



SPONSOR: Sen. Gay & Sen. Mantzavinos & Rep. Bush
Sen. Pettyjohn

DELAWARE STATE SENATE
152nd GENERAL ASSEMBLY

SENATE BILL NO. 157

AN ACT TO AMEND TITLE 6 OF THE DELAWARE CODE RELATING TO UNIFORM COMMERCIAL CODE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend § 1-201, Title 6 of the Delaware Code by making deletions as shown by strike through and
2 insertions as shown by underline as follows:

3 § 1-201. General definitions.

4 (b) Subject to definitions contained in other articles of the Uniform Commercial Code that apply to particular
5 articles or parts thereof:

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

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

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

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

17 (16A) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical,
18 electromagnetic, or similar capabilities.

19 (21) "Holder" means:

20 (A) The person in possession of a negotiable instrument that is payable either to bearer or to an identified
21 person that is the person in possession; ~~or~~

22 (B) The person in possession of a negotiable tangible document of title if the goods are deliverable either
23 to bearer or to the order of the person in possession; or

24 (C) The person in ~~control~~ control, other than pursuant to Section 7-106(g), of a negotiable electronic
25 document of title.

26 (24) "Money" means a medium of exchange that is currently authorized or adopted by a domestic or foreign
27 government. The term includes a monetary unit of account established by an intergovernmental organization or by
28 organization, or pursuant to an agreement between two or more countries. The term does not include an electronic
29 record that is a medium of exchange recorded and transferable in a system that existed and operated for the medium of
30 exchange before the medium of exchange was authorized or adopted by the government.

31 (27) "Person" means an individual, corporation, business trust, statutory trust, estate, trust, partnership, limited
32 liability company, association, joint venture, government, governmental subdivision, agency, or instrumentality, ~~public~~
33 ~~corporation~~, any other legal or commercial entity, or any series of any of the foregoing.

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

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

39 (B) ~~In any other way to cause to be received any record or notice within the time it would have arrived if~~
40 ~~properly sent. To cause the record or notification to be received within the time it would have been received if~~
41 properly sent under subparagraph (A).

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

44 (A) Execute or adopt a tangible symbol; or

45 (B) Attach to or logically associate with the record an electronic symbol, sound, or process.

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

47 Section 2. Amend § 1-204, Title 6 of the Delaware Code by making deletions as shown by strike through and
48 insertions as shown by underline as follows:

49 § 1-204. Value.

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

52 Section 3. Amend § 1-301, Title 6 of the Delaware Code by making deletions as shown by strike through and
53 insertions as shown by underline as follows:

54 § 1-301. Territorial applicability; parties' power to choose applicable law.

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

57 (7) Sections 9-301 through ~~9-307~~; 9-307;

58 (8) Section 12-107.

59 Section 4. Amend § 1-306, Title 6 of the Delaware Code by making deletions as shown by strike through and
60 insertions as shown by underline as follows:

61 § 1-306. Waiver or renunciation of claim or right after breach.

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

64 Section 5. Amend § 2-102, Title 6 of the Delaware Code by making deletions as shown by strike through and
65 insertions as shown by underline as follows:

66 § 2-102. Scope; certain security and other transactions excluded from this article.

67 ~~Unless the context otherwise requires, this Article applies to transactions in goods; it does not apply to any~~
68 ~~transaction which although in the form of an unconditional contract to sell or present sale is intended to operate only as a~~
69 ~~security transaction nor does this Article impair or repeal any statute regulating sales to consumers, farmers or other~~
70 ~~specified classes of buyers.~~

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

73 (2) In a hybrid transaction:

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

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

80 (3) This Article does not:

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

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

84 Section 6. Amend § 2-106, Title 6 of the Delaware Code by making deletions as shown by strike through and
85 insertions as shown by underline as follows:

86 § 2-106. Definitions: “contract”; “agreement”; “contract for sale”; “sale”; “present sale”; “conforming” to
87 contract; “termination”; ~~“cancellation.”~~ “Cancellation”; “Hybrid Transaction”.

88 (5) “Hybrid transaction” means a single transaction involving a sale of goods and:

89 (a) the provision of services;

90 (b) a lease of other goods; or

91 (c) a sale, lease, or license of property other than goods.

92 Section 7. Amend § 2-201, Title 6 of the Delaware Code by making deletions as shown by strike through and
93 insertions as shown by underline as follows:

94 § 2-201. Formal requirements; statute of frauds.

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

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

105 (3) A contract which does not satisfy the requirements of subsection (1) but which is valid in other respects is
106 ~~enforceable.~~ enforceable:

107 (a) if the goods are to be specially manufactured for the buyer and are not suitable for sale to others in the
108 ordinary course of the seller’s business and the seller, before notice of repudiation is received and under circumstances
109 which reasonably indicate that the goods are for the buyer, has made either a substantial beginning of their manufacture
110 or commitments for their procurement; or

111 (b) if the party against whom enforcement is sought admits in his or her pleading, testimony or otherwise in
112 court that a contract for sale was made, but the contract is not enforceable under this provision beyond the quantity of
113 goods admitted; or

114 (c) with respect to goods for which payment has been made and accepted or which have been received and
115 accepted (Section 2-606).

116 Section 8. Amend § 2-202, Title 6 of the Delaware Code by making deletions as shown by strike through and
117 insertions as shown by underline as follows:

118 § 2-202. Final ~~written~~ expression: parol or extrinsic evidence.

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

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

125 Section 9. Amend § 2-203, Title 6 of the Delaware Code by making deletions as shown by strike through and
126 insertions as shown by underline as follows:

127 § 2-203. Seals inoperative.

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

131 Section 10. Amend § 2-205, Title 6 of the Delaware Code by making deletions as shown by strike through and
132 insertions as shown by underline as follows:

133 § 2-205. Firm offers.

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

138 Section 11. Amend § 2-209, Title 6 of the Delaware Code by making deletions as shown by strike through and
139 insertions as shown by underline as follows:

140 § 2-209. Modification, ~~reseission~~ rescission, and waiver.

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

144 Section 12. Amend § 2A-102, Title 6 of the Delaware Code by making deletions as shown by strike through and
145 insertions as shown by underline as follows:

146 § 2A-102. Scope.

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

149 (2) In a hybrid lease:

150 (a) if the lease-of-goods aspects do not predominate:

151 (i) only the provisions of this Article which relate primarily to the lease-of-goods aspects of the
152 transaction apply, and the provisions that relate primarily to the transaction as a whole do not apply;

153 (ii) Section 2A-209 applies if the lease is a finance lease; and

154 (iii) Section 2A-407 applies to the promises of the lessee in a finance lease to the extent the promises are
155 consideration for the right to possession and use of the leased goods; and

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

158 Section 13. Amend § 2A-103, Title 6 of the Delaware Code by making deletions as shown by strike through and
159 insertions as shown by underline as follows:

160 § 2A-103. Definitions and index of definitions.

161 (1) In this Article unless the context otherwise requires:

162 (h.1) “Hybrid lease” means a single transaction involving a lease of goods and:

163 (i) the provision of services;

164 (ii) a sale of other goods; or

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

166 Section 14. Amend § 2A-107, Title 6 of the Delaware Code by making deletions as shown by strike through and
167 insertions as shown by underline as follows:

168 § 2A-107. Waiver or renunciation of claim or right after default.

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

171 Section 15. Amend § 2A-201, Title 6 of the Delaware Code by making deletions as shown by strike through and
172 insertions as shown by underline as follows:

173 § 2A-201. Statute of frauds.

174 (1) A lease contract is not enforceable by way of action or defense unless:

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

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

181 (5) The lease term under a lease contract referred to in subsection (4) is:

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

184 Section 16. Amend § 2A-202, Title 6 of the Delaware Code by making deletions as shown by strike through and
185 insertions as shown by underline as follows:

186 § 2A-202. Final ~~written~~ expression: Parol or extrinsic evidence.

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

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

193 Section 17. Amend § 2A-203, Title 6 of the Delaware Code by making deletions as shown by strike through and
194 insertions as shown by underline as follows:

195 § 2A-203. Seals inoperative.

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

199 Section 18. Amend § 2A-205, Title 6 of the Delaware Code by making deletions as shown by strike through and
200 insertions as shown by underline as follows:

201 § 2A-205. Firm offers.

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

206 Section 19. Amend § 2A-208, Title 6 of the Delaware Code by making deletions as shown by strike through and
207 insertions as shown by underline as follows:

208 § 2A-208. Modification, ~~reseission~~ rescission, and waiver.

