

SENATE BILL NO. 110

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

1 AN ACT

2 To amend and reenact R.S. 10:1-201(b)(10), (15), (21)(C), (24), (27), (36), and (37), 1-
3 204(introductory paragraph), 1-301(g)(8), 3-104 (a)(introductory paragraph) and (3),
4 3-105(a), 3-401, 3-604(a), 4A-103(a)(1)(introductory paragraph), 4A-201, 4A-202(b)
5 and (c), 4A-203(a)(1), 4A-207(b)(2) and (c)(introductory paragraph) and (2), 4A-
6 208(b)(2), 4A-210(a), 4A-211(a) and (d), 4A-305(b) through (d), 5-104, 5-116(a) and
7 (b), 7-102(a)(11), 7-106(b)(introductory paragraph) and (4), 8-102(a)(6)(i) and (b),
8 8-106(d)(3), 8-303(b), 9-102(a)(2),(3), (4)(A), (7), (11), (31), (42), (47), (61), (66),
9 (75), and (79) and (b), 9-104(a)(2) and (3), 9-105, 9-107.1, 9-107.2, 9-203(b)(3)(A),
10 (C), and (D), 9-204(b)(introductory paragraph), 9-207(c)(introductory paragraph),
11 9-208(b)(introductory paragraph), (1), and (3) through (7), 9-209(b), 9-210(a)(2)
12 through (4), (b), (c), (d)(introductory paragraph), and (e)(introductory paragraph),
13 9-301(introductory paragraph) and (3)(introductory paragraph), 9-304(a), 9-
14 305(a)(introductory paragraph), 9-310(b)(8), 9-312(a) and (e), 9-313(a), (c), and (d),
15 9-314(a) through (c), 9-316(a)(introductory paragraph) and (f)(introductory
16 paragraph), 9-317(b) and (d), 9-323(d)(introductory paragraph) and (f)(introductory
17 paragraph), 9-324(b)(introductory paragraph) and (2) and (d)(introductory
18 paragraph) and (2), 9-330(a), (b), and (f), 9-331(a) and (b), 9-332, 9-334(f)(1), 9-
19 341(introductory paragraph), 9-404(a)(introductory paragraph) and (2), 9-406(a),
20 (b)(introductory paragraph), (c), (d)(introductory paragraph), and (g), 9-408(g), 9-
21 412(a), 9-509(a)(1) and (b)(introductory paragraph), 9-513(b)(introductory
22 paragraph) and (2) and (c)(introductory paragraph), 9-601(b), 9-605, 9-608(a)(1)(C),
23 9-611(a)(1), (b), (c)(introductory paragraph) and (3)(A), and (e)(introductory
24 paragraph) and (2)(B), 9-613, 9-614, 9-615(a)(3)(A) and (4), 9-
25 616(a)(1)(introductory paragraph) and (B) and (2)(A), (b)(1)(A), and (c)(introductory
26 paragraph), 9-619(a)(introductory paragraph), 9-620(a)(2)(introductory paragraph),
27 (b)(1), (c)(1) and (2)(introductory paragraph) and (C), and (f)(introductory

1 paragraph) and (2), 9-621(a)(1), 9-624, 9-628(a)(introductory paragraph) and
 2 (b)(introductory paragraph), and 9-629(a)(1) and (2), and to enact R.S. 10:1-
 3 201(b)(16.1), 1-301(g)(9), 5-116(c), (d), (e), (f), and (g), 7-106(c) through (i), 8-
 4 103(h), 8-106(h) and (i), 8-110(g), 9-102(a)(7.1), (7.2), (27.1), (27.2), and (54.1), 9-
 5 104(a)(4), 9-107.3, 9-107.4, 9-203(b)(3)(E), 9-204(b.1), 9-208(b)(8), 9-305(a)(5), 9-
 6 306.1, 9-306.2, 9-310(b)(8.1), 9-314.1, 9-317(f) through (i), 9-326.1, 9-406(l), 9-
 7 408(h), 9-628(f), Chapter 12 of Title 10 of the Louisiana Revised Statutes of 1950,
 8 to be comprised of R.S. 10:12-101 through 12-107, and Chapter 13 of Title 10 of the
 9 Louisiana Revised Statutes of 1950, to be comprised of R.S. 10:13-101 through 13-
 10 306, relative to transactions involving existing and new classes of assets; to provide
 11 for new types of digital assets; to provide for security interests in digital assets; to
 12 provide for tethered digital assets; to provide take-free rules for digital assets; to
 13 provide relative to governing law for digital assets; to provide relative to chattel
 14 paper; to provide relative to hybrid transactions; to provide for the negotiability of
 15 certain instruments; to provide for updates in terminology; to provide for transition
 16 rules; to provide for technical corrections; and to provide for related matters.

17 Be it enacted by the Legislature of Louisiana:

18 Section 1. R.S. 10:1-201(b)(10), (15), (21)(C), (24), (27), (36), and (37), 1-
 19 204(introductory paragraph), 1-301(g)(8), 3-104 (a)(introductory paragraph) and (3), 3-
 20 105(a), 3-401, 3-604(a), 4A-103(a)(1)(introductory paragraph), 4A-201, 4A-202(b) and (c),
 21 4A-203(a)(1), 4A-207(b)(2) and (c)(introductory paragraph) and (2), 4A-208(b)(2), 4A-
 22 210(a), 4A-211(a) and (d), 4A-305(b) through (d), 5-104, 5-116(a) and (b), 7-102(a)(11), 7-
 23 106(b)(introductory paragraph) and (4), 8-102(a)(6)(i) and (b), 8-106(d)(3), 8-303(b), 9-
 24 102(a)(2),(3), (4)(A), (7), (11), (31), (42), (47), (61), (66), (75), and (79) and (b), 9-104(a)(2)
 25 and (3), 9-105, 9-107.1, 9-107.2, 9-203(b)(3)(A), (C), and (D), 9-204(b)(introductory
 26 paragraph), 9-207(c)(introductory paragraph), 9-208(b)(introductory paragraph), (1), and (3)
 27 through (7), 9-209(b), 9-210(a)(2) through (4), (b), (c), (d)(introductory paragraph), and
 28 (e)(introductory paragraph), 9-301(introductory paragraph) and (3)(introductory paragraph),
 29 9-304(a), 9-305(a)(introductory paragraph), 9-310(b)(8), 9-312(a) and (e), 9-313(a), (c), and
 30 (d), 9-314(a) through (c), 9-316(a)(introductory paragraph) and (f)(introductory paragraph),

1 9-317(b) and (d), 9-323(d)(introductory paragraph) and (f)(introductory paragraph), 9-
2 324(b)(introductory paragraph) and (2) and (d)(introductory paragraph) and (2), 9-330(a),
3 (b), and (f), 9-331(a) and (b), 9-332, 9-334(f)(1), 9-341(introductory paragraph), 9-
4 404(a)(introductory paragraph) and (2), 9-406(a), (b)(introductory paragraph), (c),
5 (d)(introductory paragraph), and (g), 9-408(g), 9-412(a), 9-509(a)(1) and (b)(introductory
6 paragraph), 9-513(b)(introductory paragraph) and (2) and (c)(introductory paragraph), 9-
7 601(b), 9-605, 9-608(a)(1)(C), 9-611(a)(1), (b), (c)(introductory paragraph) and (3)(A), and
8 (e)(introductory paragraph) and (2)(B), 9-613, 9-614, 9-615(a)(3)(A) and (4), 9-
9 616(a)(1)(introductory paragraph) and (B) and (2)(A), (b)(1)(A), and (c)(introductory
10 paragraph), 9-619(a)(introductory paragraph), 9-620(a)(2)(introductory paragraph), (b)(1),
11 (c)(1) and (2)(introductory paragraph) and (C), and (f)(introductory paragraph) and (2), 9-
12 621(a)(1), 9-624, 9-628(a)(introductory paragraph) and (b)(introductory paragraph), and 9-
13 629(a)(1) and (2), are hereby amended and reenacted, and R.S. 10:1-201(b)(16.1), 1-
14 301(g)(9), 5-116(c), (d), (e), (f), and (g), 7-106(c) through (i), 8-103(h), 8-106(h) and (i), 8-
15 110(g), 9-102(a)(7.1), (7.2), (27.1), (27.2), and (54.1), 9-104(a)(4), 9-107.3, 9-107.4, 9-
16 203(b)(3)(E), 9-204(b.1), 9-208(b)(8), 9-305(a)(5), 9-306.1, 9-306.2, 9-310(b)(8.1), 9-314.1,
17 9-317(f) through (i), 9-326.1, 9-406(l), 9-408(h), 9-628(f), Chapter 12 of Title 10 of the
18 Louisiana Revised Statutes of 1950, to be comprised of R.S. 10:12-101 through 12-107, and
19 Chapter 13 of Title 10 of the Louisiana Revised Statutes of 1950, to be comprised of R.S.
20 10:13-101 through 13-306 are hereby enacted to read as follows:

§1-201. General definitions

* * *

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

* * *

(10) ~~"Conspicuous,"~~ **"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 question of law for the court. ~~Conspicuous terms include the following:~~

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

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

8 * * *

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

13 * * *

14 **(16.1) "Electronic" means relating to technology having electrical,**
15 **digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.**

16 * * *

17 (21) "Holder" means:

18 * * *

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

21 * * *

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

27 * * *

28 (27) "Person" means an individual, or any legal or commercial entity,
29 including a corporation, business trust, partnership, limited liability company,
30 association, joint venture, government, governmental subdivision, agency, or

1 instrumentality, or public corporation. The term includes a protected series,
 2 however denominated, of an entity if the protected series is established under
 3 law other than this Title that limits, or limits if conditions specified under the
 4 law are satisfied, the ability of a creditor of the entity or of any other protected
 5 series of the entity to satisfy a claim from assets of the protected series.

