lawful orders of competent authority:

a. in an effort to quell a riot,

b. in response to a natural disaster or military attack, or

c. if participating in a military mentor program ordered by the court;

24. Provision, equipping, operation or maintenance of any prison, jail or correctional facility, or injuries resulting from the parole or escape of a prisoner or injuries by a prisoner to any other prisoner; provided, however, this provision shall not apply to claims from individuals not in the custody of the Department of

Corrections based on accidents involving motor vehicles owned or operated by the Department of Corrections;

25. Provision, equipping, operation or maintenance of any juvenile detention facility, or injuries resulting from the escape of a juvenile detainee, or injuries by a juvenile detainee to any other juvenile detainee;

26. Any claim or action based on the theory of manufacturer's products liability or breach of warranty, either expressed or implied;

27. Any claim or action based on the theory of indemnification or subrogation;

28. Any claim based upon an act or omission of an employee in the placement of children;

29. Acts or omissions done in conformance with then current recognized standards;

30. Maintenance of the state highway system or any portion thereof unless the claimant presents evidence which establishes either that the state failed to warn of the unsafe condition or that the loss would not have occurred but for a negligent affirmative act of the state;

31. Any confirmation of the existence or nonexistence of any effective financing statement on file in the office of the Secretary of State made in good faith by an employee of the office of the Secretary of State as required by the provisions of Section ~~9-307.6~~ 1-9-320.6 of Title 12A of the Oklahoma Statutes; or

32. Any court-ordered community sentence.

SECTION 175. AMENDATORY 52 O.S. 1991, Section 548.4, is amended to read as follows:

Section 548.4 A. If the proceeds for oil or gas which are required to be paid are not paid to the interest owner when due under this chapter, the interest owner may perfect the security interest and lien by filing of record in the office of the county clerk of the county in which the well is located a verified notice of lien in substantially the following form:

"NOTICE OF OIL AND GAS OWNER'S LIEN

Notice is hereby given that (name of interest owner for whom notice is filed) whose address is (address of named interest owner) claims an (fractional decimal interest) interest in the oil and/or gas severed or proceeds of sale from the (name of well) operated by (name and address of operator) which well is located on the following described land in _____ County, Oklahoma:

(Description of land)

Oil and/or gas severed from said land has been and is now or may be taken and the above named interest owner has a security interest in and lien upon such oil and/or gas and the proceeds thereof to secure payment under the provisions of the Oil and Gas Owners' Lien Act.

Dated: (date)

_____
(Signature of interest owner or operator)"

If verified notice of lien is not so filed within ninety (90) days from the time in which payment is due under this chapter, the security interest shall not be perfected and shall not give the interest owner priority over any perfected security interest in the same oil, gas or proceeds of such oil or gas.

B. All instruments which are presented to a county clerk for filing in accordance with subsection A of this section shall be deemed to be effective as financing statements pursuant to the provisions of ~~Section 9-401 et seq.~~ Article 9 of Title 12A of the Oklahoma Statutes, even though the signature of the debtor may not appear thereon. All such instruments may be terminated in the same manner as financing statements under the provisions of ~~Section 9-401 et seq.~~ Article 9 of Title 12A of the Oklahoma Statutes.

C. Upon perfection by filing, the security interest and lien of the interest owner shall relate back to and be effective as of the date on which the severance occurred and shall take priority over the rights of all persons whose rights or claims arise or attach to the oil or gas unpaid for, or the proceeds of oil or gas if such oil or gas has been sold, including those which arise or attach between the time the security interest and lien attaches and the time of filing. The security interest and lien created pursuant to this act shall not have priority over the security interest and/or lien rights previously created and perfected pursuant to Section 144 of Title 42 of the Oklahoma Statutes, subsection (e) of Section 87.1 of Title 52 of the Oklahoma Statutes, or an operating agreement or other voluntary agreement for the development and operation of the property.

