

## 2015 Filing Office Fun Facts

*Provided by Corporation Service Company*

There are currently 24 active UCC financing statements on file with the New York Secretary of State that name a foreign consulate, embassy or mission as the debtor. Most cover copiers and other office equipment. (1/9/15)

Could UCC records have predicted the outcome of last Monday's College Football National Championship Game between the Ohio State Buckeyes and Oregon Ducks? Perhaps. The Ohio Secretary of State has almost 1500 UCC records on file that include "Buckeye" in a debtor name. The Oregon Secretary of State has less than 50 UCC records that provide a debtor name with the word "Duck." (1/16/15)

There is no such thing as "Article 9 Standard Search Logic." Article 9 does not compel a filing office to use any particular search logic. What many think of as Article 9 Standard Search Logic is actually that set forth in the IACA Model Administrative Rules ("MARS"). UCC § 9-527 strongly encourages filing offices to consult MARS when they promulgate rules. Consequently, most state-level filing offices have adopted a standard search logic consistent with MARS. (1/23/15)

Ohio had a non-uniform provision under former Article 9 (pre-2001) that allowed the secured party to designate the expiration date for a UCC financing statement in some cases. The Ohio Secretary of State's UCC index still contains over 1500 of these pre-2001 financing statements that have never been continued, yet have a lapse date designated sometime after 2/1/2015. A number will remain active in the index until well into the 2050s. However, these records would have ceased to be effective at the end of the Revised Article 9 transition period. (1/30/15)

In Canada, a corporation may designate multiple names. It may have a name in English, a name in French, a name that combines English and French, or one of each. Consequently, PPSA (the Canadian equivalent of UCC Article 9) financing statements may need to provide more than one correct debtor name for the corporation. Likewise, interested parties need to conduct PPSA searches under each designated corporate name to locate all the relevant records for the debtor. (2/6/15)

Maine statutes devote an entire chapter to the "Potato Lien Law." See Me. Rev. Stat. Ann. tit. 10 § 3321 through §3331. (2/13/15)

Since 2002, three states, AR, FL and OK, have introduced legislation change the filing location for at least some financing statements under UCC § 9-501(a). Only one such initiative was successful. Arkansas originally enacted Revised Article 9 with a non-uniform provision that designated filing with the circuit clerk if the debtor was engaged in farming operations and the collateral consisted of farm products, equipment or accounts related to farming operations. A 2009 amendment to § 9-501(a) eliminated that provision. Arkansas has followed the uniform

rules since 1/1/2010. Provisions to move the § 9-501(a)(2) central filing office in Florida and Oklahoma failed in prior legislative sessions. (2/20/15)

Georgia is the only state that did not enact UCC § 9-515(f) as part of Revised Article 9 or the 2010 Amendments. Consequently, a financing statement that indicates the debtor is a transmitting utility is effective for only 5 years in Georgia and must be continued every 5 years to remain effective. In every other state a transmitting utility financing statement is effective until terminated. (2/27/15)

The first state to allow electronic UCC filing? Iowa. The Iowa Secretary of State's office first dabbled with electronic filing almost a quarter century ago. (3/6/15)

The courts first addressed the sufficiency of electronic transactions almost 150 years ago. See *Howley v. Whipple*, 48 N.H. 487 (1869). That case involved the telegraph, which was state of the art technology at the time. (3/13/15)

Secured parties will not be able to file UCC3 Continuation Statements in Wyoming between January 1, 2019 and December 31, 2022, nor will they need to do so. (3/20/15)

The debtor name requirements for an Effective Financing Statement ("EFS") filed under the federal Food Security Act are not exactly the same as for a UCC financing statement. The format of "the name of the person subjecting a farm product to a security interest" (the debtor) for EFS purposes is governed by federal regulations, not the UCC. See 9 C.F.R. § 205.102. (3/27/15)

Massachusetts is the only state that does not designate by law one office within the state for the filing of federal tax liens on personal property. Consequently, federal tax liens on personal property are filed and searched at the federal district court in Massachusetts. (4/3/15)

At least 4 state-level filing offices will reject a UCC financing statement that provides an individual debtor's social security number (SSN). One (soon to be two) state-level filing offices will reject a financing statement that fails to provide the individual debtor's SSN. (4/10/15)

The UCC file number can reveal a lot of information about the record. Depending on the state, the file number may indicate the year of filing, the day of filing, the order in which the record was filed on that day and even the office where the record was filed within the state (in states with multiple § 9-501(a)(2) locations, such as GA, or that have satellite SOS offices). This information can help those who search the UCC records to identify potentially important discrepancies in the search results. (4/17/15)

The longest UCC file number currently in use by a state-level filing office is 17 digits. The shortest is 7 digits. (4/24/15)

On January 4, 2015 several active UCC financing statements reached the 50<sup>th</sup> Anniversary of their original file date with the California Secretary of State. (5/1/15)

Currently, 32 states file notices of federal tax liens on personal property in the same central filing office as for UCC records. Three of those states maintain a separate index for tax liens. The rest commingle them with the UCC records. (5/8/15)

Texas has more than 900,000 individual debtor names on file in the Secretary of State's UCC index. Approximately 30 of those individual last names exceed 48 characters. (5/15/15)

Guam is the only "state" that enacted and then repealed Revised Article 9. (5/22/15)

At least thirty-seven states have enacted measures intended to prevent fraudulent UCC filing and/or provide civil remedies for victims of fraudulently filed records. Several of these states have two or more separate laws that address fraudulent UCC filing and many of the provisions are found in state law other than Article 9. (5/29/15)

Compiled by:

Paul Hodnefield  
Associate General Counsel  
Phone: (800) 927-9801, ext. 61730  
Email: paul.hodnefield@cscglobal.com