6 * * *

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

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

13 (B) ~~in any other way to cause to be received any record or notice within the~~
 14 ~~time it would have arrived if properly sent~~ to cause the record or notification to be
 15 received within the time it would have been received if properly sent under
 16 Subparagraph A of this Paragraph.

17 (37) ~~"Signed" includes using any symbol executed or adopted with present~~
 18 ~~intention to adopt or accept a writing.~~ "Sign" means, with present intent to
 19 authenticate or adopt a record:

20 (A) execute or adopt a tangible symbol; or

21 (B) attach to or logically associate with the record an electronic symbol,
 22 sound, or process.

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

24 * * *

25 Louisiana Official Revision Comments - 2024

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

1 * * *

2 §1-204. Value

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

5 * * *

6 §1-301. Territorial applicability; parties' power to choose applicable law

7 * * *

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

11 * * *

12 (8) R.S. 10:9-301 through 9-307;

13 **(9) R.S. 10:12-107.**

14 * * *

15 §3-104. Negotiable instrument

16 (a) Except as provided in Subsections (c) and (d) **of this Section**, "negotiable
17 instrument" means an unconditional promise or order to pay a fixed amount of
18 money, with or without interest or other charges described in the promise or order,
19 if it:

20 * * *

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

29 * * *

30 §3-105. Issue of instrument

1 (a) "Issue" means:
 2 **(1)** the first delivery of an instrument by the maker or drawer, whether to a
 3 holder or nonholder, for the purpose of giving rights on the instrument to any person;

4 **or**

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

9 * * *

10 §3-401. Signature **necessary for liability on instrument**

11 (a) A person is not liable on an instrument unless (i) the person signed the
 12 instrument, or (ii) the person is represented by an agent or representative who signed
 13 the instrument and the signature is binding on the represented person under R.S.
 14 10:3-402.

15 ~~(b) A signature may be made (i) manually or by means of a device or~~
 16 ~~machine, and (ii) by the use of any name, including a trade or assumed name, or by~~
 17 ~~a word, mark, or symbol executed or adopted by a person with present intention to~~
 18 ~~authenticate a writing.~~

19 * * *

20 §3-604. Discharge by cancellation or renunciation

21 (a) A person entitled to enforce an instrument, with or without consideration,
 22 may discharge the obligation of a party to pay the instrument (i) by an intentional
 23 voluntary act, such as surrender of the instrument to the party, destruction,
 24 mutilation, or cancellation of the instrument, cancellation or striking out of the
 25 party's signature, or the addition of words to the instrument indicating discharge, or
 26 (ii) by agreeing not to sue or otherwise renouncing rights against the party by a
 27 signed writing. **record. The obligation of a party to pay a check is not discharged**
 28 **solely by destruction of the check in connection with a process in which**
 29 **information is extracted from the check and an image of the check is made and,**
 30 **subsequently, the information and image are transmitted for payment.**

1 * * *

2 §4A-103. Payment Order - Definitions

3 (a) In this Chapter:

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

7 * * *

8 §4A-201. Security procedure

9 "Security procedure" means a procedure established by agreement of a
10 customer and a receiving bank for the purpose of (i) verifying that a payment order
11 or communication amending or cancelling a payment order is that of the customer,
12 or (ii) detecting error in the transmission or the content of the payment order or
13 communication. A security procedure **may impose an obligation on the receiving**
14 **bank or the customer and** may require the use of algorithms or other codes,
15 identifying words, ~~or numbers,~~ **symbols, sounds, biometrics**, encryption, callback
16 procedures, or similar security devices. Comparison of a signature on a payment
17 order or communication with an authorized specimen signature of the customer **or**
18 **requiring a payment order to be sent from a known email address, IP address,**
19 **or telephone number** is not by itself a security procedure.

20 §4A-202. Authorized and verified payment orders

21 * * *

22 (b) If a bank and its customer have agreed that the authenticity of payment
23 orders issued to the bank in the name of the customer as sender will be verified
24 pursuant to a security procedure, a payment order received by the receiving bank is
25 effective as the order of the customer, whether or not authorized, if (i) the security
26 procedure is a commercially reasonable method of providing security against
27 unauthorized payment orders, and (ii) the bank proves that it accepted the payment
28 order in good faith and in compliance with **the bank's obligations under** the
29 security procedure and any ~~written~~ agreement or instruction of the customer,
30 **evidenced by a record**, restricting acceptance of payment orders issued in the name

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

5 (c) Commercial reasonableness of a security procedure is a question of law
6 to be determined by considering the wishes of the customer expressed to the bank,
7 the circumstances of the customer known to the bank, including the size, type, and
8 frequency of payment orders normally issued by the customer to the bank, alternative
9 security procedures offered to the customer, and security procedures in general use
10 by customers and receiving ~~bank~~ **banks** similarly situated. A security procedure is
11 deemed to be commercially reasonable if (i) the security procedure was chosen by
12 the customer after the bank offered, and the customer refused, a security procedure
13 that was commercially reasonable for that customer, and (ii) the customer expressly
14 agreed in ~~writing~~ **a record** to be bound by any payment order, whether or not
15 authorized, issued in its name and accepted by the bank in compliance with **the**
16 **bank's obligations under** the security procedure chosen by the customer.

17 * * *

18 §4A-203. Unenforceability of certain verified payment orders

19 (a) If an accepted payment order is not, under R.S. 10:4A-202(a), an
20 authorized order of a customer identified as sender, but is effective as an order of the
21 customer pursuant to R.S. 10:4A-202(b), the following rules apply:

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

25 * * *

26 §4A-207. Misdescription of beneficiary

27 * * *

28 (b) If a payment order received by the beneficiary's bank identifies the
29 beneficiary both by name and by an identifying or bank account number and the
30 name and number identify different persons, the following rules apply:

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* * *

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

(c) If (i) a payment order described in Subsection (b) **of this Section** is accepted, (ii) the originator's payment order described the beneficiary inconsistently by name and number, and (iii) the beneficiary's bank pays the person identified by number as permitted by Subsection (b)(1) **of this Section**, the following rules apply:

* * *

(2) 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.

* * *

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

* * *

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

* * *

(2) 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

1 on the number as the proper identification of the intermediary or beneficiary's bank
 2 even if it identifies a person different from the bank identified by name, the rights
 3 and obligations of the sender and the receiving bank are governed by ~~Subsection~~
 4 **Paragraph (b)(1) of this Subsection**, as though the sender were a bank. Proof of
 5 notice may be made by any admissible evidence. The receiving bank satisfies the
 6 burden of proof if it proves that the sender, before the payment order was accepted,
 7 signed a ~~writing~~ **record** stating the information to which the notice relates.

8 * * *

9 §4A-210. Rejection of payment order

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

21 * * *

22 §4A-211. Cancellation and amendment of payment order

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

29 * * *

30 (d) An unaccepted payment order is cancelled by operation of law at the close

1 of the fifth funds-transfer business day of the receiving bank after the execution date
2 of ~~or~~ or payment date of the order.

3 * * *

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

6 * * *

7 (b) If execution of a payment order by a receiving bank in breach of ~~R.S.~~
8 ~~10:4A-303~~ R.S. 10:4A-302 results in (i) noncompletion of the funds transfer, (ii)
9 failure to use an intermediary bank designated by the originator, or (iii) issuance of
10 a payment order that does not comply with the terms of the payment order of the
11 originator, the bank is liable to the originator for its expenses in the funds transfer
12 and for incidental expenses and interest losses, to the extent not covered by
13 Subsection (a) of this Section, resulting from the improper execution. Except as
14 provided in Subsection (c) of this Section, additional damages are not recoverable.

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

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

25 * * *

26 §5-104. Formal requirements

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

* * *

§5-116. Choice of law and forum

(a) 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 R.S. 10:5-104~~ 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.

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

(c) 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 **(d) of this Section**.

(d) 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.

~~(e)~~**(e)** Except as otherwise provided in this Subsection, the liability of an issuer, nominated person, or adviser is governed by any rules of custom or practice, such as the Uniform Customs and Practice for Documentary Credits, to which the letter of credit, confirmation, or other undertaking is expressly made subject. If (i) this Chapter would govern the liability of an issuer, nominated person, or adviser under Subsection (a) or (b) **of this Section**; (ii) the relevant undertaking incorporates rules of custom or practice; and (iii) there is conflict between this Chapter and those

1 rules as applied to that undertaking, those rules govern except to the extent of any
2 conflict with the nonvariable provisions specified in R.S. 10:5-103(c).