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

212 Section 20. Amend § 3-104, Title 6 of the Delaware Code by making deletions as shown by strike through and
213 insertions as shown by underline as follows:

214 § 3-104. Negotiable instrument.

215 (a) Except as provided in subsections (c) and (d), “negotiable instrument” means an unconditional promise or
216 order to pay a fixed amount of money, with or without interest or other charges described in the promise or order, if it:

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

223 Section 21. Amend § 3-105, Title 6 of the Delaware Code by making deletions as shown by strike through and
224 insertions as shown by underline as follows:

225 § 3-105. Issue of instrument.

226 (a) “Issue” ~~means~~ means:

227 (1) the first delivery of an instrument by the maker or drawer, whether to a holder or nonholder, for the
228 purpose of giving rights on the instrument to any ~~person~~ person; or

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

232 Section 22. Amend § 3-401, Title 6 of the Delaware Code by making deletions as shown by strike through and
233 insertions as shown by underline as follows:

234 § 3-401. Signature necessary for liability on instrument.

235 ~~(a)~~ A person is not liable on an instrument unless (i) the person signed the instrument, or (ii) the person is
236 represented by an agent or representative who signed the instrument and the signature is binding on the represented person
237 under Section 3-402.

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

241 Section 23. Amend § 3-604, Title 6 of the Delaware Code by making deletions as shown by strike through and
242 insertions as shown by underline as follows:

243 § 3-604. Discharge by cancellation or renunciation.

244 (a) A person entitled to enforce an instrument, with or without consideration, may discharge the obligation of a
245 party to pay the instrument (i) by an intentional voluntary act, such as surrender of the instrument to the party, destruction,
246 mutilation, or cancellation of the instrument, cancellation or striking out of the party's signature, or the addition of words to
247 the instrument indicating discharge, or (ii) by agreeing not to sue or otherwise renouncing rights against the party by a
248 signed ~~writing~~ record. The obligation of a party to pay a check is not discharged solely by destruction of the check in
249 connection with a process in which information is extracted from the check and an image of the check is made and,
250 subsequently, the information and image are transmitted for payment.

251 Section 24. Amend § 4A-103, Title 6 of the Delaware Code by making deletions as shown by strike through and
252 insertions as shown by underline as follows:

253 § 4A-103. Payment order — Definitions.

254 (a) In this Article:

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

258 (i) the instruction does not state a condition to payment to the beneficiary other than time of payment,

259 (ii) the receiving bank is to be reimbursed by debiting an account of, or otherwise receiving payment
260 from, the sender, and

261 (iii) the instruction is transmitted by the sender directly to the receiving bank or to an agent, funds-
262 transfer system, or communication system for transmittal to the receiving bank.

263 Section 25. Amend § 4A-201, Title 6 of the Delaware Code by making deletions as shown by strike through and
264 insertions as shown by underline as follows:

265 § 4A-201. Security procedure.

266 “Security procedure” means a procedure established by agreement of a customer and a receiving bank for the
267 purpose of (i) verifying that a payment order or communication amending or cancelling a payment order is that of the
268 customer, or (ii) detecting error in the transmission or the content of the payment order or communication. A security
269 procedure may impose an obligation on the receiving bank or the customer and may require the use of algorithms or other
270 codes, identifying words or words, numbers, symbols, sounds, biometrics, encryption, callback procedures, or similar
271 security devices. Comparison of a signature on a payment order or communication with an authorized specimen signature
272 of the customer or requiring a payment order to be sent from a known email address, IP address, or telephone number is not
273 by itself a security procedure.

274 Section 26. Amend § 4A-202, Title 6 of the Delaware Code by making deletions as shown by strike through and
275 insertions as shown by underline as follows:

276 § 4A-202. Authorized and verified payment orders.

277 (b) If a bank and its customer have agreed that the authenticity of payment orders issued to the bank in the name of
278 the customer as sender will be verified pursuant to a security procedure, a payment order received by the receiving bank is
279 effective as the order of the customer, whether or not authorized, if (i) the security procedure is a commercially reasonable
280 method of providing security against unauthorized payment orders, and (ii) the bank proves that it accepted the payment
281 order in good faith and in compliance with the bank’s obligations under the security procedure and any ~~written~~ agreement
282 or instruction of the ~~customer~~ customer, evidenced by a record, restricting acceptance of payment orders issued in the name
283 of the customer. The bank is not required to follow an instruction that violates ~~a written~~ an agreement with the ~~customer~~
284 customer, evidenced by a record, or notice of which is not received at a time and in a manner affording the bank a
285 reasonable opportunity to act on it before the payment order is accepted.

286 (c) Commercial reasonableness of a security procedure is a question of law to be determined by considering the
287 wishes of the customer expressed to the bank, the circumstances of the customer known to the bank, including the size,
288 type, and frequency of payment orders normally issued by the customer to the bank, alternative security procedures offered

289 to the customer, and security procedures in general use by customers and receiving banks similarly situated. A security
290 procedure is deemed to be commercially reasonable if (i) the security procedure was chosen by the customer after the bank
291 offered, and the customer refused, a security procedure that was commercially reasonable for that customer, and (ii) the
292 customer expressly agreed ~~in writing a record~~ to be bound by any payment order, whether or not authorized, issued in its
293 name and accepted by the bank in compliance with the bank's obligations under the security procedure chosen by the
294 customer.

295 Section 27. Amend § 4A-203, Title 6 of the Delaware Code by making deletions as shown by strike through and
296 insertions as shown by underline as follows:

297 § 4A-203. Unenforceability of certain verified payment orders.

298 (a) If an accepted payment order is not, under Section 4A-202(a), an authorized order of a customer identified as
299 sender, but is effective as an order of the customer pursuant to Section 4A-202(b), the following rules apply:

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

302 Section 28. Amend § 4A-207, Title 6 of the Delaware Code by making deletions as shown by strike through and
303 insertions as shown by underline as follows:

304 § 4A-207. Misdescription of beneficiary.

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

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

315 Section 29. Amend § 4A-208, Title 6 of the Delaware Code by making deletions as shown by strike through and
316 insertions as shown by underline as follows:

317 § 4A-208. Misdescription of intermediary bank or beneficiary's bank.

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

320 (2) If the sender is not a bank and the receiving bank proves that the sender, before the payment order was
321 accepted, had notice that the receiving bank might rely on the number as the proper identification of the intermediary
322 or beneficiary's bank even if it identifies a person different from the bank identified by name, the rights and obligations
323 of the sender and the receiving bank are governed by subsection (b)(1), as though the sender were a bank. Proof of
324 notice may be made by any admissible evidence. The receiving bank satisfies the burden of proof if it proves that the
325 sender, before the payment order was accepted, signed a writing record stating the information to which the notice
326 relates.

327 Section 30. Amend § 4A-210, Title 6 of the Delaware Code by making deletions as shown by strike through and
328 insertions as shown by underline as follows:

329 § 4A-210. Rejection of payment order.

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

338 Section 31. Amend § 4A-211, Title 6 of the Delaware Code by making deletions as shown by strike through and
339 insertions as shown by underline as follows:

340 § 4A-211. Cancellation and amendment of payment order.

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

345 Section 32. Amend § 4A-305, Title 6 of the Delaware Code by making deletions as shown by strike through and
346 insertions as shown by underline as follows:

347 § 4A-305. Liability for late or improper execution or failure to execute payment order.

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

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

354 Section 33. Amend § 5-104, Title 6 of the Delaware Code by making deletions as shown by strike through and
355 insertions as shown by underline as follows:

356 § 5-104. Formal requirements.

357 A letter of credit, confirmation, advice, transfer, amendment, or cancellation may be issued in any form that is a
358 ~~record and is authenticated (i) by a signature or (ii) in accordance with the agreement of the parties or the standard practice~~
359 ~~referred to in Section 5-108(e).~~ signed record.

360 Section 34. Amend § 5-116, Title 6 of the Delaware Code by making deletions as shown by strike through and
361 insertions as shown by underline as follows:

362 § 5-116. Choice of law and forum.

363 (a) The liability of an issuer, nominated person, or adviser for action or omission is governed by the law of the
364 jurisdiction chosen by an agreement in the form of a record signed ~~or otherwise authenticated~~ by the affected parties ~~in the~~
365 ~~manner provided in Section 5-104~~ or by a provision in the person's letter of credit, confirmation, or other undertaking. The
366 jurisdiction whose law is chosen need not bear any relation to the transaction.

367 (b) Unless subsection (a) applies, the liability of an issuer, nominated person, or adviser for action or omission is
368 governed by the law of the jurisdiction in which the person is located. The person is considered to be located at the address
369 indicated in the person's undertaking. If more than one address is indicated, the person is considered to be located at the
370 address from which the person's undertaking was issued.

