

STATE OF MAINE

IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-FOUR

H.P. 59 - L.D. 91

An Act to Adopt the National 2022 Amendments to the Uniform Commercial Code

Be it enacted by the People of the State of Maine as follows:

PART A

Sec. A-1. 11 MRSA §1-1201, sub-§(10), as enacted by PL 2009, c. 325, Pt. A, §2 and affected by §4, is amended to read:

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

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

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

Sec. A-2. 11 MRSA §1-1201, sub-§(15), as enacted by PL 2009, c. 325, Pt. A, §2 and affected by §4, is amended to read:

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

Sec. A-3. 11 MRSA §1-1201, sub-§(16-A) is enacted to read:

(16-A). "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities.

Sec. A-4. 11 MRSA §1-1201, sub-§(21), ¶(c), as enacted by PL 2009, c. 325, Pt. A, §2 and affected by §4, is amended to read:

(c). The person in control, other than pursuant to section 7-1106, of a negotiable electronic document of title.

Sec. A-5. 11 MRSA §1-1201, sub-§(24), as enacted by PL 2009, c. 325, Pt. A, §2 and affected by §4, is amended to read:

(24). "Money" means a medium of exchange that is currently authorized or adopted by a domestic or foreign government and is not in an electronic form. The term includes a monetary unit of account established by an intergovernmental organization or by agreement between 2 or more countries.

Sec. A-6. 11 MRSA §1-1201, sub-§(27), as enacted by PL 2009, c. 325, Pt. A, §2 and affected by §4, is amended to read:

(27). "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government, governmental subdivision, agency or instrumentality, ~~public corporation~~ or any other legal or commercial entity. "Person" includes a protected series, however denominated, of an entity if the protected series is established under law other than the Uniform Commercial Code that limits, or limits if conditions specified under the law are satisfied, the ability of a creditor of the entity or of any other protected series of the entity to satisfy a claim from assets of the protected series.

Sec. A-7. 11 MRSA §1-1201, sub-§(36), as enacted by PL 2009, c. 325, Pt. A, §2 and affected by §4, is amended to read:

(36). "Send," in connection with a ~~writing~~, record or ~~notice~~ notification, means:

(a). To deposit in the mail ~~or~~, deliver for transmission or transmit 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, addressed to any address reasonable under the circumstances; or~~

(b). ~~In any other way to~~ To cause to be received any the record or notice notification to be received within the time it would have ~~arrived~~ been received if properly sent under paragraph (a).

Sec. A-8. 11 MRSA §1-1201, sub-§(37), as enacted by PL 2009, c. 325, Pt. A, §2 and affected by §4, is repealed.

Sec. A-9. 11 MRSA §1-1201, sub-§(37-A) is enacted to read:

(37-A). "Sign" means, with present intent to authenticate or adopt a record:

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

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

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

Sec. A-10. 11 MRSA §1-1204, first ¶, as enacted by PL 2009, c. 325, Pt. A, §2 and affected by §4, is amended to read:

Except as otherwise provided in Articles 3-A, 4 ~~and~~, 5-A and 12, a person gives value for rights if the person acquires them:

Sec. A-11. 11 MRSA §1-1301, sub-§(3), as enacted by PL 2009, c. 325, Pt. A, §2 and affected by §4, is amended to read:

(3). If one of the following provisions of the Uniform Commercial Code specifies the applicable law that provision governs and a contrary agreement is effective only to the extent permitted by the law so specified:

- (a). Section 2-402;
- (b). Sections 2-1105 and 2-1106;
- (c). Section 4-102;
- (d). Section 4-1507;
- (e). Section 5-1116;
- (f). Section 8-1110; ~~and~~
- (g). Sections 9-1301 to 9-1307-: and
- (h). Section 12-107.

Sec. A-12. 11 MRSA §1-1306, as enacted by PL 2009, c. 325, Pt. A, §2 and affected by §4, is amended to read:

§1-1306. Waiver or renunciation of claim or right after breach

A claim or right arising out of an alleged breach may be discharged in whole or in part without consideration by agreement of the aggrieved party in ~~an authenticated~~ a signed record.

Sec. A-13. 11 MRSA §2-102 is repealed and the following enacted in its place:

§2-102. Scope; certain security and other transactions excluded from this Article

(1). Unless the context otherwise requires, and except as provided in subsection (3), this Article applies to transactions in goods and, in the case of a hybrid transaction, it applies to the extent provided in subsection (2).

(2). In a hybrid transaction:

(a). If the aspects of the transaction that relate to the sale of goods do not predominate, only the provisions of this Article that relate primarily to those aspects of the transaction apply and the provisions that relate primarily to the transaction as a whole do not apply.

(b). If the aspects of the transaction that relate to the sale of goods predominate, this Article applies to the transaction but does not preclude application in appropriate circumstances of other law to aspects of the transaction that do not relate to the sale of goods.

(3). This Article does not:

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

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

Sec. A-14. 11 MRSA §2-106 is amended by amending the section headnote to read:
§2-106. Definitions: "contract"; "agreement"; "contract for sale"; "sale"; "present sale"; "conforming" to contract; "termination"; "cancellation"; "hybrid transaction"

Sec. A-15. 11 MRSA §2-106, sub-§(5) is enacted to read:

(5). Hybrid transaction. "Hybrid transaction" means a single transaction involving a sale of goods and:

- (a). The provision of services;
- (b). A lease of other goods; or
- (c). A sale, lease or license of property other than goods.

Sec. A-16. 11 MRSA §2-201, sub-§(1) is amended to read:

(1). Except as otherwise provided in this section, a contract for the sale of goods for the price of \$500 or more is not enforceable by way of action or defense unless there is ~~some writing~~ a record sufficient to indicate that a contract for sale has been made between the parties and signed by the party against whom enforcement is sought or by ~~his~~ the party's authorized agent or broker. A ~~writing~~ record is not insufficient because it omits or incorrectly states a term agreed upon but the contract is not enforceable under this subsection beyond the quantity of goods shown in ~~such writing~~ the record.

Sec. A-17. 11 MRSA §2-201, sub-§(2) is amended to read:

(2). Between merchants if within a reasonable time a ~~writing~~ record in confirmation of the contract and sufficient against the sender is received and the party receiving it has reason to know its contents, it satisfies the requirements of subsection (1) against ~~such~~ the party unless ~~written~~ notice in a record of objection to its contents is given within 10 days after it is received.

Sec. A-18. 11 MRSA §2-202, as amended by PL 2009, c. 325, Pt. B, §5 and affected by §27, is further amended to read:

§2-202. Final ~~written~~ expression: parol or extrinsic evidence

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

- (1). By course of performance, course of dealing or usage of trade (section 1-1303); and
- (2). By evidence of consistent additional terms unless the court finds the ~~writing~~ record to have been intended also as a complete and exclusive statement of the terms of the agreement.

Sec. A-19. 11 MRSA §2-203 is amended to read:

§2-203. Seals inoperative

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

Sec. A-20. 11 MRSA §2-205 is amended to read:

§2-205. Firm offers

An offer by a merchant to buy or sell goods in a signed ~~writing~~ which record that by its terms gives assurance that it will be held open is not revocable, for lack of consideration, during the time stated or if no time is stated for a reasonable time, but in no event may such period of irrevocability exceed 3 months; but any such term of assurance on a form supplied by the offeree must be separately signed by the offeror.

Sec. A-21. 11 MRSA §2-209, sub-§(2) is amended to read:

(2). A signed agreement ~~which~~ that excludes modification or rescission except by a signed writing ~~cannot~~ or other signed record may not be otherwise modified or rescinded, but except as between merchants such a requirement on a form supplied by the merchant must be separately signed by the other party.

Sec. A-22. 11 MRSA §2-1102, as enacted by PL 1991, c. 805, §4, is repealed and the following enacted in its place:

§2-1102. Scope

1. This Article applies to any transaction, regardless of form, that creates a lease and, in the case of a hybrid lease, it applies to the extent provided in subsection (2).

2. In a hybrid lease:

(a). If the aspects of the lease that relate to the lease of goods do not predominate:

(i) Only the provisions of this Article that relate primarily to those aspects of the transaction apply and the provisions that relate primarily to the transaction as a whole do not apply;

(ii) Section 2-1209 applies if the lease is a finance lease; and

(iii) Section 2-1407 applies to the promises of the lessee in a finance lease to the extent the promises are consideration for the right to possession and use of the leased goods; and

(b). If the aspects of the lease that relate to the lease of goods predominate, this Article applies to the transaction but does not preclude application in appropriate circumstances of other law to aspects of the lease that do not relate to the lease of goods.

Sec. A-23. 11 MRSA §2-1103, sub-§(1), ¶(h-1) is enacted to read:

(h-1). "Hybrid lease" means a single transaction involving a lease of goods and:

(i) The provision of services;

(ii) A sale of other goods; or

(iii) A sale, lease or license of property other than goods.

Sec. A-24. 11 MRSA §2-1103, sub-§(3), as amended by PL 2009, c. 325, Pt. B, §7 and affected by §27, is further amended to read:

(3).

The following definitions in other Articles apply to this Article:

- "Account." Section 9-1102, subsection (2).
- "Between merchants." Section 2-104, subsection (3).
- "Buyer." Section 2-103, subsection (1), paragraph (a).
- "Chattel paper." Section 9-1102, subsection ~~(4)~~ (11-A).
- "Consumer goods." Section 9-1102, subsection (23).
- "Document." Section 9-1102, subsection (30).
- "Entrusting." Section 2-403, subsection (3).
- "General intangible." Section 9-1102, subsection (42).
- "Instrument." Section 9-1102, subsection (47).
- "Merchant." Section 2-104, subsection (1).
- "Mortgage." Section 9-1102, subsection (55).
- "Pursuant to commitment." Section 9-1102, subsection (60).
- "Receipt." Section 2-103, subsection (1), paragraph (c).
- "Sale." Section 2-106, subsection (1).
- "Sale on approval." Section 2-326.
- "Sale or return." Section 2-326.
- "Seller." Section 2-103, subsection (1), paragraph (d).

Sec. A-25. 11 MRSA §2-1107, as enacted by PL 1991, c. 805, §4, is amended to read:

§2-1107. Waiver or renunciation of claim or right after default

Any claim or right arising out of an alleged default or breach of warranty may be discharged in whole or in part without consideration by a ~~written~~ waiver or renunciation in a signed and record delivered by the aggrieved party.

Sec. A-26. 11 MRSA §2-1201, sub-§(1), ¶(b), as enacted by PL 1991, c. 805, §4, is amended to read:

- (b). There is a ~~writing~~ record, signed by the party against whom enforcement is sought or by that party's authorized agent, sufficient to indicate that a lease contract has been made between the parties and to describe the goods leased and the lease term.

Sec. A-27. 11 MRSA §2-1201, sub-§(3), as enacted by PL 1991, c. 805, §4, is amended to read:

(3). A ~~writing~~ record is not insufficient because it omits or incorrectly states a term agreed upon, but the lease contract is not enforceable under subsection (1), paragraph (b) beyond the lease term and the quantity of goods shown in the ~~writing~~ record.