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

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

8 * * *

9 §7-102. Definitions and index of definitions

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

11 * * *

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

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

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

16 * * *

17 §7-106. Control of electronic document of title

18 * * *

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

22 * * *

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

26 * * *

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

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

3 (2) enables the person to readily identify itself in any way, including by
 4 name, identifying number, cryptographic key, office, or account number, as the
 5 person to which each authoritative electronic copy was issued or transferred;
 6 and

7 (3) gives the person exclusive power, subject to Subsection (d) of this
 8 Section, to:

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

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

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

14 (1) the authoritative electronic copy, a record attached to or logically
 15 associated with the authoritative electronic copy, or a system in which the
 16 authoritative electronic copy is recorded limits the use of the document of title
 17 or has a protocol that is programmed to cause a change, including a transfer or
 18 loss of control; or

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

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

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

24 (2) the other person:

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

26 or

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

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

30 (g) A person has control of an electronic document of title if another

1 person other than the transferor to the person of an interest in the document:

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

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

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

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

13 * * *

14 §8-102. Definitions and index of definitions

15 (a) In this Chapter:

16 * * *

17 (6) "Communicate" means to:

18 (i) send a signed ~~writing~~ record; or

19 * * *

20 (b) ~~Other definitions applying to this Article and the sections in which they~~
21 ~~appear are~~ The following definitions in this Chapter and other Chapters apply
22 to this Chapter:

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

24 Control R.S. 10:8-106

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

26 Controllable electronic record R.S. 10:12-102

27 Controllable payment intangible R.S. 10:9-102

28 Delivery R.S. 10:8-301

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

30 Issuer R.S. 10:8-201

1	Overissue	R.S. 10:8-210
2	Protected purchaser	R.S. 10:8-303
3	Securities account	R.S. 10:8-501

4 * * *

5 §8-103. Rules for determining whether certain obligations and interests are
6 securities or financial assets

7 * * *

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

10 * * *

11 §8-106. Control

12 * * *

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

14 * * *

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

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

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

23 * * *

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

26 **(i) If a person acknowledges that it has or will obtain control on behalf**
27 **of a purchaser, unless the person otherwise agrees or law other than this**
28 **Chapter or Chapter 9 of this Title otherwise provides, the person does not owe**
29 **any duty to the purchaser and is not required to confirm the acknowledgment**
30 **to any other person.**

1 * * *

2 §8-110. Applicability; choice of law

3 * * *

4 (g) The local law of the issuer's jurisdiction or the securities
5 intermediary's jurisdiction governs a matter or transaction specified in
6 Subsection (a) or (b) of this Section even if the matter or transaction does not
7 bear any relation to the jurisdiction.

8 * * *

9 §8-303. Protected purchaser

10 * * *

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

13 * * *

14 §9-102. Definitions and index of definitions

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

16 * * *

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

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

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

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

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

21 * * *

22 (7) "Authenticate" means:

23 (A) to sign; or

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

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

1 which a security interest has been transferred by a secured party.

2 (7.2) "Assignor" means a person that (i) under a security agreement
 3 creates or provides for a security interest that secures an obligation or (ii) sells
 4 an account, chattel paper, payment intangible, or promissory note. The term
 5 includes a secured party that has transferred a security interest to another
 6 person.

7 * * *

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

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

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

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

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

30 The term does not include a right to payment arising out of a charter or

1 other contract involving the use or hire of a vessel or a right to payment arising
 2 out of the use of a credit or charge card or information contained on or for use
 3 with the card.

4 * * *

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

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

13 * * *

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

16 * * *

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

22 * * *

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

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* * *

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

* * *

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

* * *

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

* * *

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

* * *

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

* * *

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

- "Applicant" R.S. 10:5-102.
- "Beneficiary" R.S. 10:5-102.
- "Broker" R.S. 10:8-102.
- "Certificated security" R.S. 10:8-102.
- "Check" R.S. 10:3-104.

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

24 * * *

25 Louisiana Official Revision Comments - 2024

26 (a) The definition of "money" in Paragraph (a)(54.1) is non-uniform. The reference
 27 to money in electronic form contained in revised national U.C.C. Article 9 is omitted.
 28 (b) Revised Chapter 9 omits as unnecessary the revised national U.C.C. Article 9
 29 definitions of "electronic money" (31A) and "tangible money" (79A). These definitions are
 30 unnecessary because Chapter 9 eschews the distinction between electronic and tangible
 31 money and thus omits all provisions pertaining to electronic money. References to electronic
 32 money in revised national U.C.C. Article 9 Sections 9-203(b)(3)(D), 9-314(a) and (b), and
 33 9-317(d) are omitted, as are references to control of electronic money in revised national
 34 U.C.C. Article 9 Sections 9-105A, 9-107B(a), 9-203(b)(3)(D), 9-207(c), 9-208(7), 9-

1 312(b)(4), 9-314(a) and (b), and 9-601. Similarly, references to tangible money in revised
2 national U.C.C. Article 9 Sections 9-301(3), 9-312(b)(3), 9-313(a), and 9-332 are omitted
3 as unnecessary.

4 * * *

5 §9-104. Control of deposit account

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

8 * * *

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

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

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

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

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

20 * * *

21 §9-105. Control of electronic **copy of record evidencing** chattel paper

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

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

29 ~~(1) a single authoritative copy of the record or records exists which is unique;~~
30 ~~identifiable and, except as otherwise provided in Paragraphs (4), (5), and (6);~~
31 ~~unalterable;~~

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

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

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

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

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

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

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

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

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

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

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

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

30 **(6) any amendment of the authoritative copy is readily identifiable as**

1 authorized or unauthorized.

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

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

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

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

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

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

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

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

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

26 (e) When power not shared with another person. A power of a purchaser
27 is not shared with another person under Paragraph (d)(2) of this Section and
28 the purchaser's power is not exclusive if:

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

1 **(2) the other person:**

2 **(A) can exercise the power without exercise of the power by the**
3 **purchaser; or**

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

5 **(f) Presumption of exclusivity of certain powers. If a purchaser has the**
6 **powers specified in Subparagraphs (c)(3)(A) and (B) of this Section, the powers**
7 **are presumed to be exclusive.**

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

12 **(1) has control of the authoritative electronic copy and acknowledges**
13 **that it has control on behalf of the purchaser; or**

14 **(2) obtains control of the authoritative electronic copy after having**
15 **acknowledged that it will obtain control of the electronic copy on behalf of the**
16 **purchaser.**

17 * * *

18 §9-107.1. Control over life insurance policy

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

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

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

25 **(3) another person other than the debtor:**

26 **(A) has control of the life insurance policy and acknowledges that it has**
27 **control on behalf of the secured party; or**

28 **(B) obtains control of the life insurance policy after having acknowledged**
29 **that it will obtain control of the life insurance policy on behalf of the secured**
30 **party.**

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

8 §9-107.2. Control conditioned on default

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

13 §9-107.3. Control of controllable electronic record, controllable account, or
 14 controllable payment intangible

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

17 (b) Control of controllable account and controllable payment intangible.
 18 A secured party has control of a controllable account or controllable payment
 19 intangible if the secured party has control of the controllable electronic record
 20 that evidences the controllable account or controllable payment intangible.

21 §9-107.4. No requirement to acknowledge or confirm; no duties

22 (a) No requirement to acknowledge. A person that has control under R.S.
 23 10:9-104, 9-105, or 9-107.1 is not required to acknowledge that it has control on
 24 behalf of another person.

25 (b) No duties or confirmation. If a person acknowledges that it has or
 26 will obtain control on behalf of another person, unless the person otherwise
 27 agrees or law other than this Chapter otherwise provides, the person does not
 28 owe any duty to the other person and is not required to confirm the
 29 acknowledgment to any other person.