SECTION 176. AMENDATORY 52 O.S. 1991, Section 548.6, is amended to read as follows:

Section 548.6 A. The security interest and lien granted to an interest owner under the provisions of ~~this act~~ Section 548 et seq. of this title shall follow the oil or gas unpaid for or the proceeds of the oil or gas if such oil or gas has been sold. The security interest and lien shall expire one (1) year after the date of the filing of the notice of lien unless proper action to enforce the lien is commenced within such time in the district court of the county in which the well is located, or wherever the oil or gas unpaid for or the proceeds of oil or gas sold may be found. Any number of persons claiming security interests and liens with respect to the oil or gas from the same well may join in the same action and where separate actions are commenced, the court may consolidate

them. The court may allow as part of the costs of the action any moneys paid for filing and recording instruments under the provisions of Section ~~5~~ 548.4 of this ~~act~~ title and reasonable attorneys fees for the prevailing party. If an action is commenced after the filing of an instrument as provided in Section ~~5~~ 548.4 of this ~~act~~ title, said instrument shall be considered as a lien upon the oil or gas severed, or the proceeds of sale if such oil or gas has been sold, to the extent of the interest of the claimant, for payment of the amount due the claimant and the security interest and lien of the claimant may be enforced in the manner provided by law.

B. Nothing in ~~this act~~ the Oil and Gas Owners' Lien Act shall be construed to impair or affect the right of any person to whom any debt may be due to maintain a personal action to recover the debt against the person liable for payment thereof.

C. Nothing in ~~this act~~ the Oil and Gas Owners' Lien Act shall be construed to impair or affect the rights ~~and~~, priorities, or remedies of any person under the provisions of the Uniform Commercial Code, ~~Section 1-101 et seq. of Title 12A of the Oklahoma Statutes,~~ and the provisions of this act shall be deemed cumulative to and not a limitation on or a substitution for any rights or remedies otherwise provided by law to a creditor against his debtor.

SECTION 177. AMENDATORY 59 O.S. 1991, Section 1951, is amended to read as follows:

Section 1951. As used in the Oklahoma Rental-Purchase Act:

1. "Administrator" means the Administrator of the Department of Consumer Credit as designated in Section 6-501 of Title 14A of the Oklahoma Statutes;

2. "Advertisement" means any commercial message in any medium that promotes, directly or indirectly, a consumer rental-purchase agreement;

3. "Consummation" means the time a lessee becomes contractually obligated on a consumer rental-purchase agreement;

4. "Lessee" means a natural person who rents personal property under a consumer rental-purchase agreement;

5. "Lessor" means a person who regularly provides the use of property through consumer rental-purchase agreement;

6. "Rental-purchase agreement" means an agreement for the use of personal property by a consumer for personal, family, or household purposes, for an initial period of four (4) months or less, that is renewable with each payment after the initial period, and that permits the consumer to become the owner of the property. An agreement that complies with this definition is not a consumer credit sale as defined in Section 2-104 of Title 14A of the Oklahoma Statutes, or a consumer loan as defined in Section 3-104 of Title 14A of the Oklahoma Statutes, or a refinancing or consolidation thereof, or a consumer lease as defined in Section 2-106 of Title 14A of the Oklahoma Statutes, or a lease or agreement which

constitutes a security interest as defined in paragraph (37) of Section 1-201 of Title 12A of the Oklahoma Statutes or a lease or agreement which constitutes a sale of goods as defined in subsection (4) of Section 2-105 of Title 14A of the Oklahoma Statutes;

7. "Initial period" means from the date of inception to the first scheduled installment; and

8. "Initial fee" means any fee charged to initiate a contract however designated.

SECTION 178. AMENDATORY 62 O.S. 1991, Section 276.3, is amended to read as follows:

Section 276.3 There is hereby created in the State Treasury a revolving fund for the Office of the Secretary of State to be designated the "Central Filing System Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all fees generated by paragraphs 4 through 9 of subsection A of Section 111 of Title 28 of the Oklahoma Statutes and all penalties collected pursuant to subsections (9) and (10) of Section ~~9-307.6~~ 1-9-320.6 of Title 12A of the Oklahoma Statutes. All monies accruing to the credit of ~~said~~ this fund are hereby appropriated and may be budgeted and expended by the Office of the Secretary of State for expenses related to the central filing system created pursuant to Section ~~9-307.6~~ 1-9-320.6 of Title 12A of the Oklahoma Statutes~~; provided, that for the fiscal year ending June 30, 1989, the Office of the Secretary of State shall transfer to the General Revenue Fund of the State Treasury any amount above the first Thirty Thousand Dollars ($30,000.00) deposited to the said fund~~. Expenditures from ~~said~~ this fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