Sec. A-28. 11 MRSA §2-1201, sub-§(5), ¶(a), as enacted by PL 1991, c. 805, §4, is amended to read:

(a). If there is a writing record signed by the party against whom enforcement is sought or by that party's authorized agent specifying the lease term, the term so specified;

Sec. A-29. 11 MRSA §2-1202, as enacted by PL 1991, c. 805, §4, is amended to read:

§2-1202. Final ~~written~~ expression; parol or extrinsic evidence

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

(1). By course of dealing or usage of trade or by course of performance; and

(2). By evidence of consistent additional terms unless the court finds the writing record to have been intended also as a complete and exclusive statement of the terms of the agreement.

Sec. A-30. 11 MRSA §2-1203, as enacted by PL 1991, c. 805, §4, is amended to read:

§2-1203. Seals inoperative

The affixing of a seal to a writing record evidencing a lease contract or an offer to enter into a lease contract does not render the writing record a sealed instrument and the law with respect to sealed instruments does not apply to the lease contract or offer.

Sec. A-31. 11 MRSA §2-1205, as enacted by PL 1991, c. 805, §4, is amended to read:

§2-1205. Firm offers

An offer by a merchant to lease goods to or from another person in a signed writing record that by its terms gives assurance it will be held open is not revocable, for lack of consideration, during the time stated or, if no time is stated, for a reasonable time, but in no event may the period of irrevocability exceed 3 months. Any such term of assurance on a form supplied by the offeree must be separately signed by the offeror.

Sec. A-32. 11 MRSA §2-1208, sub-§(2), as enacted by PL 1991, c. 805, §4, is amended to read:

(2). A signed lease agreement that excludes modification or rescission except by a signed writing record may not be otherwise modified or rescinded, but, except as between merchants, such a requirement on a form supplied by a merchant must be separately signed by the other party.

Sec. A-33. 11 MRSA §3-1104, sub-§(1), ¶(c), as enacted by PL 1993, c. 293, Pt. A, §2, is amended to read:

(c). Does not state any other undertaking or instruction by the person promising or ordering payment to do any act in addition to the payment of money, but the promise or order may contain:

(i) An undertaking or power to give, maintain or protect collateral to secure payment;

- (ii) An authorization or power to the holder to confess judgment or realize on or dispose of collateral; ~~or~~
- (iii) A waiver of the benefit of any law intended for the advantage or protection of an obligor;
- (iv) A term that specifies the law that governs the promise or order; or
- (v) An undertaking to resolve in a specified forum a dispute concerning the promise or order.

Sec. A-34. 11 MRSA §3-1105, sub-§(1), as enacted by PL 1993, c. 293, Pt. A, §2, is repealed and the following enacted in its place:

(1). "Issue" means:

- (a). The first delivery of an instrument by the maker or drawer, whether to a holder or nonholder, for the purpose of giving rights on the instrument to any person; or
- (b). If agreed to by the payee, the first transmission by the drawer to the payee of an image of an item and information derived from the item that enables the depository bank to collect the item by transferring or presenting under federal law an electronic check.

Sec. A-35. 11 MRSA §3-1401, as corrected by RR 2011, c. 1, §13, is amended by amending the section headnote to read:

§3-1401. Signature necessary for liability on instrument

Sec. A-36. 11 MRSA §3-1401, sub-§(2), as enacted by PL 1993, c. 293, Pt. A, §2, is repealed.

Sec. A-37. 11 MRSA §3-1604, sub-§(1), ¶(b), as enacted by PL 1993, c. 293, Pt. A, §2, is amended to read:

- (b). By agreeing not to sue or otherwise renouncing rights against the party by a signed writing record.

Sec. A-38. 11 MRSA §3-1604, sub-§(1) as enacted by PL 1993, c. 293, Pt. A, §2, is amended by enacting at the end a new first blocked paragraph to read:

The obligation of a party to pay a check is not discharged solely by destruction of the check in connection with a process in which information is extracted from the check and an image of the check is made and, subsequently, the information and image are transmitted for payment.

Sec. A-39. 11 MRSA §4-1103, sub-§(1), ¶(a), as enacted by PL 1991, c. 812, §2, is amended to read:

- (a). "Payment order" means an instruction of a sender to a receiving bank, transmitted orally, ~~electronically or in writing~~ or in a record, to pay, or to cause another bank to pay, a fixed or determinable amount of money to a beneficiary if:
 - (i) The instruction does not state a condition to payment to the beneficiary other than time of payment;
 - (ii) The receiving bank is to be reimbursed by debiting an account of, or otherwise receiving payment from, the sender; and

(iii) The instruction is transmitted by the sender directly to the receiving bank or to an agent, funds transfer system or communication system for transmittal to the receiving bank;

Sec. A-40. 11 MRSA §4-1201, last ¶, as enacted by PL 1991, c. 812, §2, is amended to read:

A security procedure may impose an obligation on the receiving bank or the customer and may require the use of: algorithms or other codes; identifying words or numbers, symbols or sounds; biometric identifiers; encryption; callback procedures; or similar security devices. Comparison of a signature on a payment order or communication with an authorized specimen signature of the customer or requiring a payment order to be sent from a known e-mail address, Internet protocol address or telephone number is not by itself a security procedure.

Sec. A-41. 11 MRSA §4-1202, sub-§(2), ¶(b), as enacted by PL 1991, c. 812, §2, is amended to read:

(b). The bank proves that it accepted the payment order in good faith and in compliance with the bank's obligations under the security procedure and any ~~written~~ agreement or instruction of the customer, evidenced by a record, restricting acceptance of payment orders issued in the name of the customer. The bank is not required to follow an instruction that violates ~~a written~~ an agreement with the customer, evidenced by a record, or notice of which is not received at a time and in a manner affording the bank a reasonable opportunity to act on it before the payment order is accepted.

Sec. A-42. 11 MRSA §4-1202, sub-§(3), ¶(b), as enacted by PL 1991, c. 812, §2, is amended to read:

(b). The customer expressly agreed in ~~writing~~ a record to be bound by any payment order, whether or not authorized, issued in its name and accepted by the bank in compliance with the bank's obligations under the security procedure chosen by the customer.

Sec. A-43. 11 MRSA §4-1203, sub-§(1), ¶(a), as enacted by PL 1991, c. 812, §2, is amended to read:

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

Sec. A-44. 11 MRSA §4-1207, sub-§(3), ¶(b), as enacted by PL 1991, c. 812, §2, is amended to read:

(b). If the originator is not a bank and proves that the person identified by number was not entitled to receive payment from the originator, the originator is not obliged to pay its order unless the originator's bank proves that the originator, before acceptance of the originator's order, had notice that payment of a payment order issued by the originator might be made by the beneficiary's bank on the basis of an identifying or bank account number even if it identifies a person different from the named beneficiary. Proof of notice may be made by any admissible evidence. The originator's bank satisfies the burden of proof if it proves that the originator, before the payment order was accepted, signed a ~~writing~~ record stating the information to which the notice relates.

Sec. A-45. 11 MRSA §4-1208, sub-§(2), ¶(b), as enacted by PL 1991, c. 812, §2, is amended to read:

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

Sec. A-46. 11 MRSA §4-1210, sub-§(1), as enacted by PL 1991, c. 812, §2, is amended to read:

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

Sec. A-47. 11 MRSA §4-1211, sub-§(1), as enacted by PL 1991, c. 812, §2, is amended to read:

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

Sec. A-48. 11 MRSA §4-1305, sub-§(3), as enacted by PL 1991, c. 812, §2, is amended to read:

(3). In addition to the amounts payable under subsections (1) and (2), damages, including consequential damages, are recoverable to the extent provided in an express ~~written~~ agreement of the receiving bank, evidenced by a record.

Sec. A-49. 11 MRSA §4-1305, sub-§(4), as enacted by PL 1991, c. 812, §2, is amended to read:

(4). If a receiving bank fails to execute a payment order it was obliged by express agreement to execute, the receiving bank is liable to the sender for its expenses in the transaction and for incidental expenses and interest losses resulting from the failure to execute. Additional damages, including consequential damages, are recoverable to the

extent provided in an express ~~written~~ agreement of the receiving bank, evidenced by a record, but are not otherwise recoverable.

Sec. A-50. 11 MRSA §5-1104, as enacted by PL 1997, c. 429, Pt. A, §2 and affected by §4, is amended to read:

§5-1104. Formal requirements

A letter of credit, confirmation, advice, transfer, amendment or cancellation may be issued in any form that is a signed record ~~and is authenticated by a signature or in accordance with the agreement of the parties or the standard practice referred to in section 5-1108, subsection (5).~~

Sec. A-51. 11 MRSA §5-1116, sub-§(1), as enacted by PL 1997, c. 429, Pt. A, §2 and affected by §4, is amended to read:

(1). The liability of an issuer, nominated person or adviser for action or omission is governed by the law of the jurisdiction chosen by an agreement in the form of a record signed ~~or otherwise authenticated~~ by the affected parties ~~in the manner provided in section 5-1104~~ or by a provision in the person's letter of credit, confirmation or other undertaking. The jurisdiction whose law is chosen need not bear any relation to the transaction.

Sec. A-52. 11 MRSA §5-1116, sub-§(2), as enacted by PL 1997, c. 429, Pt. A, §2 and affected by §4, is amended to read:

(2). Unless subsection (1) applies, the liability of an issuer, nominated person or adviser for action or omission is governed by the law of the jurisdiction in which the person is located. The person is considered to be located at the address indicated in the person's undertaking. If more than one address is indicated, the person is considered to be located at the address from which the person's undertaking was issued. For the purpose of jurisdiction, choice of law and recognition of interbranch letters of credit, but not enforcement of a judgment, all branches of a bank are considered separate juridical entities and a bank is considered to be located at the place where its relevant branch is considered to be located under ~~this~~ subsection (2-A).

Sec. A-53. 11 MRSA §5-1106, sub-§(2-A) is enacted to read:

(2-A). A branch of a bank is considered to be located at the address indicated in the branch's undertaking. If more than one address is indicated, the branch is considered to be located at the address from which the undertaking was issued.

Sec. A-54. 11 MRSA §7-1102, sub-§(1), ¶(j), as enacted by PL 2009, c. 324, Pt. A, §2 and affected by §4, is repealed.

Sec. A-55. 11 MRSA §7-1102, sub-§(1), ¶(k), as enacted by PL 2009, c. 324, Pt. A, §2 and affected by §4, is repealed.

Sec. A-56. 11 MRSA §7-1106, as enacted by PL 2009, c. 324, Pt. A, §2 and affected by §4, is amended to read:

§7-1106. Control of electronic document of title

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

(2). A system satisfies subsection (1), and a person ~~is deemed to have~~ has control of an electronic document of title, if the document is created, stored and ~~assigned~~ transferred in ~~such~~ a manner that:

- (a). A single authoritative copy of the document exists that is unique, identifiable and, except as otherwise provided in paragraphs (d), (e) and (f), unalterable;
- (b). The authoritative copy identifies the person asserting control as:
 - (i) The person to which the document was issued; or
 - (ii) If the authoritative copy indicates that the document has been transferred, the person to which the document was most recently transferred;
- (c). The authoritative copy is communicated to and maintained by the person asserting control or its designated custodian;
- (d). Copies or amendments that add or change an identified ~~assignee~~ transferee of the authoritative copy can be made only with the consent of the person asserting control;
- (e). 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
- (f). Any amendment of the authoritative copy is readily identifiable as authorized or unauthorized.