30 * * *

1 §9-203. Attachment and enforceability of security interest; proceeds; supporting
2 obligations; formal requisites

3 * * *

4 (b) Enforceability. Except as otherwise provided in Subsections (c) through
5 (i) of this Section, a security interest is enforceable against the debtor and third
6 parties with respect to the collateral only if:

7 * * *

8 (3) one of the following conditions is met:

9 (A) the debtor has ~~authenticated~~ **signed** a security agreement that provides
10 a description of the collateral and, if the security interest covers a life insurance
11 policy, the condition specified in R.S. 10:9-107.1(b) is met, and, if the security
12 interest covers timber to be cut, a description of the land concerned;

13 * * *

14 (C) the collateral is a certificated security in registered form and the security
15 certificate has been delivered to the secured party under R.S. 10:8-301 pursuant to
16 the debtor's security agreement; ~~or~~

17 (D) the collateral is **controllable accounts, controllable electronic records,**
18 **controllable payment intangibles,** deposit accounts, ~~electronic chattel paper~~
19 **electronic documents,** investment property, letter-of-credit rights, ~~electronic~~
20 ~~documents,~~ or a life insurance policy, and the secured party has control under R.S.
21 10:7-106, 9-104, ~~9-105,~~ 9-106, 9-107, ~~or 9-107.1,~~ **or 9-107.3** pursuant to the debtor's
22 security agreement; ~~or~~

23 **(E) the collateral is chattel paper and the secured party has possession**
24 **and control under R.S. 10:9-314.1 pursuant to the debtor's security agreement.**

25 * * *

26 §9-204. After-acquired property; future advances

27 * * *

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

* * *

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

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

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

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

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

* * *

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

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

* * *

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

* * *

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

* * *

1 §9-208. Additional duties of secured party having control of collateral

2 * * *

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

5 (1) a secured party having control of a deposit account under R.S.
6 10:9-104(a)(2) shall send to the bank with which the deposit account is maintained
7 ~~an authenticated statement~~ **a signed record** that releases the bank from any further
8 obligation to comply with instructions originated by the secured party;

9 * * *

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

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

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

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

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

27 (4) a secured party having control of investment property under R.S.
28 10:8-106(d)(2) or 9-106(b) shall send to the securities intermediary or commodity
29 intermediary with which the security entitlement or commodity contract is
30 maintained ~~an authenticated~~ **a signed** record that releases the securities intermediary

1 or commodity intermediary from any further obligation to comply with entitlement
2 orders or directions originated by the secured party;

3 (5) a secured party having control of a letter-of-credit right under R.S. 10:9-
4 107 shall send to each person having an unfulfilled obligation to pay or deliver
5 proceeds of the letter of credit to the secured party ~~an authenticated~~ **a signed** release
6 from any further obligation to pay or deliver proceeds of the letter of credit to the
7 secured party;

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

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

11 ~~(B) if the debtor designates a custodian that is the designated custodian with~~
12 ~~which the authoritative copy of the electronic document is maintained for the secured~~
13 ~~party, communicate to the custodian an authenticated record releasing the designated~~
14 ~~custodian from any further obligation to comply with instructions originated by the~~
15 ~~secured party and instructing the custodian to comply with instructions originated by~~
16 ~~the debtor; and~~

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

21 **a secured party having control under R.S. 10:7-106 of an authoritative**
22 **electronic copy of an electronic document of title shall transfer control of the**
23 **electronic copy to the debtor or a person designated by the debtor;**

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

29 **(8)** a secured party having control of a life insurance policy under R.S. 9-
30 107.1(a)(2) shall send to the insurer that issued the policy ~~an authenticated~~ **a signed**

1 record that releases both the security interest and the insurer's acknowledgment.

2 * * *

3 §9-209. Duties of secured party if account debtor has been notified of assignment

4 * * *

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

11 * * *

12 §9-210. Request for accounting; request regarding list of collateral or statement of
 13 account

14 (a) Definitions. In this Section:

15 * * *

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

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

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

29 (b) Duty to respond to requests. Subject to Subsections (c), (d), (e), and (f)
 30 of this Section, a secured party, other than a buyer of accounts, chattel paper,

1 payment intangibles, or promissory notes or a consignor, shall comply with a request
2 within fourteen days after receipt:

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

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

8 (c) Request regarding list of collateral; statement concerning type of
9 collateral. A secured party that claims a security interest in all of a particular type of
10 collateral owned by the debtor may comply with a request regarding a list of
11 collateral by sending to the debtor ~~an authenticated~~ **a signed** record including a
12 statement to that effect within fourteen days after receipt.

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

18 * * *

19 (e) Request for accounting or regarding statement of account; no interest in
20 obligation claimed. A person that receives a request for an accounting or a request
21 regarding a statement of account, claims no interest in the obligations when it
22 receives the request, and claimed an interest in the obligations at an earlier time shall
23 comply with the request within fourteen days after receipt by sending to the debtor
24 ~~an authenticated~~ **a signed** record:

25 * * *

26 §9-301. Law governing perfection and priority of security interests

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

30 * * *

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

5 * * *

6 §9-304. Law governing perfection and priority of security interests in deposit
7 accounts

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

12 * * *

13 §9-305. Law governing perfection and priority of security interests in investment
14 property

15 (a) Governing law: general rules. Except as otherwise provided in Subsection
16 (c) **of this Section**, the following rules apply:

17 * * *

18 **(5) Paragraphs (2), (3), and (4) of this Subsection apply even if the**
19 **transaction does not bear any relation to the jurisdiction.**

20 * * *

21 **§9-306.1. Law governing perfection and priority of security interests in chattel**
22 **paper**

23 **(a) Chattel paper evidenced by authoritative electronic copy. Except as**
24 **provided in Subsection (d) of this Section, if chattel paper is evidenced only by**
25 **an authoritative electronic copy of the chattel paper or is evidenced by an**
26 **authoritative electronic copy and an authoritative tangible copy, the local law**
27 **of the chattel paper's jurisdiction governs perfection, the effect of perfection or**
28 **nonperfection, and the priority of a security interest in the chattel paper, even**
29 **if the transaction does not bear any relation to the chattel paper's jurisdiction.**

30 **(b) Chattel paper's jurisdiction. The following rules determine the**

1 chattel paper's jurisdiction under this Section:

2 (1) If the authoritative electronic copy of the record evidencing chattel
3 paper, or a record attached to or logically associated with the electronic copy
4 and readily available for review, expressly provides that a particular
5 jurisdiction is the chattel paper's jurisdiction for purposes of this Title, that
6 jurisdiction is the chattel paper's jurisdiction.

7 (2) If Paragraph (1) of this Subsection does not apply and the rules of the
8 system in which the authoritative electronic copy is recorded are readily
9 available for review and expressly provide that a particular jurisdiction is the
10 chattel paper's jurisdiction for purposes of this Title, that jurisdiction is the
11 chattel paper's jurisdiction.

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

17 (4) If Paragraphs (1), (2), and (3) of this Subsection do not apply and the
18 rules of the system in which the authoritative electronic copy is recorded are
19 readily available for review and expressly provide that the chattel paper or the
20 system is governed by the law of a particular jurisdiction, that jurisdiction is the
21 chattel paper's jurisdiction.

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

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

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

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

3 **(d) When perfection governed by law of jurisdiction where debtor**
4 **located. The local law of the jurisdiction in which the debtor is located governs**
5 **perfection of a security interest in chattel paper by filing.**

6 **§9-306.2. Law governing perfection and priority of security interests in**
7 **controllable accounts, controllable electronic records, and**
8 **controllable payment intangibles**

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

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

17 **(1) perfection of a security interest in a controllable account, controllable**
18 **electronic record, or controllable payment intangible by filing; and**

19 **(2) automatic perfection of a security interest in a controllable payment**
20 **intangible created by a sale of the controllable payment intangible.**

21 * * *

22 §9-310. When filing required to perfect security interest or agricultural lien; security
23 interests and agricultural liens to which filing provisions do not apply

24 * * *

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

27 * * *

28 (8) in **controllable accounts, controllable electronic records, controllable**
29 **payment intangibles,** deposit accounts, ~~electronic chattel paper,~~ electronic
30 documents, investment property, letter-of-credit rights, or life insurance policies

1 when the security interest is perfected by control under R.S. 10:9-314;

2 **(8.1) in chattel paper which is perfected by possession and control under**
 3 **R.S. 10:9-314.1;**

4 * * *

5 §9-312. Perfection of security interests in chattel paper, **controllable accounts,**
 6 **controllable electronic records, controllable payment intangibles,**
 7 deposit accounts, **negotiable** documents, goods covered **by**
 8 documents, instruments, investment property, letter-of-credit rights,
 9 money, life insurance policies, and collateral mortgage notes;
 10 perfection by permissive filing; temporary perfection without filing
 11 or transfer of possession

12 (a) Perfection by filing permitted. A security interest in chattel paper,
 13 negotiable documents, **controllable accounts, controllable electronic records,**
 14 **controllable payment intangibles,** instruments other than collateral mortgage notes,
 15 or investment property may be perfected by filing.

16 * * *

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

22 * * *

23 §9-313. When possession by or delivery to secured party perfects security interest
 24 without filing

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

1 10:8-301.

2 * * *

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

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

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

13 (d) Time of perfection by possession; continuation of perfection. If perfection
 14 of a security interest depends upon possession of the collateral by a secured party,
 15 perfection occurs ~~no~~ **not** earlier than the time the secured party takes possession and
 16 continues only while the secured party retains possession.

17 * * *

18 §9-314. Perfection by control

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

25 (b) Specified collateral: time of perfection by control; continuation of
 26 perfection. A security interest in **controllable accounts, controllable electronic**
 27 **records, controllable payment intangibles,** deposit accounts, ~~electronic chattel~~
 28 ~~paper,~~ electronic documents, a life insurance policy, or letter-of-credit rights is
 29 perfected by control under R.S. 10:7-106, 9-104, ~~9-105,~~ 9-107, ~~or 9-107.1,~~ **or 9-**
 30 **107.3** ~~when~~ **not earlier than the time** the secured party obtains control and remains

1 perfected by control only while the secured party retains control.