SECTION 179. AMENDATORY 63 O.S. 1991, Section 4013, as last amended by Section 1, Chapter 337, O.S.L. 1996 (63 O.S. Supp. 1999, Section 4013), is amended to read as follows:

Section 4013. A. 1. Except for a security interest in vessels or motors held by a dealer for sale or lease, a security interest, as defined in paragraph (37) of Section 1-201 of Title 12A of the Oklahoma Statutes, in a vessel or motor as to which a certificate of title may be properly issued by the Oklahoma Tax Commission shall be perfected only when a lien entry form prescribed by the Commission, and the existing certificate of title, if any, or application for a certificate of title and manufacturer's certificate of origin or other identification number containing the name and address of the secured party and the date of the security agreement and the required fee are delivered to the Commission or to a motor license agent. The filing and duration of perfection of a security interest, pursuant to the provisions of Title 12A of the Oklahoma Statutes, including, but not limited to, Section ~~9-302~~ 1-9-311 of Title 12A of the Oklahoma Statutes, shall not be applicable to perfection of security interests in vessels or motors as to which a certificate of title may be properly issued by the Commission, except as to vessels or motors held by a dealer for sale or lease and except as provided in subsection D of this section. In all

other respects Title 12A of the Oklahoma Statutes shall be applicable to such security interests in vessels or motors as to which a certificate of title may be properly issued by the Commission.

2. Whenever a person creates a security interest in a vessel or motor, such person shall surrender to the secured party the certificate of title or the signed application for a new certificate of title, on the form prescribed by the Commission, and the manufacturer's certificate of origin or other identification number. The secured party shall deliver the lien entry form and the required lien filing fee within twenty (20) calendar days as provided hereafter with certificate of title or the application for certificate of title, and the manufacturer's certificate of origin or other identification number to the Commission or to a motor license agent. ~~If the lien entry form, the lien filing fee and the certificate of title or application for certificate of title and the manufacturer's certificate of origin or other identification number are delivered to the Commission or to a motor license agent within twenty (20) calendar days after the date of the lien entry form, perfection of the security interest shall begin from the date of the execution of the lien entry form, but, otherwise, perfection of the security interest shall begin from the date of the delivery to the Commission or to a motor license agent~~ Perfection of the security interest shall begin from the date of the delivery to the Commission or to a motor license agent of (i) the lien entry form, (ii) the lien filing fee, and (iii) the certificate of title or application for certificate of title and the manufacturer’s certificate of origin or other identification number. When a vessel or motor title is presented to a motor license agent for ~~transferring~~ transfer or ~~registering~~ registration and the documents reflect a lienholder, the motor license agent shall perfect the lien as provided for in subsection G of Section 1105 of Title 47 of the Oklahoma Statutes.

3. Upon the receipt of the lien entry form and the required fees with either the certificate of title or an application for certificate of title and manufacturer's certificate of origin or other identification number, a motor license agent shall, by placement of a clearly distinguishing mark, record the date and number shown in a conspicuous place, on each of these instruments.

4. The certificate of title or the application for certificate of title and manufacturer's certificate of origin or other identification number with the record of the date of receipt clearly marked thereon shall be returned to the debtor together with a notice that the debtor is required to register and pay all additional fees and taxes due within thirty (30) calendar days from the date of purchase of said vessel or motor.

5. Any person creating a security interest in a vessel or motor that has been previously registered in the debtor's name and on which all taxes due the state have been paid shall surrender the certificate of ownership to the secured party. The secured party shall have the duty to record the security interest as provided in this section and shall, at the same time, obtain a new certificate of title which shall show the secured interest on the face of such certificate of title.

6. The lien entry form with the date and assigned number thereof clearly marked thereon shall be returned to the secured party. If the lien entry form is received and authenticated, as herein provided, by a motor license agent, such agent shall make a report thereof to the Commission upon the forms and in the manner as may be prescribed by the Commission.

7. The Commission shall have the duty to record the lien upon the face of the certificate of title issued at the time of registering and paying all fees and taxes due on such vessel or motor.

B. 1. A secured party shall, within seven (7) business days after the satisfaction of such security interest, furnish directly or by mail a release of a security interest to the Commission and mail a copy thereof to the last-known address of the debtor. If the security interest has been satisfied by payment from a licensed used boat dealer to whom the used vessel or motor has been transferred, the secured party shall also, within seven (7) business days after such satisfaction, mail a certified copy of copy number one of the release of security interest to such dealer. If the secured party fails to furnish such release as herein required, the secured party shall be liable to the debtor for a penalty of One Hundred Dollars ($100.00) and, in addition, any loss caused to the debtor by such failure.