371 (c) For the purpose of jurisdiction, choice of law, and recognition of interbranch letters of credit, but not
372 enforcement of a judgment, all branches of a bank are considered separate juridical entities and a bank is considered to be
373 located at the place where its relevant branch is considered to be located under ~~this subsection.~~ subsection (d).

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

376 (e)(e) Except as otherwise provided in this subsection, the liability of an issuer, nominated person, or adviser is
377 governed by any rules of custom or practice, such as the Uniform Customs and Practice for Documentary Credits, to which

378 the letter of credit, confirmation, or other undertaking is expressly made subject. If (i) this Article would govern the liability
379 of an issuer, nominated person, or adviser under subsection (a) or (b), (ii) the relevant undertaking incorporates rules of
380 custom or practice, and (iii) there is conflict between this Article and those rules as applied to that undertaking, those rules
381 govern except to the extent of any conflict with the non-variable provisions specified in Section 5-103(c).

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

383 ~~(e)~~(g) The forum for settling disputes arising out of an undertaking within this Article may be chosen in the
384 manner and with the binding effect that governing law may be chosen in accordance with subsection (a).

385 Section 35. Amend § 7-102, Title 6 of the Delaware Code by making deletions as shown by strike through and
386 insertions as shown by underline as follows:

387 § 7-102. Definitions and index of definitions.

388 (a) In this article, unless the context otherwise requires:

389 (10) [Reserved.]

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

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

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

393 Section 36. Amend § 7-106, Title 6 of the Delaware Code by making deletions as shown by strike through and
394 insertions as shown by underline as follows:

395 § 7-106. Control of electronic document of title.

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

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

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

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

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

408 (3) gives the person exclusive power, subject to subsection (d), to:
409 (A) prevent others from adding or changing the person to which each authoritative electronic copy has
410 been issued or transferred; and
411 (B) transfer control of each authoritative electronic copy.
412 (d) Subject to subsection (e), a power is exclusive under subsection (c)(3)(A) and (B) even if:
413 (1) the authoritative electronic copy, a record attached to or logically associated with the authoritative
414 electronic copy, or a system in which the authoritative electronic copy is recorded limits the use of the document of
415 title or has a protocol that is programmed to cause a change, including a transfer or loss of control; or
416 (2) the power is shared with another person.
417 (e) A power of a person is not shared with another person under subsection (d)(2) and the person's power is not
418 exclusive if:
419 (1) the person can exercise the power only if the power also is exercised by the other person; and
420 (2) the other person:
421 (A) can exercise the power without exercise of the power by the person; or
422 (B) is the transferor to the person of an interest in the document of title.
423 (f) If a person has the powers specified in subsection (c)(3)(A) and (B), the powers are presumed to be exclusive.
424 (g) A person has control of an electronic document of title if another person, other than the transferor to the person
425 of an interest in the document:
426 (1) has control of the document and acknowledges that it has control on behalf of the person; or
427 (2) obtains control of the document after having acknowledged that it will obtain control of the document on
428 behalf of the person.
429 (h) A person that has control under this section is not required to acknowledge that it has control on behalf of
430 another person.
431 (i) If a person acknowledges that it has or will obtain control on behalf of another person, unless the person
432 otherwise agrees or law other than this article or Article 9 otherwise provides, the person does not owe any duty to the other
433 person and is not required to confirm the acknowledgment to any other person.

434 Section 37. Amend § 8-102, Title 6 of the Delaware Code by making deletions as shown by strike through and
435 insertions as shown by underline as follows:

436 § 8-102. ~~Definitions.~~ Definitions and index of definitions.

437 (a) In this Article:

438 (6) "Communicate" means to:
439 (i) send a signed ~~writing~~; record; or
440 (ii) transmit information by any mechanism agreed upon by the persons transmitting and receiving the
441 information.

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

444 Appropriate person _____ Section 8-107

445 Control _____ Section 8-106

446 Delivery _____ Section 8-301

447 Investment company security _____ Section 8-103

448 Issuer _____ Section 8-201

449 Overissue _____ Section 8-210

450 Protected purchaser _____ Section 8-303

451 Securities account _____ Section 8-501

452 "Appropriate person". Section 8-107.

453 "Control". Section 8-106.

454 "Controllable account". Section 9-102.

455 "Controllable electronic record". Section 12-102.

456 "Controllable payment intangible". Section 9-102.

457 "Delivery". Section 8-301.

458 "Investment company security". Section 8-103.

459 "Issuer". Section 8-201.

460 "Overissue". Section 8-210.

461 "Protected purchaser". Section 8-303.

462 "Securities account". Section 8-501.

463 Section 38. Amend § 8-103, Title 6 of the Delaware Code by making deletions as shown by strike through and
464 insertions as shown by underline as follows:

465 § 8-103. Rules for determining whether certain obligations and interests are securities or financial assets.

466 (h) A controllable account, controllable electronic record, or controllable payment intangible is not a financial
467 asset unless Section 8-102(a)(9)(iii) applies.

468 Section 39. Amend § 8-106, Title 6 of the Delaware Code by making deletions as shown by strike through and
469 insertions as shown by underline as follows:

470 § 8-106. Control.

471 (d) A purchaser has “control” of a security entitlement if:

472 ~~(3) another person has control of the security entitlement on behalf of the purchaser or, having previously~~
473 ~~acquired control of the security entitlement, acknowledges that it has control on behalf of the purchaser; or person,~~
474 ~~other than the transferor to the purchaser of an interest in the security entitlement:~~

475 ~~(A) has control of the security entitlement and acknowledges that it has control on behalf of the~~
476 ~~purchaser; or~~

477 ~~(B) obtains control of the security entitlement after having acknowledged that it will obtain control of the~~
478 ~~security entitlement on behalf of the purchaser.~~

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

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

484 Section 40. Amend § 8-110, Title 6 of the Delaware Code by making deletions as shown by strike through and
485 insertions as shown by underline as follows:

486 § 8-110. Applicability; choice of law.

487 ~~(g) The local law of the issuer’s jurisdiction or the securities intermediary’s jurisdiction governs a matter or~~
488 ~~transaction specified in subsection (a) or (b) even if the matter or transaction does not bear any relation to the jurisdiction.~~

489 Section 41. Amend § 8-303, Title 6 of the Delaware Code by making deletions as shown by strike through and
490 insertions as shown by underline as follows:

491 § 8-303. Protected purchaser.

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

494 Section 42. Amend § 9-102, Title 6 of the Delaware Code by making deletions as shown by strike through and
495 insertions as shown by underline as follows:

496 § 9-102. Definitions and index of definitions.

497 (a) *Article 9 definitions.* — In this Article:

498 (2) "Account", except as used in "account for", "account statement", "account to", "commodity account" in
499 paragraph (14), "customer's account", "deposit account" in paragraph (29), "on account of", and "statement of
500 account", means (i) a right to payment of a monetary obligation, whether or not earned by performance, (A) for
501 property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (B) for services rendered or
502 to be rendered, (C) for a policy of insurance issued or to be issued, (D) for a secondary obligation incurred or to be
503 incurred, (E) for energy provided or to be provided, (F) for the use or hire of a vessel under a charter or other contract,
504 (G) arising out of the use of a credit or charge card or information contained on or for use with the card, or (H) as
505 winnings in a lottery or other game of chance operated or sponsored by a State, governmental unit of a State, or person
506 licensed or authorized to operate the game by a State or governmental unit of a State or (ii) any credit device account.
507 The term includes controllable accounts and health-care-insurance receivables. The term does not include (i) ~~rights to~~
508 ~~payment evidenced by chattel paper or an instrument, chattel paper,~~ (ii) commercial tort claims, (iii) deposit accounts,
509 (iv) investment property, (v) letter-of-credit rights or letters of credit, or (vi) rights to payment for money or funds
510 advanced or sold, other than rights arising out of (A) the use of a credit or charge card or information contained on or
511 for use with the card or (B) a credit device ~~account~~ account, or (vii) rights to payment evidenced by an instrument.

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

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

516 (A) ~~authenticated~~ signed by a secured party;

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

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

520 (7) "~~Authenticate~~" means:

521 (A) to sign; or

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

524 (7A) "Assignee", except as used in "assignee for benefit of creditors", means a person (i) in whose favor a
525 security interest that secures an obligation is created or provided for under a security agreement, whether or not the
526 obligation is outstanding or (ii) to which an account, chattel paper, payment intangible, or promissory note has been
527 sold. The term includes a person to which a security interest has been transferred by a secured party.