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

6 * * *

7 §9-314.1. Perfection by possession and control of chattel paper

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

13 (b) Time of perfection; continuation of perfection. A security interest is
 14 perfected under Subsection (a) of this Section not earlier than the time the
 15 secured party takes possession and obtains control and remains perfected under
 16 Subsection (a) of this Section only while the secured party retains possession
 17 and control.

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

21 * * *

22 §9-316. Continued perfection of security interest following change in governing law

23 (a) General rule: effect on perfection of change in governing law. A security
 24 interest perfected pursuant to the law of the jurisdiction designated in R.S.
 25 10:9-301(1), ~~or~~ 9-305(c), 9-306.1(d), or 9-306.2(b) remains perfected until the
 26 earliest of:

27 * * *

28 (f) Change in jurisdiction of chattel paper, controllable electronic record,
 29 bank, issuer, nominated person, securities intermediary, or commodity intermediary.
 30 A security interest in chattel paper, controllable accounts, controllable electronic

1 records, controllable payment intangibles, deposit accounts, letter-of-credit rights,
 2 or investment property which is perfected under the law of the chattel paper's
 3 jurisdiction, the controllable electronic record's jurisdiction, the bank's
 4 jurisdiction, the issuer's jurisdiction, a nominated person's jurisdiction, the securities
 5 intermediary's jurisdiction, or the commodity intermediary's jurisdiction, as
 6 applicable, remains perfected until the earlier of:

7 * * *

8 §9-317. Interests that take priority over or take free of security interest or
 9 agricultural lien

10 * * *

11 (b) Buyers that receive delivery. Except as otherwise provided in Subsection
 12 (e) of this Section, a buyer, other than a secured party, of ~~tangible chattel paper,~~
 13 ~~tangible documents,~~ goods, instruments, **tangible documents**, or **a** certificated
 14 security takes free of a security interest or agricultural lien if the buyer gives value
 15 and receives delivery of the collateral before it is perfected.

16 * * *

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

22 * * *

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

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

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

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

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

9 (i) Buyers of controllable accounts and controllable payment intangibles.
 10 A buyer, other than a secured party, of a controllable account or a controllable
 11 payment intangible takes free of a security interest if, before it is perfected, the
 12 buyer gives value and obtains control of the controllable account or controllable
 13 payment intangible.

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15 In new Subsections (f), (g), (h), and (i) of revised Chapter 9, the revised national U.C.C.
 16 Article 9's requirement of being "without knowledge" is omitted, conforming to existing
 17 Louisiana Subsections (b), (c), and (d). This change is consistent with the Louisiana public
 18 records doctrine, which is predicated on filing and not on knowledge. The Louisiana rule is
 19 that actual knowledge by third parties of an unrecorded interest is immaterial; proper filing
 20 is alone dispositive. See Louisiana Official Revision Comments – 2001. This change also
 21 promotes judicial efficiency by facilitating proof in contested cases.

* * *

§9-323. Future advances

* * *

25 (d) Buyer of goods. Except as otherwise provided in Subsection (e) **of this**
 26 **Section**, a buyer of goods ~~other than a buyer in ordinary course of business~~ takes free
 27 of a security interest to the extent that it secures advances made after the earlier of:

* * *

29 (f) Lessee of goods. Except as otherwise provided in Subsection (g) **of this**
 30 **Section**, a lessee of goods, ~~other than a lessee in ordinary course of business~~, takes
 31 the leasehold interest free of a security interest to the extent that it secures advances
 32 made after the earlier of:

* * *

1 §9-324. Priority of purchase-money security interests

2 * * *

3 (b) Inventory purchase-money priority. Subject to Subsection (c) **of this**
 4 **Section** and except as otherwise provided in Subsection (g) **of this Section**, a
 5 perfected purchase-money security interest in inventory has priority over a
 6 conflicting security interest in the same inventory, has priority over a conflicting
 7 security interest in chattel paper or an instrument constituting proceeds of the
 8 inventory and in proceeds of the chattel paper, if so provided in R.S. 10:9-330, and,
 9 except as otherwise provided in R.S. 10:9-327, also has priority in identifiable cash
 10 proceeds of the inventory to the extent the identifiable cash proceeds are received on
 11 or before the delivery of the inventory to a buyer, if:

12 * * *

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

15 * * *

16 (d) Livestock purchase-money priority. Subject to Subsection (e) **of this**
 17 **Section** and except as otherwise provided in Subsection (g) **of this Section**, a
 18 perfected purchase-money security interest in livestock that are farm products has
 19 priority over a conflicting security interest in the same livestock, and, except as
 20 otherwise provided in R.S. 10:9-327, a perfected security interest in their identifiable
 21 proceeds and identifiable products in their unmanufactured states also has priority,
 22 if:

23 * * *

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

26 * * *

27 **§9-326.1. Priority of security interest in controllable account, controllable**
 28 **electronic record, and controllable payment intangible**

29 **A security interest in a controllable account, controllable electronic**
 30 **record, or controllable payment intangible held by a secured party having**

1 control of the account, electronic record, or payment intangible has priority
 2 over a conflicting security interest held by a secured party that does not have
 3 control.

4 * * *

5 §9-330. Priority of ~~purchase~~ **purchaser** of chattel paper or instrument

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

9 (1) in good faith and in the ordinary course of the purchaser's business, the
 10 purchaser gives new value ~~and~~, takes possession of **each authoritative tangible**
 11 **copy of the record evidencing** the chattel paper ~~or~~, **and** obtains control of **under**
 12 **R.S. 10:9-105 of each authoritative electronic copy of the record evidencing** the
 13 chattel paper ~~under R.S. 10:9-105~~; and

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

17 (b) Purchaser's priority: other security interests. A purchaser of chattel paper
 18 has priority over a security interest in the chattel paper which is claimed other than
 19 merely as proceeds of inventory subject to a security interest if the purchaser gives
 20 new value, ~~and~~ takes possession of **each authoritative tangible copy of the record**
 21 **evidencing** the chattel paper ~~or~~, **and** obtains control of **under R.S. 10:9-105 of each**
 22 **authoritative electronic copy of the record evidencing** the chattel paper ~~under R.S.~~
 23 ~~10:9-105~~ in good faith, in the ordinary course of the purchaser's business, and
 24 without knowledge that the purchase violates the rights of the secured party.

25 * * *

26 (f) Indication of assignment gives knowledge. For purposes of Subsections
 27 (b) and (d) **of this Section**, if **the authoritative copies of the record evidencing**
 28 chattel paper or an instrument ~~indicates that it~~ **indicate that the chattel paper or**
 29 **instrument** has been assigned to an identified secured party other than the purchaser,
 30 a purchaser of the chattel paper or instrument has knowledge that the purchase

1 violates the rights of the secured party.

2 §9-331. Priority of rights of purchasers of **controllable accounts, controllable**
 3 **electronic records, controllable payment intangibles,** instruments,
 4 documents, **instruments,** and securities under other Chapters;
 5 priority of interests in financial assets and security entitlements **and**
 6 **protection against assertion of claim** under ~~Chapter 8~~ **Chapters 8**
 7 **and 12 of this Title**

8 (a) Rights under Chapters 3, 7, ~~and 8~~ **8, and 12 of this Title** not limited. This
 9 Chapter does not limit the rights of a holder in due course of a negotiable instrument,
 10 a holder to which a negotiable document of title has been duly negotiated, ~~or~~ a
 11 protected purchaser of a security, **or a qualifying purchaser of a controllable**
 12 **account, controllable electronic record, or controllable payment intangible.**
 13 These holders or purchasers take priority over an earlier security interest, even if
 14 perfected, to the extent provided in Chapters 3, 7, ~~and 8~~ **8, and 12 of this Title.**

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

19 * * *

20 §9-332. Transfer of money; transfer of funds from deposit account

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

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

29 * * *

30 §9-334. Priority of security interests in fixtures and crops

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* * *

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

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

* * *

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

Except as otherwise provided in R.S. 10:9-340(c), 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:

* * *

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

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

* * *

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

* * *

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

(a) Discharge of account debtor; effect of notification. Subject to Subsections (b) through (i) **and (l) of this Section** and R.S. 10:9-411, an account debtor on an account, chattel paper, or a payment intangible may discharge its obligation by

1 paying the assignor until, but not after, the account debtor receives a notification,
 2 ~~authenticated~~ **signed** by the assignor or the assignee, that the amount due or to
 3 become due has been assigned and that payment is to be made to the assignee. After
 4 receipt of the notification, the account debtor may discharge its obligation by paying
 5 the assignee and may not discharge the obligation by paying the assignor.