2. Upon release of a security interest the owner may obtain a new certificate of title omitting reference to the security interest, by submitting to the Commission or to a motor license agent:

a. a release signed by the secured party, an application for new certificate of title and the proper fees, or

b. by submitting to the Commission or the motor license agent an affidavit, supported by such documentation as the Commission may require, by the owner on a form prescribed by the Commission stating that the security interest has been satisfied and stating the reasons why a release cannot be obtained, an application for a new certificate of title and the proper fees.

Upon receiving such affidavit that the security interest has been satisfied, the Commission shall issue a new certificate of title eliminating the satisfied security interest and the name and address of the secured parties who have been paid and satisfied.

The words "security interest" when used in the Oklahoma Vessel and Motor Registration Act, Section 4002 et seq. of this title, do not include liens dependent upon possession.

C. The Commission shall file and index certificates of title so that at all times it will be possible to trace a certificate of title to the vessel or motor designated therein, identify the lien entry form, and the names and addresses of secured parties, or their assignees, so that all or any part of such information may be made

readily available to those who make legitimate inquiry of the Commission as to the existence or nonexistence of security interest in the vessel or motor.

D. 1. Any security interest in a vessel or motor properly perfected prior to ~~the effective date of this act~~ January 1, 1990, may be continued as to its effectiveness or duration as provided by subsection (3) of Section 9-401 and subsection (3) of Section 9-403 of Title 12A of the Oklahoma Statutes, or may be terminated, assigned or released as provided by Sections 9-404, 9-405 and 9-406 of Title 12A of the Oklahoma Statutes, as fully as if this section had not been enacted, or, at the option of the secured party, may also be perfected under this section, and, if so perfected, the time of perfection under this section shall be the date said security interest was originally perfected under the prior law.

2. Upon request of the secured party, the debtor or any other holder of the certificate of title shall surrender said certificate of title to the secured party and shall do such other acts as may be required to perfect said security interest under this section.

SECTION 180. AMENDATORY 68 O.S. 1991, Section 3405, is amended to read as follows:

Section 3405. A. If a notice of federal lien, a refilling of a notice of federal lien, or a notice of revocation of any certificate described in subsection B of this section is presented to a filing officer who is:

1. The county clerk of Oklahoma County, ~~Oklahoma, he~~ the filing officer shall cause the notice to be marked, held, and indexed in accordance with the provisions of ~~subsection (4) of Section 9-403~~ Article 9 of ~~Title 12A of the Oklahoma Statutes~~ the Uniform Commercial Code as if the notice were a financing statement within the meaning of the Uniform Commercial Code; or

2. Any other officer described in Section ~~3~~ 3403 of this ~~act~~ title, ~~he~~ the filing officer shall endorse ~~thereon his identification and~~ the notice and mark it with the date and time of receipt and immediately file ~~it~~ the notice alphabetically or enter it in an alphabetical index showing the name and address of the person named in the notice, the date and time of receipt, the title and address of the official or entity certifying the lien, and the total amount appearing on the notice of lien.

B. If a certificate of release, nonattachment, discharge, or subordination of any lien is presented to the county clerk of Oklahoma County~~, Oklahoma,~~ for filing ~~he~~, the clerk shall:

1. Cause a certificate of release or nonattachment to be marked, held, and indexed as if the certificate were a termination statement within the meaning of the Uniform Commercial Code, but the notice of lien to which the certificate relates may not be removed from the files; and

2. Cause a certificate of discharge or subordination to be marked, held, and indexed as if the certificate were a release of collateral within the meaning of the Uniform Commercial Code.

C. If a refiled notice of federal lien referred to in subsection A of this section or any of the certificates or notices referred to in subsection B of this section is presented for filing to any other filing officer specified in Section ~~3~~ 3403 of this ~~act~~ title, ~~he~~ the clerk shall permanently attach the refiled notice or the certificate to the original notice of lien and enter the refiled notice or the certificate with the date of filing in any alphabetical lien index on the line where the original notice of lien is entered.