528 (7B) “Assignor” means a person that (i) under a security agreement creates or provides for a security interest
529 that secures an obligation or (ii) sells an account, chattel paper, payment intangible, or promissory note. The term
530 includes a secured party that has transferred a security interest to another person.

531 ~~(11) “Chattel paper” means a record or records that evidence both a monetary obligation and a security~~
532 ~~interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in~~
533 ~~specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and~~
534 ~~license of software used in the goods. In this paragraph, “monetary obligation” means a monetary obligation secured~~
535 ~~by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in~~
536 ~~the goods. The term does not include (i) charters or other contracts involving the use or hire of a vessel or (ii) records~~
537 ~~that evidence a right to payment arising out of the use of a credit or charge card, credit device account, or information~~
538 ~~contained on or for use with the card or credit device account. If a transaction is evidenced by records that include an~~
539 ~~instrument or series of instruments, the group of records taken together constitutes chattel paper.~~

540 (11) “Chattel paper” means:

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

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

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

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

549 The term does not include a right to payment arising out of a charter or other contract involving the use or hire
550 of a vessel or a right to payment arising out of the use of a credit or charge card or information contained on or for use
551 with the card.

552 (27B) “Controllable account” means an account evidenced by a controllable electronic record that provides
553 that the account debtor undertakes to pay the person that has control under Section 12-105 of the controllable electronic
554 record.

555 (27C) “Controllable payment intangible” means a payment intangible evidenced by a controllable electronic
556 record that provides that the account debtor undertakes to pay the person that has control under Section 12-105 of the
557 controllable electronic record.

558 (31) ~~“Electronic chattel paper” means chattel paper evidenced by a record or records consisting of information~~
559 ~~stored in an electronic medium. [Reserved.]~~

560 (31A) “Electronic money” means money in an electronic form.

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

565 (47) “Instrument” means a negotiable instrument or any other writing that evidences a right to the payment of
566 a monetary obligation, is not itself a security agreement or lease, and is of a type that in ordinary course of business is
567 transferred by delivery with any necessary indorsement or assignment. The term does not include (i) investment
568 property, (ii) letters of credit, or (iii) writings that evidence a right to payment arising out of the use of a credit or
569 charge card or information contained on or for use with the ~~card~~, or (iv) writings that evidence chattel paper.

570 (54A) “Money” has the meaning in Section 1-201(b)(24), but does not include (i) a deposit account or (ii)
571 money in an electronic form that cannot be subjected to control under Section 9-105A.

572 (61) “Payment intangible” means a general intangible under which the account debtor’s principal obligation is
573 a monetary obligation. The term includes a controllable payment intangible.

574 (66) “Proposal” means a record ~~authenticated~~ signed by a secured party which includes the terms on which the
575 secured party is willing to accept collateral in full or partial satisfaction of the obligation it secures pursuant to Sections
576 9-620, 9-621, and 9-622.

577 (75) ~~“Send”, in connection with a record or notification, means:~~

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

581 (B) ~~to cause the record or notification to be received within the time that it would have been received~~
582 ~~if properly sent under subparagraph (A). [Reserved.]~~

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

585 (79A) “Tangible money” means money in a tangible form.

586 (b) [Definitions in other articles.] “Control” as provided in Section 7-106 and the following definitions in other
587 articles apply to this article:

588 “Controllable electronic record”. Section 12-102

589 “Protected purchaser”. Section 8-303.

590 “Qualifying purchaser”. Section 12-102.

591 Section 43. Amend § 9-104, Title 6 of the Delaware Code by making deletions as shown by strike through and
592 insertions as shown by underline as follows:

593 § 9-104. Control of deposit account.

594 (a) *Requirements for control.* — A secured party has control of a deposit account if:

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

598 (3) the secured party becomes the bank’s customer with respect to the deposit account;

599 (4) the debtor, secured party, and bank have ~~authenticated~~ signed a record that (i) is conspicuously
600 denominated a control agreement, (ii) identifies the specific deposit account in which the secured party claims a
601 security interest, and (iii) contains one or more provisions addressing the disposition of funds in the deposit account or
602 the right to direct the disposition of funds in the deposit account; ~~or~~

603 (5) the name on the deposit account is the name of the secured party or indicates that the secured party has a
604 security interest in the deposit ~~account~~; account; or

605 (6) another person, other than the debtor:

606 (A) has control of the deposit account and acknowledges that it has control on behalf of the secured party;

607 or

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

610 Section 44. Amend § 9-105, Title 6 of the Delaware Code by making deletions as shown by strike through and
611 insertions as shown by underline as follows:

612 ~~§ 9-105. Control of electronic chattel paper.~~

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

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

- 618 (1) a single authoritative copy of the record or records exists which is unique, identifiable, and, except as
619 otherwise provided in paragraphs (4), (5), and (6), unalterable;
- 620 (2) the authoritative copy identifies the secured party as the assignee of the record or records;
- 621 (3) the authoritative copy is communicated to and maintained by the secured party or its designated custodian;
- 622 (4) copies or amendments that add or change an identified assignee of the authoritative copy can be made only
623 with the consent of the secured party;
- 624 (5) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the
625 authoritative copy; and
- 626 (6) any amendment of the authoritative copy is readily identifiable as authorized or unauthorized.

627 § 9-105. Control of electronic copy of record evidencing chattel paper.

628 (a) General rule: control of electronic copy of record evidencing chattel paper.- A purchaser has control of an
629 authoritative electronic copy of a record evidencing chattel paper if a system employed for evidencing the assignment of
630 interests in the chattel paper reliably establishes the purchaser as the person to which the authoritative electronic copy was
631 assigned.

632 (b) Single authoritative copy.- A system satisfies subsection (a) if the record or records evidencing the chattel
633 paper are created, stored, and assigned in a manner that:

- 634 (1) a single authoritative copy of the record or records exists which is unique, identifiable, and, except as
635 otherwise provided in paragraphs (4), (5), and (6), unalterable;
- 636 (2) the authoritative copy identifies the purchaser as the assignee of the record or records;
- 637 (3) the authoritative copy is communicated to and maintained by the purchaser or its designated custodian;
- 638 (4) copies or amendments that add or change an identified assignee of the authoritative copy can be made only
639 with the consent of the purchaser;
- 640 (5) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the
641 authoritative copy; and
- 642 (6) any amendment of the authoritative copy is readily identifiable as authorized or unauthorized.

643 (c) One or more authoritative copies.- A system satisfies subsection (a), and a purchaser has control of an
644 authoritative electronic copy of a record evidencing chattel paper, if the electronic copy, a record attached to or logically
645 associated with the electronic copy, or a system in which the electronic copy is recorded:

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

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

650 (3) gives the purchaser exclusive power, subject to subsection (d), to:

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

652 and

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

654 (d) Meaning of exclusive.- Subject to subsection (e), a power is exclusive under subsection (c)(3)(A) and (B) even
655 if:

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

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

660 (e) When power not shared with another person.- A power of a purchaser is not shared with another person under
661 subsection (d)(2) and the purchaser's power is not exclusive if:

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

663 (2) the other person:

664 (A) can exercise the power without exercise of the power by the purchaser; or

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

666 (f) Presumption of exclusivity of certain powers.- If a purchaser has the powers specified in subsection (c)(3)(A)
667 and (B), the powers are presumed to be exclusive.

668 (g) Obtaining control through another person.- A purchaser has control of an authoritative electronic copy of a
669 record evidencing chattel paper if another person, other than the transferor to the purchaser of an interest in the chattel
670 paper:

671 (1) has control of the authoritative electronic copy and acknowledges that it has control on behalf of the
672 purchaser; or

673 (2) obtains control of the authoritative electronic copy after having acknowledged that it will obtain control of
674 the electronic copy on behalf of the purchaser.

675 Section 45. Amend Part 1, Article 9, Title 6 of the Delaware Code by making deletions as shown by strike through
676 and insertions as shown by underline as follows:

677 § 9-105A. Control of Electronic Money.