(3). A system satisfies subsection (1), and a person has control of an electronic document of title, if an authoritative electronic copy of the document, a record attached to or logically associated with the electronic copy or a system in which the electronic copy is recorded:

- (a). Enables the person readily to identify each electronic copy as either an authoritative copy or a nonauthoritative copy;
- (b). Enables the person readily to identify itself in any way, including by name, identifying number, cryptographic key, office or account number, as the person to which each authoritative electronic copy was issued or transferred; and
- (c). Gives the person exclusive power, subject to subsection (4), to:
 - (i) Prevent others from adding or changing the person to which each authoritative electronic copy has been issued or transferred; and
 - (ii) Transfer control of each authoritative electronic copy.

(4). Subject to subsection (5), a power is exclusive under subsection (3), paragraph (c), subparagraphs (i) and (ii) even if:

- (a). The authoritative electronic copy, a record attached to or logically associated with the authoritative electronic copy or a system in which the authoritative electronic copy is recorded limits the use of the document of title or has a protocol that is programmed to cause a change, including a transfer or loss of control; or
- (b). The power is shared with another person.

(5). A power of a person is not shared with another person under subsection (4), paragraph (b) and the person's power is not exclusive if:

(a). The person can exercise the power only if the power also is exercised by the other person; and

(b). The other person:

(i) Can exercise the power without exercise of the power by the person; or

(ii) Is the transferor to the person of an interest in the document of title.

(6). If a person has the powers specified in subsection (3), paragraph (c), subparagraphs (i) and (ii), the powers are presumed to be exclusive.

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

(a). Has control of the document and acknowledges that it has control on behalf of the person; or

(b). Obtains control of the document after having acknowledged that it will obtain control of the document on behalf of the person.

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

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

Sec. A-57. 11 MRSA §8-1102, sub-§(1), ¶(f), as enacted by PL 1997, c. 429, Pt. B, §2, is amended by amending subparagraph (i) to read:

(i) Send a signed ~~writing~~ record; or

Sec. A-58. 11 MRSA §8-1102, sub-§(2), as enacted by PL 1997, c. 429, Pt. B, §2, is amended to read:

~~(2). Other~~ The following definitions applying to in this Article and the sections in which they appear are other Articles apply to this Article:

Appropriate person	Section 8-1107
Control	Section 8-1106
<u>Controllable account</u>	<u>Section 9-1102</u>
<u>Controllable electronic record</u>	<u>Section 12-102</u>
<u>Controllable payment intangible</u>	<u>Section 9-1102</u>
Delivery	Section 8-1301
Investment company security	Section 8-1103
Issuer	Section 8-1201
Overissue	Section 8-1210
Protected purchaser	Section 8-1303
Securities account	Section 8-1501

Sec. A-59. 11 MRSA §8-1103, sub-§(8) is enacted to read:

(8). A controllable account, controllable electronic record or controllable payment intangible is not a financial asset unless section 8-1102, subsection (1), paragraph (i), subparagraph (iii) applies.

Sec. A-60. 11 MRSA §8-1106, sub-§(4), ¶(c), as enacted by PL 1999, c. 699, Pt. B, §21 and affected by §28, is amended to read:

(c). 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,~~ other than the transferor to the purchaser of an interest in the security entitlement:

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

(ii) Obtains control of the security entitlement after having acknowledged that it will obtain control of the security entitlement on behalf of the purchaser.

Sec. A-61. 11 MRSA §8-1106, sub-§(8) is enacted to read:

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

Sec. A-62. 11 MRSA §8-1106, sub-§(9) is enacted to read:

(9). If a person acknowledges that it has or will obtain control on behalf of a purchaser, unless the person otherwise agrees or law other than this Article or Article 9-A otherwise provides, the person does not owe any duty to the purchaser and is not required to confirm the acknowledgment to any other person.

Sec. A-63. 11 MRSA §8-1110, sub-§(7) is enacted to read:

(7). The local law of the issuer's jurisdiction or the securities intermediary's jurisdiction governs a matter or transaction specified in subsection (1) or (2) even if the matter or transaction does not bear any relation to the jurisdiction.

Sec. A-64. 11 MRSA §8-1303, sub-§(2), as enacted by PL 1997, c. 429, Pt. B, §2, is amended to read:

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

Sec. A-65. 11 MRSA §9-1102, sub-§(2), as enacted by PL 1999, c. 699, Pt. A, §2 and affected §4, is amended to read:

(2). "Account," except as used in "account for," "account statement," "account to," "commodity account" in subsection (14), "customer's account," "deposit account" in subsection (29), "on account of" and "statement of account," means a right to payment of a monetary obligation, whether or not earned by performance:

- (a). For property that has been or is to be sold, leased, licensed, assigned or otherwise disposed of;
- (b). For services rendered or to be rendered;
- (c). For a policy of insurance issued or to be issued;
- (d). For a secondary obligation incurred or to be incurred;
- (e). For energy provided or to be provided;
- (f). For the use or hire of a vessel under a charter or other contract;

(g). Arising out of the use of a credit or charge card or information contained on or for use with the card; or

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

"Account" includes controllable accounts and health-care-insurance receivables. "Account" does not include: ~~rights to payment evidenced by chattel paper or an instrument;~~ commercial tort claims; deposit accounts; investment property; letter-of-credit rights or letters of credit; ~~or~~ 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; or rights to payment evidenced by an instrument.

Sec. A-66. 11 MRSA §9-1102, sub-§(3), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

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

Sec. A-67. 11 MRSA §9-1102, sub-§(4), ¶(a), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

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

Sec. A-68. 11 MRSA §9-1102, sub-§(7), as corrected by RR 2013, c. 1, §21, is repealed.

Sec. A-69. 11 MRSA §9-1102, sub-§(7-A) is enacted to read:

(7-A). "Assignee," except as used in "assignee for benefit of creditors," means a person:

(a). In whose favor a security interest that secures an obligation is created or provided for under a security agreement, whether or not the obligation is outstanding; or

(b). To which an account, chattel paper, payment intangible or promissory note has been sold. "Assignee" includes a person to which a security interest has been transferred by a secured party.

Sec. A-70. 11 MRSA §9-1102, sub-§(7-B) is enacted to read:

(7-B). "Assignor" means a person that:

(a). Under a security agreement creates or provides for a security interest that secures an obligation; or

(b). Sells an account, chattel paper, payment intangible or promissory note.

"Assignor" includes a secured party that has transferred a security interest to another person.

Sec. A-71. 11 MRSA §9-1102, sub-§(11), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is repealed.

Sec. A-72. 11 MRSA §9-1102, sub-§(11-A) is enacted to read:

(11-A). "Chattel paper" means:

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

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

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

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

"Chattel paper" does not include a right to payment arising out of a charter or other contract involving the use or hire of a vessel or a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

Sec. A-73. 11 MRSA §9-1102, sub-§(27-A) is enacted to read:

(27-A). "Controllable account" means an account evidenced by a controllable electronic record that provides that the account debtor undertakes to pay the person that has control under section 12-105 of the controllable electronic record.

Sec. A-74. 11 MRSA §9-1102, sub-§(27-B) is enacted to read:

(27-B). "Controllable payment intangible" means a payment intangible evidenced by a controllable electronic record that provides that the account debtor undertakes to pay the person that has control under section 12-105 of the controllable electronic record.

Sec. A-75. 11 MRSA §9-1102, sub-§(31), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is repealed.

Sec. A-76. 11 MRSA §9-1102, sub-§(42), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(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. "General intangible" includes controllable electronic records, payment intangibles and software.

Sec. A-77. 11 MRSA §9-1102, sub-§(47), as enacted by PL 1999, c. 699, Pt. A, §2 and affected §4, is amended to read:

(47). "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 the ordinary course of business is transferred by delivery with any necessary indorsement or assignment. "Instrument" does not include:

(a). Investment property;

(b). Letters of credit; ~~or~~

(c). 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; ~~or~~

(d). Writings that evidence chattel paper.

Sec. A-78. 11 MRSA §9-1102, sub-§(54-A) is enacted to read:

(54-A). "Money" has the same meaning as in section 1-1201, subsection (24), but does not include a deposit account.

Sec. A-79. 11 MRSA §9-1102, sub-§(61), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

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

Sec. A-80. 11 MRSA §9-1102, sub-§(66), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by, §4, is amended to read:

(66). "Proposal" means a record ~~authenticated~~ signed by a secured party that 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 9-1620, 9-1621 and 9-1622.

Sec. A-81. 11 MRSA §9-1102, sub-§(74), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is repealed.

Sec. A-82. 11 MRSA §9-1102, sub-§(78), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is repealed.

Sec. A-83. 11 MRSA §9-1102, sub-§(80), ¶(d), as amended by PL 2013, c. 317, Pt. A, §8, is further amended by amending the first blocked paragraph to read:

"Control" as provided in section 7-1106 and the following definitions in other Articles apply to this Article:

"Applicant"	Section 5-1102.
"Beneficiary"	Section 5-1102.
"Broker"	Section 8-1102.
"Certificated security"	Section 8-1102.
"Check"	Section 3-1104.
"Clearing corporation"	Section 8-1102.
"Contract for sale"	Section 2-106.
<u>"Controllable electronic record"</u>	<u>Section 12-102.</u>
"Customer"	Section 4-104.
"Entitlement holder"	Section 8-1102.
"Financial asset"	Section 8-1102.
"Holder in due course"	Section 3-1302.
"Issuer" (with respect to a letter of credit or letter-of-credit right)	Section 5-1102.
"Issuer" (with respect to a security)	Section 8-1201.
"Issuer" (with respect to documents of title)	Section 7-1102.
"Lease"	Section 2-1103.
"Lease agreement"	Section 2-1103.
"Lease contract"	Section 2-1103.
"Leasehold interest"	Section 2-1103.
"Lessee"	Section 2-1103.

"Lessee in ordinary course of business"	Section 2-1103.
"Lessor"	Section 2-1103.
"Lessor's residual interest"	Section 2-1103.
"Letter of credit"	Section 5-1102.
"Merchant"	Section 2-104.
"Negotiable instrument"	Section 3-1104.
"Nominated person"	Section 5-1102.
"Note"	Section 3-1104.
"Proceeds of a letter of credit"	Section 5-114.
<u>"Protected purchaser"</u>	<u>Section 8-1303.</u>
"Prove"	Section 3-1103.
<u>"Qualifying purchaser"</u>	<u>Section 12-102.</u>
"Sale"	Section 2-106.
"Securities account"	Section 8-1501.
"Securities intermediary"	Section 8-1102.
"Security"	Section 8-1102.
"Security certificate"	Section 8-1102.
"Security entitlement"	Section 8-1102.
"Uncertificated security"	Section 8-1102.