6 (b) When notification ineffective. Subject to ~~Subsection (h)~~ **Subsections (h)**
 7 **and (l) of this Section**, notification is ineffective under Subsection (a) **of this**
 8 **Section**:

9 * * *

10 (c) Proof of assignment. Subject to ~~Subsection (h)~~ **Subsections (h) and (l)**
 11 **of this Section**, if requested by the account debtor, an assignee shall seasonably
 12 furnish reasonable proof that the assignment has been made. Unless the assignee
 13 complies, the account debtor may discharge its obligation by paying the assignor,
 14 even if the account debtor has received a notification under Subsection (a) **of this**
 15 **Section**.

16 (d) Term restricting assignment generally ineffective. **In this Subsection,**
 17 **"promissory note" includes a negotiable instrument that evidences chattel**
 18 **paper**. Except as otherwise provided in ~~Subsection~~ **Subsections (e), (i), and (k) of**
 19 **this Section** and R.S. 10:9-407 and ~~R.S. 10:9-410~~ **9-410**, and subject to Subsection
 20 (h) **of this Section**, a term in an agreement between an account debtor and an
 21 assignor or in a promissory note is ineffective to the extent that it:

22 * * *

23 (g) Subsection (b)(3) not waivable. Subject to ~~Subsection (h)~~ **Subsections (h)**
 24 **and (l) of this Section**, an account debtor may not waive or vary its option under
 25 Subsection (b)(3) **of this Section**.

26 * * *

27 **(l) Inapplicability of certain Subsections. Subsections (a), (b), (c), and (g)**
 28 **of this Section do not apply to a controllable account or controllable payment**
 29 **intangible**.

30 * * *

1 Louisiana Official Revision Comments - 2024

2 The reference to Subsection (k) in Subsection (d) is intentional, even though the
 3 Subsection (k) in Louisiana Chapter 9 is non-uniform and completely different from the
 4 Subsection (k) in revised national U.C.C. Article 9.

5 * * *

6 §9-408. Restrictions on assignment of promissory notes, health-care-insurance
 7 receivables, and certain general intangibles ineffective

8 * * *

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

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

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

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

17 * * *

18 §9-412. Discharge of tortfeasor; notification and filing of assignment

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

26 * * *

27 §9-509. Persons entitled to file a record

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

31 (1) the debtor authorizes the filing in ~~an authenticated~~ a signed record or

1 pursuant to Subsection (b) or (c) of this Section; or

2 * * *

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

6 * * *

7 §9-513. Termination statement

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

12 * * *

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

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

21 * * *

22 §9-601. Rights after default; judicial enforcement; consignor or buyer of accounts,
23 chattel paper, payment intangibles, or promissory notes

24 * * *

25 (b) Rights and duties of secured party in possession or control. A secured
26 party in possession of collateral or control of collateral under R.S. 10:7-106, 9-104,
27 9-105, 9-106, 9-107, ~~or 9-107.1~~, or 9-107.3 has the rights and duties provided in R.S.
28 10:9-207.

29 * * *

30 §9-605. Unknown debtor or secondary obligor

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

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

5 (A) that the person is a debtor or obligor;

6 (B) the identity of the person; and

7 (C) how to communicate with the person; or

8 (2) to a secured party or lienholder that has filed a financing statement against
9 a person, unless the secured party knows:

10 (A) that the person is a debtor; and

11 (B) the identity of the person.

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

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

18 **(2) the secured party knows that the information in Subparagraph**
19 **(a)(1)(A), (B), or (C) of this Section relating to the person is not provided by the**
20 **collateral, a record attached to or logically associated with the collateral, or the**
21 **system in which the collateral is recorded.**

22 * * *

23 §9-608. Application of proceeds of collection or enforcement; liability for
24 deficiency and right to surplus

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

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

30 * * *

1 (C) the satisfaction of obligations secured by any subordinate security interest
2 in or lien on the collateral subject to the security interest or agricultural lien under
3 which the collection or enforcement is made if the secured party receives ~~an~~
4 ~~authenticated~~ **a signed** demand for proceeds before distribution of the proceeds is
5 completed.

6 * * *

7 §9-611. Notification before disposition of collateral

8 (a) "Notification date." In this Section, "notification date" means the earlier
9 of the date on which:

10 (1) a secured party sends to the debtor and any secondary obligor ~~an~~
11 ~~authenticated~~ **a signed** notification of disposition; or

12 * * *

13 (b) Notification of disposition required. Except as otherwise provided in
14 Subsection (d) **of this Section**, a secured party that disposes of collateral under R.S.
15 10:9-610 shall send to the persons specified in Subsection (c) **of this Section** a
16 reasonable ~~authenticated~~ **signed** notification of disposition.

17 (c) Persons to be notified. To comply with Subsection (b) **of this Section**, the
18 secured party shall send ~~an authenticated~~ **a signed** notification of disposition to:

19 * * *

20 (3) if the collateral is other than consumer goods:

21 (A) any other person from which the secured party has received, before the
22 notification date, ~~an authenticated~~ **a signed** notification of a claim of an interest in
23 the collateral;

24 * * *

25 (e) Compliance with ~~Subsection~~ **Subparagraph** (c)(3)(B). A secured party
26 complies with the requirement for notification prescribed by ~~Subsection~~
27 **Subparagraph** (c)(3)(B) **of this Section** if:

28 * * *

29 (2) before the notification date, the secured party:

30 * * *

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

4 * * *

5 §9-613. Contents and form of notification before disposition of collateral: general

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

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

10 (A) describes the debtor and the secured party;

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

12 (C) states the method of intended disposition;

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

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

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

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

23 (A) information not specified by that Paragraph; or

24 (B) minor errors that are not seriously misleading.

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

26 (5) The following form of notification and the form appearing in R.S.
 27 ~~10:9-614(3)~~ **10:9-614(a)(3)**, when completed **in accordance with the instructions**
 28 **in Subsection (b) of this Section and R.S. 10:9-614(b)**, each provides sufficient
 29 information:

30 ~~NOTIFICATION OF DISPOSITION OF COLLATERAL~~

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

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

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

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

5 We will sell ~~[or lease or license, as applicable]~~ the ~~[describe collateral]~~ to

6 ~~[the highest qualified bidder]~~ in public as follows:

7 Day and Date:

8 Time:

9 Place:

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

11 We will sell ~~[or lease or license, as applicable]~~ the ~~[describe collateral]~~

12 ~~privately sometime after [day and date].~~

13 You are entitled to an ~~accounting of the unpaid indebtedness secured by the~~

14 ~~property that we intend to sell [or lease or license, as applicable] [for a charge of~~

15 ~~\$_____]. You may request an accounting by calling us at [telephone number]~~

16 ~~[End of Form]~~

17 NOTIFICATION OF DISPOSITION OF COLLATERAL

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

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

20 {1} Name of any debtor that is not an addressee: (Name of each debtor)

21 {2} We will sell (describe collateral) (to the highest qualified bidder) at

22 public sale. A sale could include a lease or license. The sale will be held as

23 follows:

24 (Date)

25 (Time)

26 (Place)

27 {3} We will sell (describe collateral) at private sale sometime after (date).

28 A sale could include a lease or license.

29 {4} You are entitled to an accounting of the unpaid indebtedness secured

30 by the property that we intend to sell or, as applicable, lease or license.

1 {5} If you request an accounting, you must pay a charge of \$ (amount).

2 {6} You may request an accounting by calling us at (telephone number).

3 [End of Form]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 ~~NOTICE OF OUR PLAN TO SELL PROPERTY~~

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

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

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

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

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

11 ~~Date:~~

12 ~~Time:~~

13 ~~Place:~~

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

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

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

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

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

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

30 ~~If you need more information about the sale call us at [telephone number] [or~~

1 write us at [*secured party's address*].

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

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

5 [End of Form]

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

7 **(Date)**

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

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

10 **Subject: (Identify transaction)**

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

13 **{1} We will sell (describe collateral) at public sale. A sale could include**
14 **a lease or license. The sale will be held as follows:**

15 **(Date)**

16 **(Time)**

17 **(Place)**

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

19 **{2} We will sell (describe collateral) at private sale sometime after (date).**

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

21 **{3} The money that we get from the sale, after paying our costs, will**
22 **reduce the amount you owe. If we get less money than you owe, you (will or will**
23 **not, as applicable) still owe us the difference. If we get more money than you**
24 **owe, you will get the extra money, unless we must pay it to someone else.**

25 **{4} You can get the property back at any time before we sell it by paying**
26 **us the full amount you owe, not just the past due payments, including our**
27 **expenses. To learn the exact amount you must pay, call us at (telephone**
28 **number).**

29 **{5} If you want us to explain to you in (writing) (writing or in**
30 **(description of electronic record)) (description of electronic record) how we**

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

6 {8} We will charge you \$ (amount) for the explanation if we sent you
7 another written explanation of the amount you owe us within the last six
8 months.

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

12 {10} We are sending this notice to the following other people who have
13 an interest in (describe collateral) or who owe money under your agreement:
14 (Names of all other debtors and obligors, if any)

15 [End of Form]

16 (b) Instructions for form of notification. The following instructions apply
17 to the form of notification in Paragraph (a)(3) of this Section:

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

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

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

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

29 (5) In item {6}, include the telephone number. In addition, the sender
30 may include and complete either or both of the two additional alternative

1 methods of communication—writing or electronic communication—for the
 2 recipient of the notification to communicate with the sender. Neither of the two
 3 additional methods of communication is required to be included.