678 (a) General rule: control of electronic money.- A person has control of electronic money if:
679 (1) the electronic money, a record attached to or logically associated with the electronic money, or a system in
680 which the electronic money is recorded gives the person:
681 (A) power to avail itself of substantially all the benefit from the electronic money; and
682 (B) exclusive power, subject to subsection (b), to:
683 (i) prevent others from availing themselves of substantially all the benefit from the electronic money;
684 and
685 (ii) transfer control of the electronic money to another person or cause another person to obtain
686 control of other electronic money as a result of the transfer of the electronic money; and
687 (2) the electronic money, a record attached to or logically associated with the electronic money, or a system in
688 which the electronic money is recorded enables the person readily to identify itself in any way, including by name,
689 identifying number, cryptographic key, office, or account number, as having the powers under paragraph (1).
690 (b) Meaning of exclusive.- Subject to subsection (c), a power is exclusive under subsection (a)(1)(B)(i) and (ii)
691 even if:
692 (1) the electronic money, a record attached to or logically associated with the electronic money, or a system in
693 which the electronic money is recorded limits the use of the electronic money or has a protocol programmed to cause a
694 change, including a transfer or loss of control; or
695 (2) the power is shared with another person.
696 (c) When power not shared with another person.- A power of a person is not shared with another person under
697 subsection (b)(2) and the person's power is not exclusive if:
698 (1) the person can exercise the power only if the power also is exercised by the other person; and
699 (2) the other person:
700 (A) can exercise the power without exercise of the power by the person; or
701 (B) is the transferor to the person of an interest in the electronic money.
702 (d) Presumption of exclusivity of certain powers.- If a person has the powers specified in subsection (a)(1)(B)(i)
703 and (ii), the powers are presumed to be exclusive.
704 (e) Control through another person.- A person has control of electronic money if another person, other than the
705 transferor to the person of an interest in the electronic money:
706 (1) has control of the electronic money and acknowledges that it has control on behalf of the person; or

707 (2) obtains control of the electronic money after having acknowledged that it will obtain control of the
708 electronic money on behalf of the person.

709 Section 46. Amend Part 1, Article 9, Title 6 of the Delaware Code by making deletions as shown by strike through
710 and insertions as shown by underline as follows:

711 § 9-107A. Control of controllable electronic record, controllable account, or controllable payment intangible.

712 (a) Control under section 12-105.- A secured party has control of a controllable electronic record as provided in
713 Section 12-105.

714 (b) Control of controllable account and controllable payment intangible.- A secured party has control of a
715 controllable account or controllable payment intangible if the secured party has control of the controllable electronic record
716 that evidences the controllable account or controllable payment intangible.

717 § 9-107B. No requirement to acknowledge or confirm; no duties.

718 (a) No requirement to acknowledge.- A person that has control under Section 9-104, 9-105, or 9-105A is not
719 required to acknowledge that it has control on behalf of another person.

720 (b) No duties or confirmation.- If a person acknowledges that it has or will obtain control on behalf of another
721 person, unless the person otherwise agrees or law other than this article otherwise provides, the person does not owe any
722 duty to the other person and is not required to confirm the acknowledgment to any other person.

723 Section 47. Amend § 9-203, Title 6 of the Delaware Code by making deletions as shown by strike through and
724 insertions as shown by underline as follows:

725 § 9-203. Attachment and enforceability of security interest; proceeds; supporting obligations; formal requisites.

726 (b) Enforceability. — Except as otherwise provided in subsections (c) through (k), a security interest is
727 enforceable against the debtor and third parties with respect to the collateral only if:

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

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

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

733 (D) the collateral is controllable accounts, controllable electronic records, controllable payment
734 intangibles, deposit accounts, ~~electronic chattel paper,~~ electronic documents, electronic money, investment
735 property, or letter-of-credit rights, ~~or electronic documents,~~ and the secured party has control under Section 7-106,

736 9-104, ~~9-105, 9-105A, 9-106, or 9-107~~ 9-107, or 9-107A pursuant to the debtor's security ~~agreement.~~ agreement;
737 or

738 (E) the collateral is chattel paper and the secured party has possession and control under Section 9-314A
739 pursuant to the debtor's security agreement.

740 Section 48. Amend § 9-204, Title 6 of the Delaware Code by making deletions as shown by strike through and
741 insertions as shown by underline as follows:

742 § 9-204. After-acquired property; future advances.

743 (b) *When after-acquired property clause not effective.* — A Subject to subsection (b.1), a security interest does not
744 attach under a term constituting an after-acquired property clause to:

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

747 (2) a commercial tort claim.

748 (b.1) Limitations on subsection (b).— Subsection (b) does not prevent a security interest from attaching:

749 (1) to consumer goods as proceeds under Section 9-315(a) or commingled goods under Section 9-336(c);

750 (2) to a commercial tort claim as proceeds under Section 9-315(a); or

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

753 Section 49. Amend § 9-207, Title 6 of the Delaware Code by making deletions as shown by strike through and
754 insertions as shown by underline as follows:

755 § 9-207. Rights and duties of secured party having possession or control of collateral.

756 (c) *Duties and rights when secured party in possession or control.* — Except as otherwise provided in subsection
757 (d), a secured party having possession of collateral or control of collateral under Section 7-106, 9-104, 9-105, 9-105A, 9-
758 106, or 9-107; 9-107, or 9-107A:

759 Section 50. Amend § 9-208, Title 6 of the Delaware Code by making deletions as shown by strike through and
760 insertions as shown by underline as follows:

761 § 9-208. Additional duties of secured party having control of collateral.

762 (b) *Duties of secured party after receiving demand from debtor.* — Within 10 days after receiving ~~an~~
763 ~~authenticated~~ a signed demand by the debtor:

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

767 (3) ~~a secured party, other than a buyer, having control of electronic chattel paper under Section 9-105 shall:~~

768 (A) ~~communicate the authoritative copy of the electronic chattel paper to the debtor or its designated~~
769 ~~eustodian;~~

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

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

777 (3) a secured party, other than a buyer, having control under Section 9-105 of an authoritative electronic copy
778 of a record evidencing chattel paper shall transfer control of the electronic copy to the debtor or a person designated by
779 the debtor;

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

784 (5) a secured party having control of a letter-of-credit right under Section 9-107 shall send to each person
785 having an unfulfilled obligation to pay or deliver proceeds of the letter of credit to the secured party ~~an authenticated a~~
786 signed release from any further obligation to pay or deliver proceeds of the letter of credit to the secured party; ~~and~~

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

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

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

793 (C) ~~take appropriate action to enable the debtor or its designated custodian to make copies of or revisions~~
794 ~~to the authoritative copy which add or change an identified assignee of the authoritative copy without the consent~~
795 ~~of the secured party.~~

796 (6) a secured party having control under Section 7-106 of an authoritative electronic copy of an electronic
797 document shall transfer control of the electronic copy to the debtor or a person designated by the debtor;

798 (7) a secured party having control under Section 9-105A of electronic money shall transfer control of the
799 electronic money to the debtor or a person designated by the debtor; and

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

803 Section 51. Amend § 9-209, Title 6 of the Delaware Code by making deletions as shown by strike through and
804 insertions as shown by underline as follows:

805 § 9-209. Duties of secured party if account debtor has been notified of assignment.

806 (b) *Duties of secured party after receiving demand from debtor.* — Within 10 days after receiving ~~an~~
807 ~~authenticated a signed~~ demand by the debtor, a secured party shall send to an account debtor that has received notification
808 under Section 9-406(a) or 12-106(b) of an assignment to the secured party as assignee under Section 9-406(a) an
809 ~~authenticated a signed~~ record that releases the account debtor from any further obligation to the secured party.

810 Section 52. Amend § 9-210, Title 6 of the Delaware Code by making deletions as shown by strike through and
811 insertions as shown by underline as follows:

812 § 9-210. Request for accounting; request regarding list of collateral or statement of account.

813 (a) *Definitions.* — In this section:

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

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

820 (4) “Request regarding a statement of account” means a record ~~authenticated signed~~ signed by a debtor requesting
821 that the recipient approve or correct a statement indicating what the debtor believes to be the aggregate amount of

822 unpaid obligations secured by collateral as of a specified date and reasonably identifying the transaction or relationship
823 that is the subject of the request.

824 (b) *Duty to respond to requests.* — Subject to subsections (c), (d), (e), and (f), a secured party, other than a buyer
825 of accounts, chattel paper, payment intangibles, or promissory notes or a consignor, shall comply with a request within 14
826 days after receipt:

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

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

831 (c) *Request regarding list of collateral; statement concerning type of collateral.* — A secured party that claims a
832 security interest in all of a particular type of collateral owned by the debtor may comply with a request regarding a list of
833 collateral by sending to the debtor ~~an authenticated~~ a signed record including a statement to that effect within 14 days after
834 receipt.

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

839 (e) *Request for accounting or regarding statement of account; no interest in obligation claimed.* — A person that
840 receives a request for an accounting or a request regarding a statement of account, claims no interest in the obligations
841 when it receives the request, and claimed an interest in the obligations at an earlier time shall comply with the request
842 within 14 days after receipt by sending to the debtor ~~an authenticated~~ a signed record:

843 Section 53. Amend § 9-301, Title 6 of the Delaware Code by making deletions as shown by strike through and
844 insertions as shown by underline as follows:

845 § 9-301. Law governing perfection and priority of security interests.