Sec. A-84. 11 MRSA §9-1104, sub-§(1), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

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

- (a). The secured party is the bank with which the deposit account is maintained;
- (b). The debtor, secured party and bank have agreed in ~~an authenticated~~ a signed record that the bank will comply with instructions originated by the secured party directing disposition of the funds in the deposit account without further consent by the debtor; ~~or~~
- (c). The secured party becomes the bank's customer with respect to the deposit account; ~~or~~
- (d). Another person, other than the debtor:
 - (i) Has control of the deposit account and acknowledges that it has control on behalf of the secured party; or
 - (ii) Obtains control of the deposit account after having acknowledged that it will obtain control of the deposit account on behalf of the secured party.

Sec. A-85. 11 MRSA §9-1105, as amended by PL 2013, c. 317, Pt. A, §§9 to 11, is repealed.

Sec. A-86. 11 MRSA §9-1105-A is enacted to read:

§9-1105-A. Control of electronic copy of record evidencing chattel paper

(1). A purchaser has control of an authoritative electronic copy of a record evidencing chattel paper if a system employed for evidencing the assignment of interests in the chattel paper reliably establishes the purchaser as the person to which the authoritative electronic copy was assigned.

(2). A system satisfies subsection (1) if the record or records evidencing the chattel paper are created, stored and assigned in a manner such that:

(a). A single authoritative copy of the record or records exists that is unique, identifiable and, except as otherwise provided in paragraphs (d), (e) and (f), unalterable;

(b). The authoritative copy identifies the purchaser as the assignee of the record or records;

(c). The authoritative copy is communicated to and maintained by the purchaser or its designated custodian;

(d). Copies or amendments that add or change an identified assignee of the authoritative copy can be made only with the consent of the purchaser;

(e). 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

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

(3). A system satisfies subsection (1), and a purchaser has control of an authoritative electronic copy of a record evidencing chattel paper, if the electronic copy, a record attached to or logically associated with the electronic copy or a system in which the electronic copy is recorded:

(a). Enables the purchaser readily to identify each electronic copy as either an authoritative copy or a nonauthoritative copy;

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

(c). Gives the purchaser exclusive power, subject to subsection (4), to:

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

(ii) Transfer control of the authoritative electronic copy.

(4). Subject to subsection (5), a power is exclusive under subsection (3), paragraph (c), subparagraphs (i) and (ii) even if:

(a). The authoritative electronic copy, a record attached to or logically associated with the authoritative electronic copy or a system in which the authoritative electronic copy is recorded limits the use of the authoritative electronic copy or has a protocol that is programmed to cause a change, including a transfer or loss of control; or

(b). The power is shared with another person.

(5). A power of a purchaser is not shared with another person under subsection (4), paragraph (b) and the purchaser's power is not exclusive if:

(a). The purchaser can exercise the power only if the power also is exercised by the other person; and

(b). The other person:

- (i) Can exercise the power without exercise of the power by the purchaser; or
- (ii) Is the transferor to the purchaser of an interest in the chattel paper.

(6). If a purchaser has the powers specified in subsection (3), paragraph (c), subparagraphs (i) and (ii), the powers are presumed to be exclusive.

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

(a). Has control of the authoritative electronic copy and acknowledges that it has control on behalf of the purchaser; or

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

Sec. A-87. 11 MRSA §9-1107-A is enacted to read:

§9-1107-A. Control of controllable electronic record, controllable account or controllable payment intangible

(1). A secured party has control of a controllable electronic record as provided in section 12-105.

(2). A secured party has control of a controllable account or controllable payment intangible if the secured party has control of the controllable electronic record that evidences the controllable account or controllable payment intangible.

Sec. A-88. 11 MRSA §9-1107-B is enacted to read:

§9-1107-B. No requirement to acknowledge or confirm; no duties

(1). A person that has control under section 9-1104 or 9-1105-A is not required to acknowledge that it has control on behalf of another person.

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

Sec. A-89. 11 MRSA §9-1203, sub-§(2), ¶(c), as amended by PL 2009, c. 324, Pt. B, §29 and affected by §48, is further amended to read:

(c). One of the following conditions is met:

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

(ii) The collateral is not a certificated security and is in the possession of the secured party under section 9-1313 pursuant to the debtor's security agreement;

(iii) The collateral is a certificated security in registered form and the security certificate has been delivered to the secured party under section ~~8-1302~~ 8-1301 pursuant to the debtor's security agreement; ~~or~~

(iv) The collateral is controllable accounts, controllable electronic records, controllable payment intangibles, deposit accounts, ~~electronic chattel paper~~

electronic documents, investment property, or letter-of-credit rights or electronic documents, and the secured party has control under ~~sections~~ section 7-1106, 9-1104, ~~9-1105~~ 9-1105-A, 9-1106 or 9-1107 or 9-1107-A pursuant to the debtor's security agreement; or

(v) The collateral is chattel paper and the secured party has possession and control under section 9-1314-A pursuant to the debtor's security agreement.

Sec. A-90. 11 MRSA §9-1204, sub-§(2), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(2). A Subject to subsection (2-A), a security interest does not attach under a term constituting an after-acquired property clause to:

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

(b). A commercial tort claim.

Sec. A-91. 11 MRSA §9-1204, sub-§(2-A) is enacted to read:

(2-A). Subsection (2) does not prevent a security interest from attaching:

(a). To consumer goods as proceeds under section 9-1315, subsection (1) or commingled goods under section 9-1336, subsection (3);

(b). To a commercial tort claim as proceeds under section 9-1315, subsection (1); or

(c). Under an after-acquired property clause to property that is proceeds of consumer goods or a commercial tort claim.

Sec. A-92. 11 MRSA §9-1207, sub-§(3), as amended by PL 2009, c. 324, Pt. B, §30 and affected by §48, is further amended to read:

(3). Except as otherwise provided in subsection (4), a secured party having possession of collateral or control of collateral under section 7-1106, 9-1104, ~~9-1105~~ 9-1105-A, 9-1106 or 9-1107 or 9-1107-A:

(a). May hold as additional security any proceeds, except money or funds, received from the collateral;

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

(c). May create a security interest in the collateral.

Sec. A-93. 11 MRSA §9-1208, sub-§(2), as amended by PL 2009, c. 324, Pt. B, §31-33 and affected by §48, is further amended to read:

(2). Within 20 days after receiving ~~an authenticated~~ a signed demand by the debtor:

(a). A secured party having control of a deposit account under section 9-1104, subsection (1), paragraph (b) shall send to the bank with which the deposit account is maintained ~~an authenticated statement~~ a signed record that releases the bank from any further obligation to comply with instructions originated by the secured party;

(b). A secured party having control of a deposit account under section 9-1104, subsection (1), paragraph (c) shall:

- (i) Pay the debtor the balance on deposit in the deposit account; or
 - (ii) Transfer the balance on deposit into a deposit account in the debtor's name;
- ~~(e). A secured party, other than a buyer, having control of electronic chattel paper under section 9-1105 shall:~~

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

~~(ii) 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~~

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

(c-1). A secured party, other than a buyer, having control under section 9-1105-A of an authoritative electronic copy of a record evidencing chattel paper shall transfer control of the electronic copy to the debtor or a person designated by the debtor;

(d). A secured party having control of investment property under section 8-1106, subsection (4), paragraph (b) or 9-1106, subsection (2) shall send to the securities intermediary or commodity intermediary with which the security entitlement or commodity contract is maintained ~~an authenticated~~ a signed record that releases the securities intermediary or commodity intermediary from any further obligation to comply with entitlement orders or directions originated by the secured party;

(e). A secured party having control of a letter-of-credit right under section 9-1107 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~~ a signed release from any further obligation to pay or deliver proceeds of the letter of credit to the secured party; ~~and~~

~~(f). A secured party having control of an electronic document shall:~~

~~(1) Give control of the electronic document to the debtor or its designated custodian;~~

~~(2) If the debtor designates a custodian that is the designated custodian with which the authoritative copy of the electronic document 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~~

~~(3) Take appropriate action to enable the debtor or its designated custodian to make copies of or revisions to the authoritative copy that add or change an identified assignee of the authoritative copy without the consent of the secured party.~~

(f-1). A secured party having control under section 7-1106 of an authoritative electronic copy of an electronic document shall transfer control of the electronic copy to the debtor or a person designated by the debtor; and

(g). A secured party having control under section 12-105 of a controllable electronic record, other than a buyer of a controllable account or controllable payment intangible evidenced by the controllable electronic record, shall transfer control of the controllable electronic record to the debtor or a person designated by the debtor.

Sec. A-94. 11 MRSA §9-1209, sub-§(2), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(2). Within 20 days after receiving ~~an authenticated~~ a signed demand by the debtor, a secured party shall send to an account debtor that has received notification under section 9-1406, subsection (1) or section 12-106, subsection (2) of an assignment to the secured party as assignee ~~under section 9-1406, subsection (1)~~ an authenticated a signed record that releases the account debtor from any further obligation to the secured party.

Sec. A-95. 11 MRSA §9-1210, as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

§9-1210. Request for accounting; request regarding list of collateral or statement of account

(1). In this section:

(a). "Request" means a record of a type described in paragraph (b), (c) or (d);

(b). "Request for an accounting" means a record ~~authenticated~~ signed 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;

(c). "Request regarding a list of collateral" means a record ~~authenticated~~ signed 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; and

(d). "Request regarding a statement of account" means a record ~~authenticated~~ signed 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.

(2). Subject to subsections (3), (4), (5) and (6), 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 20 days after receipt:

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

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

(3). 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~~ a signed record including a statement to that effect within 20 days after receipt.

(4). 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 20 days after receipt by sending to the debtor ~~an authenticated~~ a signed record:

- (a). Disclaiming any interest in the collateral; and
- (b). If known to the recipient, providing the name and mailing address of any assignee of or successor to the recipient's security interest in the collateral.

(5). 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 20 days after receipt by sending to the debtor ~~an authenticated~~ a signed record:

- (a). Disclaiming any interest in the obligations; and
- (b). 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.

(6). A debtor is entitled without charge to one response to a request under this section during any 6-month period. The secured party may require payment of a charge not exceeding \$25 for each additional response.

Sec. A-96. 11 MRSA §9-1301, first ¶, as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

Except as otherwise provided in sections 9-1303 ~~through 9-1306~~ to 9-1306-B, the following rules determine the law governing perfection, the effect of perfection or nonperfection and the priority of a security interest in collateral.

Sec. A-97. 11 MRSA §9-1301, sub-§(3), as amended by PL 2009, c. 324, Pt. B, §34 and affected by §48, is further amended to read:

(3). Except as otherwise provided in subsection (4), while ~~tangible negotiable~~ tangible documents, goods, instruments, or 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.

Sec. A-98. 11 MRSA §9-1304, sub-§(1), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(1). 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 even if the transaction does not bear any relation to the bank's jurisdiction.

Sec. A-99. 11 MRSA §9-1305, sub-§(2), ¶(f) is enacted to read:

(f). Paragraphs (b), (c) and (e) apply even if the transaction does not bear any relation to the jurisdiction.