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

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

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

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

17 ~~(4)~~**(10)** A notification in the form of ~~Paragraph (3)~~ **Paragraph (a)(3) of this**
 18 **Section** is sufficient, even if additional information appears at the end of the form.

19 ~~(5)~~**(11)** A notification in the form of ~~Paragraph (3)~~ **Paragraph (a)(3) of this**
 20 **Section** is sufficient, even if it includes errors in information not required by
 21 ~~Paragraph (1)~~ **Paragraph (a)(1) of this Section**, unless the error is misleading with
 22 respect to rights arising under this Chapter.

23 ~~(6)~~**(12)** If a notification under this Section is not in the form of ~~Paragraph (3)~~
 24 **Paragraph (a)(3) of this Section**, law other than this Chapter determines the effect
 25 of including information not required by ~~Paragraph (1)~~ **Paragraph (a)(1) of this**
 26 **Section**.

27 §9-615. Application of proceeds of disposition; liability for deficiency and right to
 28 surplus

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

1 order to:

2 * * *

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

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

8 * * *

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

12 * * *

13 §9-616. Explanation of calculation of surplus or deficiency

14 (a) Definitions. In this Section:

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

16 * * *

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

19 * * *

20 (2) "Request" means a record:

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

22 * * *

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

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

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

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

* * *

§9-619. Transfer of record or legal title

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

* * *

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

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

* * *

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

* * *

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

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

* * *

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

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

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

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

* * *

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

* * *

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

* * *

§9-621. Notification of proposal to accept collateral

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

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

* * *

§9-624. Waiver

(a) Waiver of disposition notification. A debtor or secondary obligor may waive the right to notification of disposition of collateral under R.S. 10:9-611 only by an agreement to that effect entered into and ~~authenticated~~ **signed** after default.

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

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

1 default.

2 * * *

3 §9-628. Nonliability and limitation on liability of secured party; liability of
4 secondary obligor

5 (a) Limitation of liability of secured party for noncompliance with Chapter.

6 ~~Unless~~ **Subject to Subsection (f) of this Section, unless** a secured party knows that
7 a person is a debtor or obligor, knows the identity of the person, and knows how to
8 communicate with the person:

9 * * *

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

13 * * *

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

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

21 **(2) the secured party knows that the information in Subparagraph**
22 **(b)(1)(A), (B), or (C) of this Section relating to the person is not provided by the**
23 **collateral, a record attached to or logically associated with the collateral, or the**
24 **system in which the collateral is recorded.**

25 §9-629. Judicial proceedings; authentic evidence

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

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

30 (2) The negotiation, assignment, pledge, or other transfer in whole or in part

1 of an obligation or of any right therein or thereto secured by a security interest may
 2 be proven by any record ~~authenticated~~ **signed** by the secured party or any person
 3 entitled to effect such a transfer, and such record shall be deemed authentic for
 4 purposes of executory process.

5 * * *

6 CHAPTER 12. CONTROLLABLE ELECTRONIC RECORDS

7 §12-101. Title

8 This Chapter may be cited as Uniform Commercial Code—Controllable
 9 Electronic Records.

10 §12-102. Definitions

11 (a) Chapter 12 definitions. In this Chapter:

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

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

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

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

29 (B) R.S. 9:2616(A).

30 (4) "Value" has the meaning provided in R.S. 10:3-303(a), as if

1 references in that Subsection to an "instrument" were references to a
 2 controllable account, controllable electronic record, or controllable payment
 3 intangible.

4 (b) Definitions in Chapter 9. As provided in Chapter 9 of this Title, the
 5 definitions of "account debtor", "controllable account", "controllable payment
 6 intangible", "chattel paper", "deposit account", and "investment property"
 7 apply to this Chapter.

8 (c) Chapter 1 definitions and principles. Chapter 1 of this Title contains
 9 general definitions and principles of construction and interpretation applicable
 10 throughout this Chapter.

11 Louisiana Official Revision Comments – 2024

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

24 **§12-103. Relation to Chapter 9 and consumer laws**

25 **(a) Chapter 9 governs in case of conflict. If there is conflict between this**
 26 **Chapter and Chapter 9 of this Title, Chapter 9 governs.**

27 **(b) Applicable consumer law and other laws. A transaction subject to**
 28 **this Chapter is subject to any applicable statute or regulation that establishes**
 29 **a different rule for consumers and any other statute or regulation that regulates**
 30 **the rates, charges, agreements, and practices for loans or other extensions of**
 31 **credit.**

32 Louisiana Official Revision Comments – 2024

33 (a) Subsection (b) varies from revised national U.C.C. Article 12 by replacing the
 34 phrase "rule of law" as used in U.C.C. Article 12 with the term "statute or regulation." The
 35 phrase "rule of law" is of common law origin and carries connotations not applicable in
 36 Louisiana. The sources of law in Louisiana are legislation and custom. Civil Code Article
 37 1. To the extent the phrase "rule of law" includes jurisprudential precedent as opposed to
 38 legislation, it is rejected. See *Doerr v. Mobil Oil Corp.*, 774 So. 2d 119 (La. 2000)

1 (Louisiana civilian tradition does not recognize the doctrine of *stare decisis*; judicial
2 decisions are not intended to be an authoritative source of law in Louisiana).

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

9 **§12-104. Rights in controllable account, controllable electronic record, and**
10 **controllable payment intangible**

11 **(a) Applicability of Section to controllable account and controllable**
12 **payment intangible. This Section applies to the acquisition and purchase of**
13 **rights in a controllable account or controllable payment intangible, including**
14 **the rights and benefits under Subsections (c), (d), (e), (g), and (h) of this Section**
15 **of a purchaser and qualifying purchaser, in the same manner this Section**
16 **applies to a controllable electronic record.**

17 **(b) Control of controllable account and controllable payment intangible.**
18 **To determine whether a purchaser of a controllable account or a controllable**
19 **payment intangible is a qualifying purchaser, the purchaser obtains control of**
20 **the account or payment intangible if it obtains control of the controllable**
21 **electronic record that evidences the account or payment intangible.**

22 **(c) Applicability of other law to acquisition of rights. Except as provided**
23 **in this Section, law other than this Chapter determines whether a person**
24 **acquires a right in a controllable electronic record and the right the person**
25 **acquires.**

26 **(d) Shelter principle and purchase of limited interest. A purchaser of a**
27 **controllable electronic record acquires all rights in the controllable electronic**
28 **record that the transferor had or had power to transfer, except that a purchaser**
29 **of a limited interest in a controllable electronic record acquires rights only to**
30 **the extent of the interest purchased.**

31 **(e) Rights of qualifying purchaser. A qualifying purchaser acquires its**
32 **rights in the controllable electronic record free of a claim of a property right in**
33 **the controllable electronic record.**

1 (f) Limitation of rights of qualifying purchaser in other property. Except
2 as provided in Subsections (a) and (e) of this Section for a controllable account
3 and a controllable payment intangible or law other than this Chapter, a
4 qualifying purchaser takes a right to payment, right to performance, or other
5 interest in property evidenced by the controllable electronic record subject to
6 a claim of a property right in the right to payment, right to performance, or
7 other interest in property.

8 (g) No-action protection for qualifying purchaser. An action may not be
9 asserted against a qualifying purchaser based on both a purchase by the
10 qualifying purchaser of a controllable electronic record and a claim of a
11 property right in another controllable electronic record, whether the action is
12 framed in conversion, replevin, constructive trust, equitable lien, or other
13 theory.

14 (h) Filing not notice. Filing of a financing statement under Chapter 9 of
15 this Title is not notice of a claim of a property right in a controllable electronic
16 record.

17 §12-105. Control of controllable electronic record

18 (a) General rule: control of controllable electronic record. A person has
19 control of a controllable electronic record if the electronic record, a record
20 attached to or logically associated with the electronic record, or a system in
21 which the electronic record is recorded:

22 (1) gives the person:

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

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

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

28 (ii) transfer control of the electronic record to another person or cause
29 another person to obtain control of another controllable electronic record as a
30 result of the transfer of the electronic record; and

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

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

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

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

12 (c) When power not shared with another person. A power of a person is
13 not shared with another person under Paragraph (b)(2) of this Section and the
14 person's power is not exclusive if:

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

17 (2) the other person:

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

19 or

20 (B) is the transferor to the person of an interest in the controllable
21 electronic record or a controllable account or controllable payment intangible
22 evidenced by the controllable electronic record.

23 (d) Presumption of exclusivity of certain powers. If a person has the
24 powers specified in Items (a)(1)(B)(i) and (ii) of this Section, the powers are
25 presumed to be exclusive.