D. Upon request of any person, the filing officer shall issue ~~his~~ a certificate showing whether there is on file, on the date and hour stated therein, any notice of lien or certificate or notice affecting any lien filed under the Uniform Federal Lien Registration Act or the Uniform Federal Tax Lien Registration Act, naming a particular person, and if a notice or certificate is on file, giving the date and hour of filing of each notice or certificate. The fee for a certificate is One Dollar ($1.00). Upon request, the filing officer shall furnish a copy of any notice of federal lien, or notice or certificate affecting a federal lien, for a fee of One Dollar ($1.00) per page.

SECTION 181. AMENDATORY 74 O.S. 1991, Section 853, is amended to read as follows:

Section 853. The following terms whenever used or referred to in ~~this act~~ the Oklahoma Industrial Finance Authority Act shall have the following meanings, except in those instances where the context clearly indicates otherwise:

(a) The term "Authority" shall mean the public body corporate and politic, "The Oklahoma Industrial Finance Authority" created by this act.

(b) The term "Board" shall mean the governing body of the Authority.

(c) The term "government" shall mean the state and federal governments, or any political subdivision, agency or instrumentality, corporate or otherwise, or either of them.

(d) The term "industrial development agency" shall mean any Oklahoma incorporated organization, foundation, association or agency, regardless of the particular name, whether organized for profit or nonprofit, which shall have as its primary function the promotion, encouragement and development of industrial, recreational, agricultural processing and manufacturing enterprises, livestock processing and conditioning enterprises and enterprises which process mined resources in Oklahoma.

(e) The term "Industrial Development Loan Fund" shall mean the account created by Section 860 of this title.

(f) The term "industrial development project" shall mean any site, structure, facility or undertaking comprising or being connected with or being a part of any industrial, recreational, agricultural processing or manufacturing enterprise or enterprise which processes mined resources established or to be established by an industrial development agency in Oklahoma.

(g) The term "municipality" shall mean any city or town in Oklahoma.

(h) The term "machinery" shall mean moveable machinery as well as machinery which is permanently affixed.

(i) The term "purchase money security interest" shall have the same meaning it has under Section ~~9-107~~ 1-9-103 of Title 12A of the Oklahoma Statutes.

(j) On and after ~~the effective date of this act~~ May 30, 1990, the term "recreational enterprise" shall mean amusement, cultural, historical, nature, theme, water or zoological park or museum or aquarium.

(k) The term "responsible buyer" shall mean any person, partnership, firm, company or corporation whether organized for profit or not deemed by the Authority, after proper investigation, to be financially responsible to assume all obligations prescribed by the Authority in the acquisition of an industrial development project from an industrial development agency, and in the operation of an industrial or manufacturing enterprise therein or thereon.

(l) The term "responsible tenant" shall mean any person, partnership, firm, company or corporation whether organized for profit or not deemed by the Authority, after proper investigation, to be financially responsible to assume all rental and all other obligations prescribed by the Authority in the leasing of an industrial development project and in the operation of an industrial or manufacturing enterprise therein or thereon or in the operation of tourism facilities in the form of amusement parks, entertainment parks, theme parks, or museums.

(m) The words "cost of establishing an industrial development project" shall embrace any or all of the following: The cost of construction, the cost of all lands, property, rights, easements and franchises acquired, which are deemed necessary for such construction; financing charges, interest prior to and during construction, cost of engineering and legal expense, plans, specifications, surveys, estimates of costs and other expenses necessary or incident to determining the feasibility or practicability of any industrial development project, cost of such machinery and equipment essential to placing the project in operation, not limited to such machinery and equipment of the type necessarily required to be permanently affixed to and, by agreement of the parties, become a part of the realty covered by the Authority's mortgage; provided, further, that the Authority shall make no loan secured by movable machinery and equipment separate and apart from the realty, unless such loan is secured by a security interest and a real estate mortgage on the industrial development

project, together with such other expenses as may be necessary or incident to the financing and construction of the industrial development project and the placing of the same in operation. The cost of all machinery and equipment and its installation and maintenance, except as above provided, shall not be included in the "cost of establishing an industrial development project", but shall be provided by the responsible tenant or responsible buyer.

(n) The determination of the amount of bonds "outstanding at any one time" shall be calculated by totaling the face amount of all unretired bonds issued by the Authority less any sums irrevocably on deposit in the Bond Redemption Account.