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

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

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

852 (B) perfection of a security interest in timber to be cut; and
853 (C) the effect of perfection or nonperfection and the priority of a nonpossessory security interest in the
854 collateral.

855 Section 54. Amend § 9-304, Title 6 of the Delaware Code by making deletions as shown by strike through and
856 insertions as shown by underline as follows:

857 § 9-304. Law governing perfection and priority of security interests in deposit accounts.

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

861 Section 55. Amend § 9-305, Title 6 of the Delaware Code by making deletions as shown by strike through and
862 insertions as shown by underline as follows:

863 § 9-305. Law governing perfection and priority of security interests in investment property.

864 (a) *Governing law: general rules.*— Except as otherwise provided in subsection (c), the following rules apply:

865 (5) Paragraphs (2), (3), and (4) apply even if the transaction does not bear any relation to the jurisdiction.

866 Section 56. Amend Part 3, Article 9, Title 6 of the Delaware Code by making deletions as shown by strike through
867 and insertions as shown by underline as follows:

868 § 9-306A. Law governing perfection and priority of security interests in chattel paper.

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

874 (b) *Chattel paper's jurisdiction.*— The following rules determine the chattel paper's jurisdiction under this section:

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

879 (2) If paragraph (1) does not apply and the rules of the system in which the authoritative electronic copy is
880 recorded are readily available for review and expressly provide that a particular jurisdiction is the chattel paper's

881 jurisdiction for purposes of this part, this article, or the Uniform Commercial Code, that jurisdiction is the chattel
882 paper's jurisdiction.

883 (3) If paragraphs (1) and (2) do not apply and the authoritative electronic copy, or a record attached to or
884 logically associated with the electronic copy and readily available for review, expressly provides that the chattel paper
885 is governed by the law of a particular jurisdiction, that jurisdiction is the chattel paper's jurisdiction.

886 (4) If paragraphs (1), (2), and (3) do not apply and the rules of the system in which the authoritative electronic
887 copy is recorded are readily available for review and expressly provide that the chattel paper or the system is governed
888 by the law of a particular jurisdiction, that jurisdiction is the chattel paper's jurisdiction.

889 (5) If paragraphs (1) through (4) do not apply, the chattel paper's jurisdiction is the jurisdiction in which the
890 debtor is located.

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

894 (1) perfection of a security interest in the chattel paper by possession under Section 9-314A; and

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

896 (d) When perfection governed by law of jurisdiction where debtor located.- The local law of the jurisdiction in
897 which the debtor is located governs perfection of a security interest in chattel paper by filing.

898 § 9-306B. Law governing perfection and priority of security interests in controllable accounts, controllable
899 electronic records, and controllable payment intangibles.

900 (a) Governing law: general rules.- Except as provided in subsection (b), the local law of the controllable electronic
901 record's jurisdiction specified in Section 12-107(c) and (d) governs perfection, the effect of perfection or nonperfection,
902 and the priority of a security interest in a controllable electronic record and a security interest in a controllable account or
903 controllable payment intangible evidenced by the controllable electronic record.

904 (b) When perfection governed by law of jurisdiction where debtor located.- The local law of the jurisdiction in
905 which the debtor is located governs:

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

908 (2) automatic perfection of a security interest in a controllable payment intangible created by a sale of the
909 controllable payment intangible.

910 Section 57. Amend § 9-310, Title 6 of the Delaware Code by making deletions as shown by strike through and
911 insertions as shown by underline as follows:

912 § 9-310. When filing required to perfect security interest or agricultural lien; security interests and agricultural
913 liens to which filing provisions do not apply.

914 (b) *Exceptions: filing not necessary.* — The filing of a financing statement is not necessary to perfect a security
915 interest:

916 (8) in controllable accounts, controllable electronic records, controllable payment intangibles, deposit
917 accounts, ~~electronic chattel paper,~~ electronic documents, investment property, or letter-of-credit rights which is
918 perfected by control under Section 9-314;

919 (8.1) in chattel paper which is perfected by possession and control under Section 9-314A;

920 Section 58. Amend § 9-312, Title 6 of the Delaware Code by making deletions as shown by strike through and
921 insertions as shown by underline as follows:

922 § 9-312. Perfection of security interests in chattel paper, controllable accounts, controllable electronic records,
923 controllable payment intangibles, deposit accounts, negotiable documents, goods covered by documents, instruments,
924 investment property, letter-of-credit rights, and money; perfection by permissive filing; temporary perfection without filing
925 or transfer of possession.

926 (a) *Perfection by filing permitted.* — A security interest in chattel paper, ~~negotiable documents,~~ controllable
927 accounts, controllable electronic records, controllable payment intangibles, instruments, ~~or investment property property, or~~
928 negotiable documents may be perfected by filing.

929 (b) *Control or possession of certain collateral.* — Except as otherwise provided in Section 9-315(c) and (d) for
930 proceeds:

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

933 (3) a security interest in tangible money may be perfected only by the secured party's taking possession under
934 ~~Section 9-313.~~ 9-313; and

935 (4) a security interest in electronic money may be perfected only by control under Section 9-314.

936 (e) *Temporary perfection: new value.* — A security interest in certificated securities, negotiable documents, or
937 instruments is perfected without filing or the taking of possession or control for a period of 20 days from the time it attaches
938 to the extent that it arises for new value given under ~~an authenticated~~ a signed security agreement.

939 Section 59. Amend § 9-313, Title 6 of the Delaware Code by making deletions as shown by strike through and
940 insertions as shown by underline as follows:

941 § 9-313. When possession by or delivery to secured party perfects security interest without filing.

942 (a) *Perfection by possession or delivery.* — Except as otherwise provided in subsection (b), a secured party may
943 perfect a security interest in ~~tangible negotiable documents, goods, instruments,~~ negotiable tangible documents, or tangible
944 money money, or tangible chattel paper by taking possession of the collateral. A secured party may perfect a security
945 interest in certificated securities by taking delivery of the certificated securities under Section 8-301.

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

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

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

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

957 Section 60. Amend § 9-314, Title 6 of the Delaware Code by making deletions as shown by strike through and
958 insertions as shown by underline as follows:

959 § 9-314. Perfection by control.

960 (a) *Perfection by control.* — A security interest in ~~investment property, deposit accounts, letter of credit rights,~~
961 ~~electronic chattel paper, or electronic documents~~ controllable accounts, controllable electronic records, controllable
962 payment intangibles, deposit accounts, electronic documents, electronic money, investment property, or letter-of-credit
963 rights may be perfected by control of the collateral under Section 7-106, 9-104, ~~9-105, 9-105A,~~ 9-106, ~~or 9-107.~~ 9-107, or
964 9-107A.

965 (b) *Specified collateral: time of perfection by control; continuation of perfection.* — A security interest in ~~deposit~~
966 ~~accounts, electronic chattel paper, letter of credit rights, or electronic documents~~ controllable accounts, controllable
967 electronic records, controllable payment intangibles, deposit accounts, electronic documents, electronic money, or letter-of-
968 credit rights is perfected by control under Section 7-106, 9-104, ~~9-105, 9-105A, or 9-107~~ 9-107, or 9-107A ~~when not earlier~~

969 than the time the secured party obtains control and remains perfected by control only while the secured party retains
970 control.” control.

971 (c) *Investment property: time of perfection by control; continuation of perfection.* — A security interest in
972 investment property is perfected by control under Section 9-106 ~~from~~ not earlier than the time the secured party obtains
973 control and remains perfected by control until:

974 Section 61. Amend Part 3, Article 9, Title 6 of the Delaware Code by making deletions as shown by strike through
975 and insertions as shown by underline as follows:

976 § 9-314A. Perfection by possession and control of chattel paper.

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

980 (b) Time of perfection; continuation of perfection.- A security interest is perfected under subsection (a) not earlier
981 than the time the secured party takes possession and obtains control and remains perfected under subsection (a) only while
982 the secured party retains possession and control.

983 (c) Application of Section 9-313 to perfection by possession of chattel paper.- Section 9-313(c) and (f) through (i)
984 applies to perfection by possession of an authoritative tangible copy of a record evidencing chattel paper.

985 Section 62. Amend § 9-316, Title 6 of the Delaware Code by making deletions as shown by strike through and
986 insertions as shown by underline as follows:

987 § 9-316. Effect of change in governing law.