Sec. A-100. 11 MRSA §9-1306-A is enacted to read:

§9-1306-A. Law governing perfection and priority of security interests in chattel paper

(1). Except as provided in subsection (4), if chattel paper is evidenced only by an authoritative electronic copy of the chattel paper or is evidenced by an authoritative electronic copy and an authoritative tangible copy, the local law of the chattel paper's jurisdiction governs perfection, the effect of perfection or nonperfection and the priority of a security interest in the chattel paper, even if the transaction does not bear any relation to the chattel paper's jurisdiction.

(2). The following rules determine the chattel paper's jurisdiction under this section.

(a). If the authoritative electronic copy of the record evidencing chattel paper, or a record attached to or logically associated with the electronic copy and readily available for review, expressly provides that a particular jurisdiction is the chattel paper's jurisdiction for purposes of this part, this Article or the Uniform Commercial Code, that jurisdiction is the chattel paper's jurisdiction.

(b). If paragraph (a) does not apply and the rules of the system in which the authoritative electronic copy is recorded are readily available for review and expressly provide that a particular jurisdiction is the chattel paper's jurisdiction for purposes of this part, this Article or the Uniform Commercial Code, that jurisdiction is the chattel paper's jurisdiction.

(c). If paragraphs (a) and (b) do not apply and the authoritative electronic copy, or a record attached to or logically associated with the electronic copy and readily available for review, expressly provides that the chattel paper is governed by the law of a particular jurisdiction, that jurisdiction is the chattel paper's jurisdiction.

(d). If paragraphs (a), (b) and (c) do not apply and the rules of the system in which the authoritative electronic copy is recorded are readily available for review and expressly provide that the chattel paper or the system is governed by the law of a particular jurisdiction, that jurisdiction is the chattel paper's jurisdiction.

(e). If paragraphs (a) to (d) do not apply, the chattel paper's jurisdiction is the jurisdiction in which the debtor is located.

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

(a). Perfection of a security interest in the chattel paper by possession under section 9-1314-A; and

(b). The effect of perfection or nonperfection and the priority of a security interest in the chattel paper.

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

Sec. A-101. 11 MRSA §9-1306-B is enacted to read:

§9-1306-B. Law governing perfection and priority of security interests in controllable accounts, controllable electronic records and controllable payment intangibles

(1). Except as provided in subsection (2), the local law of the controllable electronic record's jurisdiction specified in section 12-107, subsection 3, paragraphs (c) and (d) governs perfection, the effect of perfection or nonperfection and the priority of a security interest in a controllable electronic record and a security interest in a controllable account or controllable payment intangible evidenced by the controllable electronic record.

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

(a). Perfection of a security interest in a controllable account, controllable electronic record or controllable payment intangible by filing; and

(b). Automatic perfection of a security interest in a controllable payment intangible created by a sale of the controllable payment intangible.

Sec. A-102. 11 MRSA §9-1310, sub-§(2), ¶(h), as amended by PL 2009, c. 324, Pt. B, §36 and affected by §48, is further amended to read:

(h). In controllable accounts, controllable electronic records, controllable payment intangibles, deposit accounts, ~~electronic chattel paper~~, electronic documents, investment property or letter-of-credit rights that is perfected by control under section 9-1314;

Sec. A-103. 11 MRSA §9-1310, sub-§(2), ¶(h-1) is enacted to read:

(h-1). In chattel paper that is perfected by possession and control under section 9-1314-A;

Sec. A-104. 11 MRSA §9-1312, as amended by PL 2009, c. 324, Pt. B, §37 and affected by §48, is further amended by amending the section headnote to read:

§9-1312. Perfection of security interests in chattel paper, controllable accounts, controllable electronic records, controllable payment intangibles, deposit accounts, negotiable documents, goods covered by documents, instruments, investment property, letter-of-credit rights and money; perfection by permissive filing; temporary perfection without filing or transfer of possession

Sec. A-105. 11 MRSA §9-1312, sub-§(1), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(1). A security interest in chattel paper, ~~negotiable documents~~ controllable accounts, controllable electronic records, controllable payment intangibles, instruments or investment property or negotiable documents may be perfected by filing.

Sec. A-106. 11 MRSA §9-1312, sub-§(5), as amended by PL 2009, c. 324, Pt. B, §37 and affected by §48, is further amended to read:

(5). A security interest in certificated securities, negotiable documents or instruments is perfected without filing or the taking of possession or control for a period of 20 days

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

Sec. A-107. 11 MRSA §9-1313, sub-§(1), as amended by PL 2009, c. 324, Pt. B, §38 and affected by §48, is further amended to read:

(1). Except as otherwise provided in subsection (2), a secured party may perfect a security interest in ~~tangible negotiable documents~~, goods, instruments, negotiable tangible documents or money ~~or tangible chattel paper~~ by taking possession of the collateral. A secured party may perfect a security interest in certificated securities by taking delivery of the certificated securities under section 8-1301.

Sec. A-108. 11 MRSA §9-1313, sub-§(3), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(3). 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:

- (a). The person in possession ~~authenticates~~ signs a record acknowledging that it holds possession of the collateral for the secured party's benefit; or
- (b). The person takes possession of the collateral after having ~~authenticated~~ signed a record acknowledging that it will hold possession of the collateral for the secured party's benefit.

Sec. A-109. 11 MRSA §9-1313, sub-§(4), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

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

Sec. A-110. 11 MRSA §9-1314, as amended by PL 2009, c. 324, Pt. B, §§39 and 40 and affected by §48, is further amended to read:

§9-1314. Perfection by control

(1). A security interest in ~~investment property, deposit accounts, letter of credit rights, electronic chattel paper or electronic documents~~ controllable accounts, controllable electronic records, controllable payment intangibles, deposit accounts, electronic documents, investment property or letter-of-credit rights may be perfected by control of the collateral under section 7-1106, 9-1104, ~~9-1105~~, 9-1106 ~~or~~, 9-1107 or 9-1107-A.

(2). A security interest in ~~deposit accounts, electronic chattel paper, letter of credit rights or electronic documents~~ controllable accounts, controllable electronic records, controllable payment intangibles, deposit accounts, electronic documents or letter-of-credit rights is perfected by control under section 7-1106, 9-1104, ~~9-1105 or 9-1107~~ when or 9-1107-A not earlier than the time the secured party obtains control and remains perfected by control only while the secured party retains control.

(3). A security interest in investment property is perfected by control under section 9-1106 ~~from~~ not earlier than the time the secured party obtains control and remains perfected by control until:

- (a). The secured party does not have control; and
- (b). One of the following occurs:
 - (i) If the collateral is a certificated security, the debtor has or acquires possession of the security certificate;
 - (ii) If the collateral is an uncertificated security, the issuer has registered or registers the debtor as the registered owner; or
 - (iii) If the collateral is a security entitlement, the debtor is or becomes the entitlement holder.

Sec. A-111. 11 MRSA §9-1314-A is enacted to read:

§9-1314-A. Perfection by possession and control of chattel paper

(1). A secured party may perfect a security interest in chattel paper by taking possession of each authoritative tangible copy of the record evidencing the chattel paper and obtaining control of each authoritative electronic copy of the electronic record evidencing the chattel paper.

(2). A security interest is perfected under subsection (1) not earlier than the time the secured party takes possession and obtains control and remains perfected under subsection (1) only while the secured party retains possession and control.

(3). Section 9-1313, subsections (3) and (6) to (9) apply to perfection by possession of an authoritative tangible copy of a record evidencing chattel paper.

Sec. A-112. 11 MRSA §9-1316, sub-§(1), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(1). A security interest perfected pursuant to the law of the jurisdiction designated in section 9-1301, subsection (1) ~~or~~, section 9-1305, subsection (3), section 9-1306-A, subsection (4) or section 9-1306-B, subsection (2) remains perfected until the earliest of:

- (a). The time perfection would have ceased under the law of that jurisdiction;
- (b). The expiration of 4 months after a change of the debtor's location to another jurisdiction;
- (c). The expiration of one year after a transfer of collateral to a person that thereby becomes a debtor and is located in another jurisdiction; or
- (d). The expiration of one year after a new debtor located in another jurisdiction becomes bound under section 9-1203, subsection (4).

Sec. A-113. 11 MRSA §9-1316, sub-§(6), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(6). A security interest in chattel paper, controllable accounts, controllable electronic records, controllable payment intangibles, deposit accounts, letter-of-credit rights or investment property that is perfected under the law of the chattel paper's jurisdiction, the controllable electronic record's jurisdiction, 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:

- (a). The time the security interest would have become unperfected under the law of that jurisdiction; or
- (b). The expiration of 4 months after a change of the applicable jurisdiction to another jurisdiction.

Sec. A-114. 11 MRSA §9-1317, sub-§(2), as amended by PL 2013, c. 317, Pt. A, §15, is further amended to read:

(2). Except as otherwise provided in subsection (5), a buyer, other than a secured party, of ~~tangible chattel paper, tangible documents,~~ goods, instruments, tangible documents or a certificated security 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.

Sec. A-115. 11 MRSA §9-1317, sub-§(4), as amended by PL 2013, c. 317, Pt. A, §16, is further amended to read:

(4). ~~A~~ Subject to subsections (6) to (9), a licensee of a general intangible or a buyer, other than a secured party, of collateral other than ~~tangible chattel paper, tangible documents,~~ goods, instruments, tangible documents or 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.

Sec. A-116. 11 MRSA §9-1317, sub-§(6) is enacted to read:

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

- (a). Receives delivery of each authoritative tangible copy of the record evidencing the chattel paper; and
- (b). If each authoritative electronic copy of the record evidencing the chattel paper can be subjected to control under section 9-1105-A, obtains control of each authoritative electronic copy.

Sec. A-117. 11 MRSA §9-1317, sub-§(7) is enacted to read:

(7). A buyer of an electronic document takes free of a security interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and, if each authoritative electronic copy of the document can be subjected to control under section 7-1106, obtains control of each authoritative electronic copy.

Sec. A-118. 11 MRSA §9-1317, sub-§(8) is enacted to read:

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

Sec. A-119. 11 MRSA §9-1317, sub-§(9) is enacted to read:

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

Sec. A-120. 11 MRSA §9-1323, sub-§(4), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(4). Except as otherwise provided in subsection (5), 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:

- (a). The time the secured party acquires knowledge of the buyer's purchase; or
- (b). Forty-five days after the purchase.

Sec. A-121. 11 MRSA §9-1323, sub-§(6), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(6). Except as otherwise provided in subsection (7), 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:

- (a). The time the secured party acquires knowledge of the lease; or
- (b). Forty-five days after the lease contract becomes enforceable.