(o) Nothing in this act shall be construed to impair or affect the right of any recreational enterprise, as was defined by the Rules and Regulations of the Oklahoma Industrial Finance Authority prior to ~~the effective date of this act~~ May 30, 1990, and whose application is on file and pending approval by the Authority prior to ~~the effective date of this act~~ May 30, 1990, to otherwise qualify for and receive any loan pursuant to the Oklahoma Industrial Finance Authority Act.

SECTION 182. AMENDATORY 74 O.S. 1991, Section 859.1, is amended to read as follows:

Section 859.1 The Oklahoma Industrial Finance Authority may loan money for the purchase of moveable machinery subject to the following limitations:

~~(a)~~ 1. All procedures required in order for the Authority to loan money secured by a mortgage on real property shall be followed;

~~(b)~~ 2. The Authority shall require the industrial development agency to furnish evidence that the Authority shall take a purchase money security interest;

~~(c)~~ 3. Within twenty-four (24) hours after loaning the money to an industrial development agency to purchase any moveable machinery, the Authority shall perfect a security interest in such machinery pursuant to perfection procedures prescribed by Article 9 of ~~the Uniform Commercial Code set forth in Sections 9-101 et seq. of~~ Title 12A of the Oklahoma Statutes;

~~(d)~~ 4. Any industrial development agency which receives money for the purchase of a moveable machine shall agree to such procedures as the Authority deems necessary to preserve its interest in such moveable machinery. These procedures may include notification to the Authority of the exact location of such moveable machinery and notification of any changes in location of such moveable machinery;

~~(e)~~ 5. The loan must also be secured by a first or second mortgage on the real estate of the industrial development project.

SECTION 183. RECODIFICATION 12A O.S. 1991, Section 9-307.1 through 9-307.7, as amended by Sections 41 through 47 of this act, shall be recodified as Sections 1-9-320.1 through 1-9-320.7 of

Title 12A of the Oklahoma Statutes, unless there is created a duplication in numbering.

SECTION 184. REPEALER Section 9, Chapter 206, O.S.L. 1988, is hereby repealed.

SECTION 185. REPEALER 12A O.S. 1991, Sections 9-101, 9-102, as amended by Section 21, Chapter 56, O.S.L. 1996, 9-103.1, 9-104, 9-105 and 9-106, as last amended by Sections 22, 23, 24 and 25, Chapter 56, O.S.L. 1996, 9-107, 9-108, 9-109, 9-110, 9-111, 9-112, 9-113, 9-114, Sections 59 and 60, Chapter 242, O.S.L. 1995, 9-201, 9-202, 9-203, as last amended by Section 61, Chapter 242, O.S.L. 1995, 9-204, 9-205, 9-206, as amended by Section 7, Chapter 46, O.S.L. 1994, 9-207, 9-208, 9-301, as amended by Section 62, Chapter 242, O.S.L. 1995, 9-302, as last amended by Section 26, Chapter 56, O.S.L. 1996, 9-303, 9-304 and 9-305, as last amended by Sections 27 and 28, Chapter 56, O.S.L. 1996, 9-306, as last amended by Section 66, Chapter 242, O.S.L. 1995, 9-307, 9-307.8, 9-308, 9-309, as amended by Section 67, Chapter 242, O.S.L. 1995, 9-310, 9-311, 9-312, as last amended by Section 68, Chapter 242, O.S.L. 1995, 9-313, 9-314, 9-315, 9-316, 9-317, 9-318, 9-401, 9-401A, 9-402, as amended by Section 1 of Enrolled Senate Bill No. 1331 of the 2nd Session of the 47th Oklahoma Legislature, 9-403, 9-404, 9-405, 9-406, 9-407, 9-408, 9-501, 9-502, 9-503, 9-504, 9-505, 9-506 and 9-507 (12A O.S. Supp. 1998, Sections 9-102, 9-103.1, 9-104, 9-105, 9-106, 9-115, 9-116, 9-203, 9-206, 9-301, 9-302, 9-304, 9-305, 9-306, 9-309 and 9-312), are hereby repealed.

SECTION 186. Sections 1 through 104 and 108 through 185 of this act shall become effective July 1, 2001.

SECTION 187. Sections 105 through 107 of this act shall become effective January 1, 2001.

Passed the Senate the 24th day of May, 2000.

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President of the Senate

Passed the House of Representatives the 25th day of May, 2000.

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Speaker of the House of Representatives