988 (a) *General rule: effect on perfection of change in governing law.* — A security interest perfected pursuant to the
989 law of the jurisdiction designated in Section ~~9-301(1) or 9-305(e)~~ 9-301(1), 9-305(c), 9-306A(d), or 9-306B(b) remains
990 perfected until the earliest of:

991 (f) Change in jurisdiction of *chattel paper, controllable electronic record, bank, issuer, nominated person,*
992 *securities intermediary, or commodity intermediary.* — A security interest in chattel paper, controllable accounts,
993 controllable electronic records, controllable payment intangibles, deposit accounts, letter-of-credit rights, or investment
994 property which is perfected under the law of the *chattel paper’s jurisdiction, the controllable electronic record’s jurisdiction,*
995 *the bank’s jurisdiction, the issuer’s jurisdiction, a nominated person’s jurisdiction, the securities intermediary’s jurisdiction,*
996 or the commodity intermediary’s jurisdiction, as applicable, remains perfected until the earlier of:

997 Section 63. Amend § 9-317, Title 6 of the Delaware Code by making deletions as shown by strike through and
998 insertions as shown by underline as follows:

999 § 9-317. Interests that take priority over or take free of security interest or agricultural lien.

1000 (b) *Buyers that receive delivery.* — Except as otherwise provided in subsection (e), a buyer, other than a secured
1001 party, ~~of tangible chattel paper, tangible documents, of~~ goods, instruments, tangible documents, or a certificated security
1002 takes free of a security interest or agricultural lien if the buyer gives value and receives delivery of the collateral without
1003 knowledge of the security interest or agricultural lien and before it is perfected.

1004 (d) *Licensees and buyers of certain collateral.* — ~~A~~ Subject to subsections (f) through (i), a licensee of a general
1005 intangible or a buyer, other than a secured party, of collateral other than ~~tangible chattel paper, electronic money, tangible~~
1006 ~~documents~~, goods, instruments, tangible documents, or a certificated security takes free of a security interest if the licensee
1007 or buyer gives value without knowledge of the security interest and before it is perfected.

1008 (f) *Buyers of chattel paper.* ~~- A buyer, other than a secured party, of chattel paper takes free of a security interest if,~~
1009 without knowledge of the security interest and before it is perfected, the buyer gives value and:

1010 (1) receives delivery of each authoritative tangible copy of the record evidencing the chattel paper; and

1011 (2) if each authoritative electronic copy of the record evidencing the chattel paper can be subjected to control
1012 under Section 9-105, obtains control of each authoritative electronic copy.

1013 (g) *Buyers of electronic documents.* ~~- A buyer of an electronic document takes free of a security interest if, without~~
1014 knowledge of the security interest and before it is perfected, the buyer gives value and, if each authoritative electronic copy
1015 of the document can be subjected to control under Section 7-106, obtains control of each authoritative electronic copy.

1016 (h) *Buyers of controllable electronic records.* ~~- A buyer of a controllable electronic record takes free of a security~~
1017 interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and obtains control of
1018 the controllable electronic record.

1019 (i) *Buyers of controllable accounts and controllable payment intangibles.* ~~- A buyer, other than a secured party, of~~
1020 a controllable account or a controllable payment intangible takes free of a security interest if, without knowledge of the
1021 security interest and before it is perfected, the buyer gives value and obtains control of the controllable account or
1022 controllable payment intangible.

1023 Section 64. Amend § 9-323, Title 6 of the Delaware Code by making deletions as shown by strike through and
1024 insertions as shown by underline as follows:

1025 § 9-323. Future advances.

1026 (d) *Buyer of goods.* — Except as otherwise provided in subsection (e), a buyer of goods ~~other than a buyer in~~
1027 ~~ordinary course of business~~ takes free of a security interest to the extent that it secures advances made after the earlier of:

1028 (f) *Lessee of goods*. — Except as otherwise provided in subsection (g), a lessee of ~~goods, other than a lessee in~~
1029 ~~ordinary course of business,~~ goods takes the leasehold interest free of a security interest to the extent that it secures
1030 advances made after the earlier of:

1031 Section 65. Amend § 9-324, Title 6 of the Delaware Code by making deletions as shown by strike through and
1032 insertions as shown by underline as follows:

1033 § 9-324. Priority of purchase-money security interests.

1034 (b) *Inventory purchase-money priority*. — Subject to subsection (c) and except as otherwise provided in
1035 subsection (g), a perfected purchase-money security interest in inventory has priority over a conflicting security interest in
1036 the same inventory, has priority over a conflicting security interest in chattel paper or an instrument constituting proceeds of
1037 the inventory and in proceeds of the chattel paper, if so provided in Section 9-330, and, except as otherwise provided in
1038 Section 9-327, also has priority in identifiable cash proceeds of the inventory to the extent the identifiable cash proceeds are
1039 received on or before the delivery of the inventory to a buyer, if:

1040 (2) the purchase-money secured party sends ~~an authenticated~~ a signed notification to the holder of the
1041 conflicting security interest;

1042 (d) *Livestock purchase-money priority*. — Subject to subsection (e) and except as otherwise provided in
1043 subsection (g), a perfected purchase-money security interest in livestock that are farm products has priority over a
1044 conflicting security interest in the same livestock, and, except as otherwise provided in Section 9-327, a perfected security
1045 interest in their identifiable proceeds and identifiable products in their unmanufactured states also has priority, if:

1046 (2) the purchase-money secured party sends ~~an authenticated~~ a signed notification to the holder of the
1047 conflicting security interest;

1048 Section 66. Amend Part 3, Article 9, Title 6 of the Delaware Code by making deletions as shown by strike through
1049 and insertions as shown by underline as follows:

1050 § 9-326A. Priority of security interest in controllable account, controllable electronic record, and controllable
1051 payment intangible.

1052 A security interest in a controllable account, controllable electronic record, or controllable payment intangible held
1053 by a secured party having control of the account, electronic record, or payment intangible has priority over a conflicting
1054 security interest held by a secured party that does not have control.

1055 Section 67. Amend § 9-330, Title 6 of the Delaware Code by making deletions as shown by strike through and
1056 insertions as shown by underline as follows:

1057 § 9-330. Priority of purchaser of chattel paper or instrument.

1058 (a) *Purchaser's priority: security interest claimed merely as proceeds.* — A purchaser of chattel paper has priority
1059 over a security interest in the chattel paper which is claimed merely as proceeds of inventory subject to a security interest if:

1060 (1) in good faith and in the ordinary course of the purchaser's business, the purchaser gives ~~new value~~ value,
1061 ~~and~~ takes possession of each authoritative tangible copy of the record evidencing the chattel paper, ~~or~~ and
1062 obtains control ~~of~~ under Section 9-105 of each authoritative electronic copy of the record evidencing the chattel paper
1063 ~~under Section 9-105;~~ paper; and

1064 (2) ~~the chattel paper does~~ authoritative copies of the record evidencing the chattel paper do not indicate that ~~it~~
1065 the chattel paper has been assigned to an identified assignee other than the purchaser.

1066 (b) *Purchaser's priority: other security interests.* — A purchaser of chattel paper has priority over a security
1067 interest in the chattel paper which is claimed other than merely as proceeds of inventory subject to a security interest if the
1068 purchaser gives ~~new value and~~ value, takes possession of each authoritative tangible copy of the record evidencing the
1069 ~~chattel paper or~~ paper, and obtains control ~~of~~ under Section 9-105 of each authoritative electronic copy of the record
1070 evidencing the chattel paper ~~under Section 9-105~~ in good faith, in the ordinary course of the purchaser's business, and
1071 without knowledge that the purchase violates the rights of the secured party.

1072 (f) *Indication of assignment gives knowledge.* — For purposes of subsections (b) and (d), if the authoritative
1073 copies of the record evidencing chattel paper or an instrument ~~indicates~~ indicate that ~~it~~ the chattel paper or instrument has
1074 been assigned to an identified secured party other than the purchaser, a purchaser of the chattel paper or instrument has
1075 knowledge that the purchase violates the rights of the secured party.

1076 Section 68. Amend § 9-331, Title 6 of the Delaware Code by making deletions as shown by strike through and
1077 insertions as shown by underline as follows:

1078 § 9-331. Priority of rights of purchasers of controllable accounts, controllable electronic records, controllable
1079 payment intangibles, instruments, documents, instruments, and securities under other articles; priority of interests in
1080 financial assets and security entitlements and protection against assertion of claim under Article 8. Articles 8 and 12.

1081 (a) *Rights under Articles 3, 7, ~~and 8~~ 8, and 12 not limited.* — This Article does not limit the rights of a holder in
1082 due course of a negotiable instrument, a holder to which a negotiable document of title has been duly negotiated, ~~or~~ a
1083 protected purchaser of ~~a security~~ security, or a qualifying purchaser of a controllable account, controllable electronic
1084 record, or controllable payment intangible. These holders or purchasers take priority over an earlier security interest, even if
1085 perfected, to the extent provided in Articles 3, 7, ~~and 8~~ 8, and 12.