Sec. A-122. 11 MRSA §9-1324, sub-§(2), ¶(b), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(b). The purchase-money secured party sends ~~an authenticated~~ a signed notification to the holder of the conflicting security interest;

Sec. A-123. 11 MRSA §9-1324, sub-§(4), ¶(b), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(b). The purchase-money secured party sends ~~an authenticated~~ a signed notification to the holder of the conflicting security interest;

Sec. A-124. 11 MRSA §9-1326-A is enacted to read:

§9-1326-A. Priority of security interest in controllable account, controllable electronic record and controllable payment intangible

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

Sec. A-125. 11 MRSA §9-1330, sub-§(1), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

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

- (a). In good faith and in the ordinary course of the purchaser's business, the purchaser gives new value ~~and~~, takes possession of each authoritative tangible copy of the record evidencing the chattel paper ~~or~~ and obtains control of ~~under section 9-1105-A of each authoritative electronic copy of the record evidencing the chattel paper~~ under section 9-1105; and

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

Sec. A-126. 11 MRSA §9-1330, sub-§(2), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(2). A purchaser of chattel paper has priority over a security interest in the chattel paper that is claimed other than merely as proceeds of inventory subject to a security interest if the purchaser gives new value ~~and~~, takes possession of each authoritative tangible copy of the record evidencing the chattel paper ~~or~~ and obtains control ~~of~~ under section 9-1105-A of each authoritative electronic copy of the record evidencing the chattel paper ~~under section 9-1105~~ 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.

Sec. A-127. 11 MRSA §9-1330, sub-§(6), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(6). For purposes of subsections (2) and (4), if the authoritative copies of the record evidencing chattel paper or an instrument ~~indicates~~ indicate that ~~the chattel paper or instrument~~ 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.

Sec. A-128. 11 MRSA §9-1331, as amended by PL 2001, c. 471, Pt. B, §4 and affected by §5, is further amended to read:

§9-1331. Priority of rights of purchasers of instruments controllable accounts, controllable electronic records, controllable payment intangibles, documents, instruments and securities under other Articles; priority of interests in financial assets and security entitlements and protection against assertion of claim under ~~Article 8~~ Articles 8-A and 12

(1). 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 or a qualifying purchaser of a controllable account, controllable electronic record or controllable payment intangible. These holders or purchasers take priority over an earlier security interest, even if perfected, to the extent provided in Articles 3-A, ~~7~~ 7-A, 8-A and 8 12.

(2). 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~~ 8-A or 12.

(3). Filing under this Article does not constitute notice of a claim or defense to the holders, or purchasers, or persons described in subsections (1) and (2).

Sec. A-129. 11 MRSA §9-1332, as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

§9-1332. Transfer of money; transfer of funds from deposit account

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

(2). A transferee of funds from a deposit account takes the funds free of a security interest in the deposit account ~~unless the transferee acts~~ if the transferee receives the funds without acting in collusion with the debtor in violating the rights of the secured party.

Sec. A-130. 11 MRSA §9-1334, sub-§(6), ¶(a), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

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

Sec. A-131. 11 MRSA §9-1338, sub-§(2), as amended by PL 2009, c. 324, Pt. B, §43 and affected by §48, is repealed and the following enacted in its place:

(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:

(a). In the case of tangible documents, goods, instruments or a security certificate, receives possession or delivery of the collateral and:

(b). In the case of chattel paper, takes possession of each authoritative tangible copy of the record evidencing the chattel paper and obtains control of each authoritative electronic copy of the electronic record evidencing the chattel paper.

Sec. A-132. 11 MRSA §9-1341, first ¶, as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

Except as otherwise provided in section 9-1340, subsection (3), and unless the bank otherwise agrees in ~~an authenticated~~ a signed record, a bank's rights and duties with respect to a deposit account maintained with the bank are not terminated, suspended or modified by:

Sec. A-133. 11 MRSA §9-1403, sub-§(1), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(1). In this section, "value" has the meaning provided in section ~~3-303~~ 3-1303, subsection (1).

Sec. A-134. 11 MRSA §9-1403, sub-§(2), ¶(d), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(d). 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 section ~~3-305~~ 3-1305, subsection (1).

Sec. A-135. 11 MRSA §9-1403, sub-§(3), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(3). Subsection (2) does not apply to defenses of a type that may be asserted against a holder in due course of a negotiable instrument under section ~~3-305~~ 3-1305, subsection (2).

Sec. A-136. 11 MRSA §9-1404, sub-§(1), ¶(b), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(b). Any other defense or claim of the account debtor against the assignor that accrues before the account debtor receives a notification of the assignment ~~authenticated~~ signed by the assignor or the assignee.

Sec. A-137. 11 MRSA §9-1406, as amended by PL 2013, c. 317, Pt. A, §18, is further amended to read:

§9-1406. 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

(1). Subject to subsections (2) ~~through (9)~~ to (10), 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~~ signed by the assignor or the assignee, that the amount due or to become due has been assigned and that payment is to be made to the assignee. After receipt of the notification, the account debtor may discharge its obligation by paying the assignee and may not discharge the obligation by paying the assignor.

(2). Subject to ~~subsection (8)~~ subsections (8) and (10), notification is ineffective under subsection (1):

- (a). If it does not reasonably identify the rights assigned;
- (b). 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
- (c). 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:
 - (i) Only a portion of the account, chattel paper or payment intangible has been assigned to that assignee;
 - (ii) A portion has been assigned to another assignee; or
 - (iii) The account debtor knows that the assignment to that assignee is limited.

(3). Subject to ~~subsection (8)~~ subsections (8) and (10), 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 (1).

(4). Except as otherwise provided in subsection (5) and sections 2-1303 and 9-1407, and subject to subsection (8), 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.

For the purposes of this subsection, "promissory note" includes a negotiable instrument that evidences chattel paper.

(5). Subsection (4) does not apply to the sale of a payment intangible or promissory note other than a sale pursuant to a disposition under section 9-1610 or an acceptance of collateral under section 9-1620.

(6). Except as otherwise provided in sections 2-1303 and 9-1407 and subject to subsections (8) and (9), 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:

(a). 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

(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 or chattel paper.

(7). Subject to ~~subsection (8)~~ subsections (8) and (10), an account debtor may not waive or vary its option under subsection (2), paragraph (c).

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

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

(10). Subsections (1), (2), (3) and (7) do not apply to a controllable account or controllable payment intangible.

Sec. A-138. 11 MRSA §9-1408, sub-§(5) is enacted to read:

(5). For the purposes of this section, "promissory note" includes a negotiable instrument that evidences chattel paper.

Sec. A-139. 11 MRSA §9-1509, sub-§(1), ¶(a), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(a). The debtor authorizes the filing in ~~an authenticated~~ a signed record or pursuant to subsection (2) or (3); or

Sec. A-140. 11 MRSA §9-1509, sub-§(2), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

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

- (a). The collateral described in the security agreement; and
- (b). Property that becomes collateral under section 9-1315, subsection (1), paragraph (b), whether or not the security agreement expressly covers proceeds.

Sec. A-141. 11 MRSA §9-1513, sub-§(2), ¶(b), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

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

Sec. A-142. 11 MRSA §9-1513, sub-§(3), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(3). In cases not governed by subsection (1), within 20 days after a secured party receives ~~an authenticated~~ a signed demand from a debtor, the secured party shall cause the secured party of record for a financing statement to send to the debtor a termination statement for the financing statement or file the termination statement in the filing office if:

- (a). 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;
- (b). 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;
- (c). The financing statement covers goods that were the subject of a consignment to the debtor but are not in the debtor's possession; or
- (d). The debtor did not authorize the filing of the initial financing statement.

Sec. A-143. 11 MRSA §9-1601, sub-§(2), as amended by PL 2009, c. 324, Pt. B, §44 and affected by §48, is further amended to read:

(2). A secured party in possession of collateral or control of collateral under section 7-1106, 9-1104, ~~9-1105~~ 9-1105-A, 9-1106 ~~or~~, 9-1107 or 9-1107-A has the rights and duties provided in section 9-1207.

Sec. A-144. 11 MRSA §9-1605, as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

§9-1605. Unknown debtor or secondary obligor

A Except as provided in this section, a secured party does not owe a duty based on its status as secured party:

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

A secured party owes a duty based on its status as a secured party to a person if, at the time the secured party obtains control of collateral that is a controllable account, controllable electronic record or controllable payment intangible or at the time the security interest attaches to the collateral, whichever is later, the person is a debtor or obligor and the secured party knows that the information in subsection (1), paragraph (a), (b) or (c) relating to the person is not provided by the collateral, a record attached to or logically associated with the collateral or the system in which the collateral is recorded.

Sec. A-145. 11 MRSA §9-1608, sub-§(1), ¶(a), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended by amending subparagraph (iii) to read:

(iii) 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~~ a signed demand for proceeds before distribution of the proceeds is completed.

Sec. A-146. 11 MRSA §9-1611, sub-§(1), ¶(a), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

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

Sec. A-147. 11 MRSA §9-1611, sub-§(2), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(2). Except as otherwise provided in subsection (4), a secured party that disposes of collateral under section 9-1610 shall send to the persons specified in subsection (3) a reasonable ~~authenticated~~ signed notification of disposition.

Sec. A-148. 11 MRSA §9-1611, sub-§(3), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(3). To comply with subsection (2), the secured party shall send ~~an authenticated~~ a signed notification of disposition to:

- (a). The debtor;
- (b). Any secondary obligor; and
- (c). If the collateral is other than consumer goods:
 - (i) Any other person from which the secured party has received, before the notification date, ~~an authenticated~~ a signed notification of a claim of an interest in the collateral;
 - (ii) Any other secured party or lienholder that, 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:

- (A) Identified the collateral;
 - (B) Was indexed under the debtor's name as of that date; and
 - (C) Was filed in the appropriate office in which to file a financing statement against the debtor covering the collateral as of that date; and
- (iii) Any other secured party that, 10 days before the notification date, held a security interest in the collateral perfected by compliance with a statute, regulation or treaty described in section 9-1311, subsection (1).

Sec. A-149. 11 MRSA §9-1611, sub-§(5), ¶(b), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended by amending subparagraph (ii) to read:

(ii) Received a response to the request for information and sent ~~an authenticated a~~ signed notification of disposition to each secured party or other lienholder named in that response whose financing statement covered the collateral.

Sec. A-150. 11 MRSA §9-1613, sub-§(5), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(5). The following form of notification or the form appearing in section 9-1614, subsection (3), when completed, in accordance with the instructions in subsection (6) and section 9-1614, subsection (3-A), 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) not 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]

NOTIFICATION OF DISPOSITION OF COLLATERAL

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

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

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

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

(Date)

(Time)

(Place)

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

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

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

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

[End of Form]

Sec. A-151. 11 MRSA §9-1613, sub-§(6) is enacted to read:

(6). The following instructions apply to the form of notification in subsection (5).

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

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

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

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

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

Sec. A-152. 11 MRSA §9-1614, sub-§(3), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(3). The following form of notification, when completed in accordance with the instructions in subsection (3-A), provides sufficient information.

~~{Name and or addresses of intended recipient}~~

~~{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.~~

~~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}

(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: (Identify transaction)

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

{1} 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.

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

{3} 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.

{4} 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).