26 (e) Control through another person. A person has control of a
27 controllable electronic record if another person, other than the transferor to the
28 person of an interest in the controllable electronic record or a controllable
29 account or controllable payment intangible evidenced by the controllable
30 electronic record:

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

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

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

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

13 §12-106. Discharge of account debtor on controllable account or controllable
14 payment intangible

15 (a) Discharge of account debtor. An account debtor on a controllable
16 account or controllable payment intangible may discharge its obligation by
17 paying:

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

20 (2) except as provided in Subsection (b) of this Section, a person that
21 formerly had control of the controllable electronic record.

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

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

28 (2) reasonably identifies the controllable account or controllable
29 payment intangible;

30 (3) notifies the account debtor that control of the controllable electronic

1 record that evidences the controllable account or controllable payment
2 intangible was transferred;

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

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

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

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

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

18 (2) to the extent an agreement between the account debtor and seller of
19 a payment intangible limits the account debtor's duty to pay a person other than
20 the seller and the limitation is effective under law other than this Chapter; or

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

23 (A) divide a payment;

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

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

28 (e) Proof of transfer of control. Subject to Subsection (h) of this Section,
29 if requested by the account debtor, the person giving the notification under
30 Subsection (b) of this Section seasonably shall furnish reasonable proof, using

1 the method in the agreement referred to in Paragraph (d)(1) of this Section, that
 2 control of the controllable electronic record has been transferred. Unless the
 3 person complies with the request, the account debtor may discharge its
 4 obligation by paying a person that formerly had control, even if the account
 5 debtor has received a notification under Subsection (b) of this Section.

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

10 (1) avail itself of substantially all the benefit from the controllable
 11 electronic record;

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

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

16 (g) Rights not waivable. Subject to Subsection (h) of this Section, an
 17 account debtor may not waive or vary its rights under Paragraph (d)(1) and
 18 Subsection (e) of this Section or its option under Paragraph (d)(3) of this
 19 Section.

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

24 §12-107. Governing law

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

28 (b) Governing law: R.S. 10:12-106. For a controllable electronic record
 29 that evidences a controllable account or controllable payment intangible, the
 30 local law of the controllable electronic record's jurisdiction governs a matter

1 covered by R.S. 10:12-106 unless an effective agreement determines that the
2 local law of another jurisdiction governs.

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

5 (1) If the controllable electronic record, or a record attached to or
6 logically associated with the controllable electronic record and readily available
7 for review, expressly provides that a particular jurisdiction is the controllable
8 electronic record's jurisdiction for purposes of this Chapter or this Title, that
9 jurisdiction is the controllable electronic record's jurisdiction.

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

15 (3) If Paragraphs (1) and (2) of this Subsection do not apply and the
16 controllable electronic record, or a record attached to or logically associated
17 with the controllable electronic record and readily available for review,
18 expressly provides that the controllable electronic record is governed by the law
19 of a particular jurisdiction, that jurisdiction is the controllable electronic
20 record's jurisdiction.

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

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

28 (d) Applicability of Article 12. If Paragraph (c)(5) of this Section applies
29 and Article 12 is not in effect in the District of Columbia without material
30 modification, the governing law for a matter covered by this Chapter is the law

1 of the District of Columbia as though Article 12 were in effect in the District of
 2 Columbia without material modification. In this Subsection, "Article 12" means
 3 Article 12 of Uniform Commercial Code Amendments (2022).

4 (e) Relation of matter or transaction to controllable electronic record's
 5 jurisdiction not necessary. To the extent Subsections (a) and (b) of this Section
 6 provide that the local law of the controllable electronic record's jurisdiction
 7 governs a matter covered by this Chapter, that law governs even if the matter
 8 or a transaction to which the matter relates does not bear any relation to the
 9 controllable electronic record's jurisdiction.

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

13 CHAPTER 13. TRANSITIONAL PROVISIONS FOR UNIFORM

14 COMMERCIAL CODE AMENDMENTS

15 PART 1. GENERAL PROVISIONS AND DEFINITIONS

16 §13-101. Title

17 This Chapter may be cited as "Transitional Provisions for Uniform
 18 Commercial Code Amendments".

19 §13-102. Definitions

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

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

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

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

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

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

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

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

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

1 (c) Chapter 1 definitions and principles. Chapter 1 of this Title contains
 2 general definitions and principles of construction and interpretation applicable
 3 throughout this Chapter.

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

8 PART 2. GENERAL TRANSITIONAL PROVISION

9 §13-201. Saving clause

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

16 PART 3. TRANSITIONAL PROVISIONS FOR
 17 CHAPTERS 9 AND 12

18 §13-301. Saving clause

19 (a) Pre-effective-date transaction, lien, or interest. Except as provided in
 20 this Part, Chapter 9 of this Title as amended by this Act and Chapter 12 of this
 21 Title apply to a transaction, lien, or other interest in property, even if the
 22 transaction, lien, or interest was entered into, created, or acquired before the
 23 effective date of this Act.

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

26 (1) a transaction, lien, or interest in property that was validly entered
 27 into, created, or transferred before the effective date of this Act and was not
 28 governed by this Title, but would be subject to Chapter 9 of this Title as
 29 amended by this Act or Chapter 12 of this Title if it had been entered into,
 30 created, or transferred on or after the effective date of this Act, including the

1 rights, duties, and interests flowing from the transaction, lien, or interest,
 2 remains valid on and after the effective date of this Act; and

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

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

8 §13-302. Security interest perfected before effective date

9 (a) Continuing perfection: perfection requirements satisfied. A security
 10 interest that is enforceable and perfected immediately before the effective date
 11 of this Act is a perfected security interest under this Act if, on the effective date
 12 of this Act, the requirements for enforceability and perfection under this Act
 13 are satisfied without further action.

14 (b) Continuing perfection: enforceability or perfection requirements not
 15 satisfied. If a security interest is enforceable and perfected immediately before
 16 the effective date of this Act, but the requirements for enforceability or
 17 perfection under this Act are not satisfied on the effective date of this Act, the
 18 security interest:

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

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

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

28 §13-303. Security interest unperfected before effective date

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

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

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

5 **(3) becomes perfected:**

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

8 **or**

9 **(B) when the requirements for perfection are satisfied if the**
 10 **requirements are satisfied after that time.**

11 **§13-304. Effectiveness of actions taken before effective date**

12 **(a) Pre-effective-date action; attachment and perfection before**
 13 **adjustment date. If action, other than the filing of a financing statement, is**
 14 **taken before the effective date of this Act and the action would have resulted in**
 15 **perfection of the security interest had the security interest become enforceable**
 16 **before the effective date of this Act, the action is effective to perfect a security**
 17 **interest that attaches under this Act before the adjustment date. An attached**
 18 **security interest becomes unperfected on the adjustment date unless the security**
 19 **interest becomes a perfected security interest under this Act before the**
 20 **adjustment date.**

21 **(b) Pre-effective-date filing. The filing of a financing statement before the**
 22 **effective date of this Act is effective to perfect a security interest on the effective**
 23 **date of this Act to the extent the filing would satisfy the requirements for**
 24 **perfection under this Act.**

25 **(c) Pre-effective-date enforceability action. The taking of an action**
 26 **before the effective date of this Act is sufficient for the enforceability of a**
 27 **security interest on the effective date of this Act if the action would satisfy the**
 28 **requirements for enforceability under this Act.**

29 **§13-305. Priority**

30 **(a) Determination of priority. Subject to Subsections (b) and (c) of this**

1 Section, this Act determines the priority of conflicting claims to collateral.

2 (b) Established priorities. Subject to Subsection (c) of this Section, if the
3 priorities of claims to collateral were established before the effective date of this
4 Act, Chapter 9 of this Title as in effect before the effective date of this Act
5 determines priority.

6 (c) Determination of certain priorities on adjustment date. On the
7 adjustment date, to the extent the priorities determined by Chapter 9 of this
8 Title as amended by this Act modify the priorities established before the
9 effective date of this Act, the priorities of claims to Chapter 12 property
10 established before the effective date of this Act cease to apply.

11 §13-306. Priority of claims when priority rules of Chapter 9 do not apply

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

16 (b) Established priorities. Subject to Subsection (c) of this Section, when
17 the priority rules of Chapter 9 of this Title as amended by this Act do not apply
18 and the priorities of claims to Chapter 12 property were established before the
19 effective date of this Act, law other than Chapter 12 of this Title determines
20 priority.

21 (c) Determination of certain priorities on adjustment date. When the
22 priority rules of Chapter 9 of this Title as amended by this Act do not apply, to
23 the extent the priorities determined by this Act modify the priorities established
24 before the effective date of this Act, the priorities of claims to Chapter 12
25 property established before the effective date of this Act cease to apply on the
26 adjustment date.

27 Section 2. The Louisiana Legislature confirms and reiterates the reasons for and the
28 judgment expressed in House Concurrent Resolution No. 71 of the 2023 Regular Session of
29 the Legislature that the United States Congress not support legislation, or other efforts,
30 relating to the adoption of a central bank digital currency in the United States. Nothing in

1 this Act shall be construed to support, encourage, facilitate, or implement a central bank
2 digital currency in the United States.

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

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____