{5} If you want us to explain to you in (writing) (writing or in (description of electronic record)) (description of electronic record) how we have figured the amount that you owe

us, {6} call us at (telephone number) (or) (write us at (secured party's address)) (or contact us by (description of electronic communication method)) {7} and request (a written explanation) (a written explanation or an explanation in (description of electronic record)) (an explanation in (description of electronic record)).

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

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

{10} 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]

Sec. A-153. 11 MRSA §9-1614, sub-§(3-A) is enacted to read:

(3-A). The following instructions apply to the form of notification in subsection (3).

(a). The instructions in this subsection refer to the numbers in braces before items in the form of notification in subsection (3). Do not include the numbers or braces in the notification. The numbers and braces are used only for the purpose of these instructions.

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

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

(d). In item {5}, include and complete any one of the 3 alternative methods for the explanation: writing, writing or electronic record or electronic record.

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

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

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

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

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

Sec. A-154. 11 MRSA §9-1615, sub-§(1), ¶(c), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended by amending subparagraph (i) to read:

(i) The secured party receives from the holder of the subordinate security interest or other lien ~~an authenticated~~ a signed demand for proceeds before distribution of the proceeds is completed; and

Sec. A-155. 11 MRSA §9-1615, sub-§(1), ¶(d), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

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

Sec. A-156. 11 MRSA §9-1616, sub-§(1), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(1). In this section:

(a). "Explanation" means a ~~writing~~ record that:

(i) States the amount of the surplus or deficiency;

(ii) Provides an explanation in accordance with subsection (3) of how the secured party calculated the surplus or deficiency;

(iii) 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

(iv) Provides a telephone number or mailing address from which additional information concerning the transaction is available; and

(b). "Request" means a record:

(i) ~~Authenticated~~ Signed by a debtor or consumer obligor;

(ii) Requesting that the recipient provide an explanation; and

(iii) Sent after disposition of the collateral under section 9-1610.

Sec. A-157. 11 MRSA §9-1616, sub-§(2), ¶(a), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended by amending subparagraph (i) to read:

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

Sec. A-158. 11 MRSA §9-1616, sub-§(3), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(3). To comply with subsection (1), paragraph (a), subparagraph (ii), ~~a writing~~ an explanation must provide the following information in the following order:

(a). 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:

(i) If the secured party takes or receives possession of the collateral after default, not more than 35 days before the secured party takes or receives possession; or

(ii) If the secured party takes or receives possession of the collateral before default or does not take possession of the collateral, not more than 35 days before the disposition;

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

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

(d). 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 that are known to the secured party and relate to the current disposition;

(e). 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 that are not reflected in the amount in paragraph (a); and

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

Sec. A-159. 11 MRSA §9-1619, sub-§(1), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(1). In this section, "transfer statement" means a record ~~authenticated~~ signed by a secured party stating:

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

(b). That the secured party has exercised its post-default remedies with respect to the collateral;

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

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

Sec. A-160. 11 MRSA §9-1620, sub-§(1), ¶(b), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

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

(i) A person to which the secured party was required to send a proposal under section 9-1621; or

(ii) 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;

Sec. A-161. 11 MRSA §9-1620, sub-§(2), ¶(a), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

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

Sec. A-162. 11 MRSA §9-1620, sub-§(3), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(3). For purposes of this section:

(a). 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~~ signed after default; and

(b). 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~~ signed after default or the secured party:

(i) 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;

(ii) In the proposal, proposes to accept collateral in full satisfaction of the obligation it secures; and

(iii) Does not receive a notification of objection ~~authenticated~~ signed by the debtor within 20 days after the proposal is sent.

Sec. A-163. 11 MRSA §9-1620, sub-§(6), ¶(b), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

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

Sec. A-164. 11 MRSA §9-1621, sub-§(1), ¶(a), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

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

Sec. A-165. 11 MRSA §9-1624, as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

§9-1624. Waiver

(1). A debtor or secondary obligor may waive the right to notification of disposition of collateral under section 9-1611 only by an agreement to that effect entered into and ~~authenticated~~ signed after default.

(2). A debtor may waive the right to require disposition of collateral under section 9-1620, subsection (5) only by an agreement to that effect entered into and ~~authenticated~~ signed after default.

(3). Except in a consumer-goods transaction, a debtor or secondary obligor may waive the right to redeem collateral under section 9-1623 only by an agreement to that effect entered into and ~~authenticated~~ signed after default.

Sec. A-166. 11 MRSA §9-1628, sub-§(1), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(1). ~~Unless~~ Subject to subsection (6), 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:

(a). 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

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

Sec. A-167. 11 MRSA §9-1628, sub-§(2), as enacted by PL 1999, c. 699, Pt. A, §2 and affected by §4, is amended to read:

(2). A Subject to subsection (6), a secured party is not liable because of its status as secured party:

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

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

(ii) The identity of the person; and

(iii) How to communicate with the person; or

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

(i) That the person is a debtor; and

(ii) The identity of the person.

Sec. A-168. 11 MRSA §9-1628, sub-§(6) is enacted to read:

(6). Subsections (1) and (2) do not apply to limit the liability of a secured party to a person if, at the time the secured party obtains control of collateral that is a controllable account, controllable electronic record or controllable payment intangible or at the time the security interest attaches to the collateral, whichever is later:

(a). The person is a debtor or obligor; and

(b). The secured party knows that the information in subsection (2), paragraph (a), subparagraph (i), (ii) or (iii) relating to the person is not provided by the collateral, a record attached to or logically associated with the collateral or the system in which the collateral is recorded.

PART B

Sec. B-1. 11 MRSA Art. 12 is enacted to read:

ARTICLE 12

CONTROLLABLE ELECTRONIC RECORDS

§12-101. Short title

This Article may be cited as "the Uniform Commercial Code - Controllable Electronic Records."

§12-102. Definitions

(1). In this Article, unless the context otherwise indicates, the following terms have the following meanings.

(a). "Controllable electronic record" means a record stored in an electronic medium that can be subjected to control under section 12-105. "Controllable electronic record" does not include a controllable account, a controllable payment intangible, a deposit account, an electronic copy of a record evidencing chattel paper, an electronic document of title, investment property, a transferable record or an electronic record that is a medium of exchange currently authorized or adopted by a domestic or foreign government and is not a medium of exchange that was recorded or transferable in a system that existed and operated for a medium of exchange before the medium of exchange was authorized or adopted by the government.

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

(c). "Transferable record" has the same meaning as in:

(i) 15 United States Code, Section 7021(a)(1); or

(ii) Title 10, section 9416, subsection 1.

(d). "Value" has the same meaning provided in section 3-1303, subsection (1), as if references in that subsection to an "instrument" were references to a controllable account, controllable electronic record or controllable payment intangible.

(2). The definitions in Article 9-A of "account debtor," "controllable account," "controllable payment intangible," "chattel paper," "deposit account" and "investment property" apply to this Article.

(3). Article 1-A contains general definitions and principles of construction and interpretation applicable throughout this Article.

§12-103. Relation to Article 9-A and consumer laws

(1). If there is conflict between this Article and Article 9-A, Article 9-A governs.

(2). A transaction subject to this Article is subject to any applicable rule of law that establishes a different rule for consumers, including Title 9-A, Title 30-A, chapter 183, subchapter 6 and Title 32, chapter 109-A.

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

(1). This section applies to the acquisition and purchase of rights in a controllable account or controllable payment intangible, including the rights and benefits under subsections (3), (4), (5), (6) and (7) of a purchaser and qualifying purchaser, in the same manner as this section applies to a controllable electronic record.

(2). To determine whether a purchaser of a controllable account or a controllable payment intangible is a qualifying purchaser, the purchaser obtains control of the account or payment intangible if it obtains control of the controllable electronic record that evidences the account or payment intangible.

(3). Except as provided in this section, law other than this Article determines whether a person acquires a right in a controllable electronic record and the right the person acquires.

(4). A purchaser of a controllable electronic record acquires all rights in the controllable electronic record that the transferor had or had power to transfer, except that a purchaser of a limited interest in a controllable electronic record acquires rights only to the extent of the interest purchased.

(5). A qualifying purchaser acquires its rights in a controllable electronic record free of a claim of a property right in the controllable electronic record.

(6). Except as provided in subsections (1) and (5) for a controllable account and a controllable payment intangible or law other than this Article, a qualifying purchaser takes a right to payment, right to performance or other interest in property evidenced by the controllable electronic record subject to a claim of a property right in the right to payment, right to performance or other interest in property.

(7). An action may not be asserted against a qualifying purchaser based on both a purchase by the qualifying purchaser of a controllable electronic record and a claim of a property right in another controllable electronic record, whether the action is framed in conversion, replevin, constructive trust, equitable lien or other theory.

(8). Filing of a financing statement under Article 9-A is not notice of a claim of a property right in a controllable electronic record.

§12-105. Control of controllable electronic record

(1). A person has control of a controllable electronic record if the electronic record, a record attached to or logically associated with the electronic record or a system in which the electronic record is recorded:

(a). Gives the person:

(i) Power to avail itself of substantially all the benefit from the electronic record; and

(ii) Exclusive power, subject to subsection (2), to:

(A) Prevent others from availing themselves of substantially all the benefit from the electronic record; and

(B) Transfer control of the electronic record to another person or cause another person to obtain control of another controllable electronic record as a result of the transfer of the electronic record; and

(b). Enables the person readily to identify itself in any way, including by name, identifying number, cryptographic key, office or account number, as having the powers specified in paragraph (a).

(2). Subject to subsection (3), a power is exclusive under subsection (1), paragraph (a), subparagraph (ii), divisions (A) and (B) even if:

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

(b). The power is shared with another person.

(3). A power of a person is not shared with another person under subsection (2), paragraph (b) and the person's power is not exclusive if:

(a). The person can exercise the power only if the power also is exercised by the other person; and

(b). The other person:

(i) Can exercise the power without exercise of the power by the person; or

(ii) Is the transferor to the person of an interest in the controllable electronic record or a controllable account or controllable payment intangible evidenced by the controllable electronic record.

(4). If a person has the powers specified in subsection (1), paragraph (a), subparagraph (ii), divisions (A) and (B), the powers are presumed to be exclusive.

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

(a). Has control of the electronic record and acknowledges that it has control on behalf of the person; or

(b). Obtains control of the electronic record after having acknowledged that it will obtain control of the electronic record on behalf of the person.

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

(7). If a person acknowledges that it has or will obtain control on behalf of another person, unless the person otherwise agrees or law other than this Article or Article 9-A otherwise provides, the person does not owe any duty to the other person and is not required to confirm the acknowledgment to any other person.

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

(1). An account debtor on a controllable account or controllable payment intangible may discharge its obligation by paying:

(a). The person having control of the controllable electronic record that evidences the controllable account or controllable payment intangible; or

(b). Except as provided in subsection (2), a person that formerly had control of the controllable electronic record.

(2). Subject to subsection (4), the account debtor may not discharge its obligation by paying a person that formerly had control of the controllable electronic record if the account debtor receives a notification that:

(a). Is signed by a person that formerly had control or the person to which control was transferred;

(b). Reasonably identifies the controllable account or controllable payment intangible;

(c). Notifies the account debtor that control of the controllable electronic record that evidences the controllable account or controllable payment intangible was transferred;

(d). Identifies the transferee, in any reasonable way, including by name, identifying number, cryptographic key, office or account number; and

(e). Provides a commercially reasonable method by which the account debtor is to pay the transferee.

(3). After receipt of a notification that complies with subsection (2), the account debtor may discharge its obligation by paying in accordance with the notification and may not discharge the obligation by paying a person that formerly had control.

(4). Subject to subsection (8), notification is ineffective under subsection (2):

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

(b). To the extent an agreement between the account debtor and 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

(c). At the option of the account debtor, if the notification notifies the account debtor to:

(i) Divide a payment;

(ii) Make less than the full amount of an installment or other periodic payment; or

(iii) Pay any part of a payment by more than one method or to more than one person.

(5). Subject to subsection (8), if requested by the account debtor, the person giving the notification under subsection (2) seasonably shall furnish reasonable proof, using the method in the agreement referred to in subsection (4), paragraph (a), that control of the controllable electronic record has been transferred. Unless the person complies with the request, the account debtor may discharge its obligation by paying a person that formerly had control, even if the account debtor has received a notification under subsection (2).

(6). A person furnishes reasonable proof under subsection (5) that control has been transferred if the person demonstrates, using the method in the agreement referred to in subsection (4), paragraph (a), that the transferee has the power to:

(a). Avail itself of substantially all the benefit from the controllable electronic record;

(b). Prevent others from availing themselves of substantially all the benefit from the controllable electronic record; and

(c). Transfer the powers specified in paragraphs (a) and (b) to another person.

(7). Subject to subsection (8), an account debtor may not waive or vary its rights under subsection (4), paragraph (a) and subsection (5) or its option under subsection (4), paragraph (c).

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

§12-107. Governing law

(1). Except as provided in subsection (2), the local law of a controllable electronic record's jurisdiction governs a matter covered by this Article.

(2). For a controllable electronic record that evidences a controllable account or controllable payment intangible, the local law of the controllable electronic record's jurisdiction governs a matter covered by section 12-106 unless an effective agreement determines that the local law of another jurisdiction governs.

(3). The following rules determine a controllable electronic record's jurisdiction under this section.

(a). If the controllable electronic record, or a record attached to or logically associated with the controllable electronic record and readily available for review, expressly provides that a particular jurisdiction is the controllable electronic record's jurisdiction for purposes of this Article or the Uniform Commercial Code, that jurisdiction is the controllable electronic record's jurisdiction.

(b). If paragraph (a) does not apply and the rules of the system in which the controllable electronic record is recorded are readily available for review and expressly provide that a particular jurisdiction is the controllable electronic record's jurisdiction for purposes of this Article or the Uniform Commercial Code, that jurisdiction is the controllable electronic record's jurisdiction.

(c). If paragraphs (a) and (b) do not apply and the controllable electronic record, or a record attached to or logically associated with the controllable electronic record and readily available for review, expressly provides that the controllable electronic record is governed by the law of a particular jurisdiction, that jurisdiction is the controllable electronic record's jurisdiction.

(d). If paragraphs (a), (b) and (c) do not apply and the rules of the system in which the controllable electronic record is recorded are readily available for review and expressly provide that the controllable electronic record or the system is governed by the law of a particular jurisdiction, that jurisdiction is the controllable electronic record's jurisdiction.

(e). If paragraphs (a) to (d) do not apply, the controllable electronic record's jurisdiction is the District of Columbia.

(4). If subsection (3), paragraph (e) applies and Article 12 is not in effect in the District of Columbia without material modification, the governing law for a matter covered by this Article is the law of the District of Columbia as though Article 12 were in effect in the District of Columbia without material modification. For the purposes of this subsection, "Article 12" means Article 12 of Uniform Commercial Code Amendments (2022).

(5). To the extent subsections (1) and (2) provide that the local law of the controllable electronic record's jurisdiction governs a matter covered by this Article, that law governs even if the matter or a transaction to which the matter relates does not bear any relation to the controllable electronic record's jurisdiction.

(6). The rights acquired under section 12-104 by a purchaser or qualifying purchaser are governed by the law applicable under this section at the time of purchase.

PART C

Sec. C-1. 11 MRSA Art. 15 is enacted to read:

ARTICLE 15

TRANSITIONAL PROVISIONS

PART 1

GENERAL PROVISIONS AND DEFINITIONS

§15-101. Short title

This Article may be cited as "the Transitional Provisions for Uniform Commercial Code Amendments (2022)."

§15-102. Definitions

(1). For the purposes of this Article, unless the context otherwise indicates, the following terms have the following meanings.

(a). "Adjustment date" means July 1, 2026.

(b). "Article 12" means Article 12 of the Uniform Commercial Code.

(c). "Article 12 property" means a controllable account, controllable electronic record or controllable payment intangible.

(2). The following definitions in other Articles of the Uniform Commercial Code apply to this Article:

(a). "Controllable account," section 9-1102;

(b). "Controllable electronic record," section 12-102;

(c). "Controllable payment intangible," section 9-1102; and

(d). "Financing statement," section 9-1102.

(3). Article 1-A contains general definitions and principles of construction and interpretation applicable throughout this Article.

PART 2

GENERAL TRANSITIONAL PROVISION

§15-201. Savings clause

Except as provided in part 3, a transaction validly entered into before July 1, 2025 and the rights, duties and interests flowing from the transaction remain valid thereafter and may be terminated, completed, consummated or enforced as required or permitted by law other

than the Uniform Commercial Code or, if applicable, the Uniform Commercial Code in effect prior to July 1, 2025.

PART 3

TRANSITIONAL PROVISIONS FOR ARTICLES 9-A AND 12

§15-301. Savings clause

(1). Except as provided in this part, Article 9-A as in effect on July 1, 2025 and Article 12 apply to a transaction, lien or other interest in property, even if the transaction, lien or interest was entered into, created or acquired before July 1, 2025.

(2). Except as provided in subsection (3) and sections 15-302 to 15-306:

(a). A transaction, lien or interest in property that was validly entered into, created or transferred before July 1, 2025 and was not governed by the Uniform Commercial Code, but would be subject to Article 9-A as in effect on July 1, 2025 or Article 12 if it had been entered into, created or transferred on or after July 1, 2025, including the rights, duties and interests flowing from the transaction, lien or interest, remains valid on and after July 1, 2025; and

(b). The transaction, lien or interest may be terminated, completed, consummated and enforced as required or permitted by this Title as in effect on July 1, 2025 or by the law that would apply prior to July 1, 2025.

(3). The provisions of this Title that take effect July 1, 2025 do not affect an action, case or proceeding commenced before July 1, 2025.

§15-302. Security interest perfected before effective date

(1). A security interest that is enforceable and perfected immediately before July 1, 2025 is a perfected security interest under this Title if, on July 1, 2025, the requirements for enforceability and perfection under this Title as in effect on July 1, 2025 are satisfied without further action.

(2). If a security interest is enforceable and perfected immediately before July 1, 2025, but the requirements for enforceability or perfection under this Title as in effect on July 1, 2025 are not satisfied on July 1, 2025, the security interest:

(a). Is a perfected security interest until the earlier of the time perfection would have ceased under the law in effect immediately before July 1, 2025 and the adjustment date;

(b). Remains enforceable thereafter only if the security interest satisfies the requirements for enforceability under section 9-1203, as in effect on July 1, 2025, before the adjustment date; and

(c). Remains perfected thereafter only if the requirements for perfection under this Title as in effect on July 1, 2025 are satisfied before the time specified in paragraph (a).

§15-303. Security interest unperfected before effective date

A security interest that is enforceable immediately before July 1, 2025 but is unperfected at that time:

- (1). Remains an enforceable security interest until the adjustment date;
- (2). Remains enforceable thereafter if the security interest becomes enforceable under section 9-1203, as in effect on July 1, 2025, on July 1, 2025 or before the adjustment date; and
- (3). Becomes perfected:
 - (a). Without further action, on July 1, 2025 if the requirements for perfection under this Title as in effect on July 1, 2025 are satisfied before or at that time; or
 - (b). When the requirements for perfection under this Title are satisfied if the requirements are satisfied after that time.

§15-304. Effectiveness of actions taken before July 1, 2025

(1). If action, other than the filing of a financing statement, is taken before July 1, 2025 and the action would have resulted in perfection of the security interest had the security interest become enforceable before July 1, 2025, the action is effective to perfect a security interest that attaches under this Title as in effect on July 1, 2025 before the adjustment date. An attached security interest becomes unperfected on the adjustment date unless the security interest becomes a perfected security interest under this Title as in effect on July 1, 2025 before the adjustment date.

(2). The filing of a financing statement before July 1, 2025 is effective to perfect a security interest on July 1, 2025 to the extent the filing would satisfy the requirements for perfection on July 1, 2025.

(3). The taking of an action before July 1, 2025 is sufficient for the enforceability of a security interest on July 1, 2025 if the action would satisfy the requirements for enforceability on July 1, 2025.

§15-305. Priority

(1). Subject to subsections (2) and (3), this Title as in effect on July 1, 2025 determines the priority of conflicting claims to collateral.

(2). Subject to subsection (3), if the priorities of claims to collateral were established before July 1, 2025, Article 9-A as in effect before July 1, 2025 determines priority.

(3). On the adjustment date, to the extent the priorities determined by Article 9-A as in effect after July 1, 2025 modify the priorities established before July 1, 2025, the priorities of claims to Article 12 property established before July 1, 2025 cease to apply.

§15-306. Priority of claims when priority rules of Article 9-A do not apply

(1). Subject to subsections (2) and (3), Article 12 determines the priority of conflicting claims to Article 12 property when the priority rules of Article 9-A as in effect on July 1, 2025 do not apply.

(2). Subject to subsection (3), when the priority rules of Article 9-A as in effect on July 1, 2025 do not apply and the priorities of claims to Article 12 property were established before July 1, 2025, law other than Article 12 determines priority.

(3). When the priority rules of Article 9-A as in effect on July 1, 2025 do not apply, to the extent the priorities determined by this Title as in effect on July 1, 2025 modify the

priorities established before July 1, 2025, the priorities of claims to Article 12 property established before July 1, 2025 cease to apply on the adjustment date.

PART D

Sec. D-1. Legislative intent. Part B is the Maine enactment of the Uniform Commercial Code, Article 12 as revised by the National Conference of Commissioners on Uniform State Laws. The text of the uniform act has been changed to conform to the Maine statutory conventions, and the Article is enacted as Article 12. Unless otherwise noted in a Maine comment, the changes are technical in nature and it is the intent of the Legislature that Part B be interpreted as substantively the same as the revised Article 12 of the uniform act.

Sec. D-2. Comments. The Legislature accepts the Uniform Comments composed by the National Conference of Commissioners on Uniform State Laws as part of the 2022 amendments to the Uniform Commercial Code, Article 12.

Sec. D-3. Construction. This Act may not be construed to support, endorse, create or implement a central bank digital currency.

PART E

Sec. E-1. Effective date. This Act takes effect July 1, 2025.