1086 (b) *Protection under ~~Article 8. Articles 8 and 12.~~* — This Article does not limit the rights of or impose liability on
1087 a person to the extent that the person is protected against the assertion of an adverse claim under ~~Article 8. 8 or 12.~~

1088 Section 69. Amend § 9-332, Title 6 of the Delaware Code by making deletions as shown by strike through and
1089 insertions as shown by underline as follows:

1090 § 9-332. Transfer of money; transfer of funds from deposit account.

1091 (a) *Transferee of tangible money*. — A transferee of tangible money takes the money free of a security interest
1092 ~~unless the transferee acts if the transferee receives possession of the money without acting~~ in collusion with the debtor in
1093 violating the rights of the secured party.

1094 (b) *Transferee of funds from deposit account*. — A transferee of funds from a deposit account takes the funds free
1095 of a security interest in the deposit account ~~unless the transferee acts if the transferee receives the funds without acting~~ in
1096 collusion with the debtor in violating the rights of the secured party.

1097 (c) *Transferee of electronic money*. — A transferee of electronic money takes the money free of a security interest if
1098 the transferee obtains control of the money without acting in collusion with the debtor in violating the rights of the secured
1099 party.

1100 Section 70. Amend § 9-334, Title 6 of the Delaware Code by making deletions as shown by strike through and
1101 insertions as shown by underline as follows:

1102 § 9-334. Priority of security interests in fixtures and crops.

1103 (f) *Priority based on consent, disclaimer, or right to remove*. — A security interest in fixtures, whether or not
1104 perfected, has priority over a conflicting interest of an encumbrancer or owner of the real property if:

1105 (1) the encumbrancer or owner has, ~~in an authenticated~~ a signed record, consented to the security interest or
1106 disclaimed an interest in the goods as fixtures; or

1107 Section 71. Amend § 9-341, Title 6 of the Delaware Code by making deletions as shown by strike through and
1108 insertions as shown by underline as follows:

1109 § 9-341. Bank's rights and duties with respect to deposit account.

1110 Except as otherwise provided in Section 9-340(c), and unless the bank otherwise agrees in ~~an authenticated~~
1111 signed record, a bank's rights and duties with respect to a deposit account maintained with the bank are not terminated,
1112 suspended, or modified by:

1113 Section 72. Amend § 9-404, Title 6 of the Delaware Code by making deletions as shown by strike through and
1114 insertions as shown by underline as follows:

1115 § 9-404. Rights acquired by assignee; claims and defenses against assignee.

1116 (a) *Assignee's rights subject to terms, claims, and defenses; exceptions.* — Unless an account debtor has made an
1117 enforceable agreement not to assert defenses or claims, and subject to subsections (b) through (e), the rights of an assignee
1118 are subject to:

1119 (2) any other defense or claim of the account debtor against the assignor which accrues before the account
1120 debtor receives a notification of the assignment ~~authenticated~~ signed by the assignor or the assignee.

1121 Section 73. Amend § 9-406, Title 6 of the Delaware Code by making deletions as shown by strike through and
1122 insertions as shown by underline as follows:

1123 § 9-406. Discharge of account debtor; notification of assignment; identification and proof of assignment;
1124 restrictions on assignment of accounts, chattel paper, payment intangibles, and promissory notes ineffective.

1125 (a) *Discharge of account debtor; effect of notification.* — Subject to subsections (b) through ~~(i)~~, (i) and (k), an
1126 account debtor on an account, chattel paper, or a payment intangible may discharge its obligation by paying the assignor
1127 until, but not after, the account debtor receives a notification, ~~authenticated~~ signed by the assignor or the assignee, that the
1128 amount due or to become due has been assigned and that payment is to be made to the assignee. After receipt of the
1129 notification, the account debtor may discharge its obligation by paying the assignee and may not discharge the obligation
1130 by paying the assignor.

1131 (b) *When notification ineffective.* — Subject to ~~subsection (h)~~, subsections (h) and (k), notification is ineffective
1132 under subsection (a):

1133 (c) *Proof of assignment.* — Subject to ~~subsection (h)~~, subsections (h) and (k), if requested by the account debtor,
1134 an assignee shall seasonably furnish reasonable proof that the assignment has been made. Unless the assignee complies, the
1135 account debtor may discharge its obligation by paying the assignor, even if the account debtor has received a notification
1136 under subsection (a).

1137 (d) *Term restricting assignment generally ineffective.* — In this subsection, “promissory note” includes a
1138 negotiable instrument that evidences chattel paper. Except as otherwise provided in subsection (e) and Sections 2A-303 and
1139 9-407, and subject to subsection (h), a term in an agreement between an account debtor and an assignor or in a promissory
1140 note is ineffective to the extent that it:

1141 (g) *Subsection (b)(3) not waivable.* — Subject to ~~subsection (h)~~, subsections (h) and (k), an account debtor may
1142 not waive or vary its option under subsection (b)(3).

1143 (k) *Inapplicability of certain subsections.*- Subsections (a), (b), (c), and (g) do not apply to a controllable account
1144 or controllable payment intangible.

1145 Section 74. Amend § 9-408, Title 6 of the Delaware Code by making deletions as shown by strike through and
1146 insertions as shown by underline as follows:

1147 § 9-408. Restrictions on assignment of promissory notes, health-care-insurance receivables, and certain general
1148 intangibles ineffective.

1149 (g) “Promissory note.”- In this section, “promissory note” includes a negotiable instrument that evidences chattel
1150 paper.

1151 Section 75. Amend § 9-509, Title 6 of the Delaware Code by making deletions as shown by strike through and
1152 insertions as shown by underline as follows:

1153 § 9-509. Persons entitled to file a record.

1154 (a) *Person entitled to file record.* — A person may file an initial financing statement, amendment that adds
1155 collateral covered by a financing statement, or amendment that adds a debtor to a financing statement only if:

1156 (1) the debtor authorizes the filing in ~~an authenticated~~ a signed record or pursuant to subsection (b) or (c); or

1157 (b) *Security agreement as authorization.* — By ~~authenticating signing~~ signing or becoming bound as debtor by a security
1158 agreement, a debtor or new debtor authorizes the filing of an initial financing statement, and an amendment, covering:

1159 Section 76. Amend § 9-513, Title 6 of the Delaware Code by making deletions as shown by strike through and
1160 insertions as shown by underline as follows:

1161 § 9-513. Termination statement.

1162 (b) *Time for compliance with subsection (a).* — To comply with subsection (a), a secured party shall cause the
1163 secured party of record to file the termination statement:

1164 (2) if earlier, within 20 days after the secured party receives ~~an authenticated~~ a signed demand from a debtor.

1165 (c) *Other collateral.* — In cases not governed by subsection (a), within 20 days after a secured party receives ~~an~~
1166 ~~authenticated~~ a signed demand from a debtor, the secured party shall cause the secured party of record for a financing
1167 statement to send to the debtor a termination statement for the financing statement or file the termination statement in the
1168 filing office if:

1169 Section 77. Amend § 9-601, Title 6 of the Delaware Code by making deletions as shown by strike through and
1170 insertions as shown by underline as follows:

1171 § 9-601. Rights after default; judicial enforcement; consignor or buyer of accounts, chattel paper, payment
1172 intangibles, or promissory notes.

1173 (b) *Rights and duties of secured party in possession or control.* — A secured party in possession of collateral or
1174 control of collateral under Section 7-106, 9-104, 9-105, 9-105A, 9-106, ~~or 9-107~~ 9-107, or 9-107A has the rights and duties
1175 provided in Section 9-207.

1176 Section 78. Amend § 9-605, Title 6 of the Delaware Code by making deletions as shown by strike through and
1177 insertions as shown by underline as follows:

1178 § 9-605. Unknown debtor or secondary obligor.

1179 A(a) *In general: no duty owed by secured party.*- Except as provided in subsection (b), a secured party does not
1180 owe a duty based on its status as secured party:

1181 (b) *Exception: Secured party owes duty to debtor or obligor.*- A secured party owes a duty based on its status as a
1182 secured party to a person if, at the time the secured party obtains control of collateral that is a controllable account,
1183 controllable electronic record, or controllable payment intangible or at the time the security interest attaches to the
1184 collateral, whichever is later:

1185 (1) the person is a debtor or obligor; and

1186 (2) the secured party knows that the information in subsection (a)(1)(A), (B), or (C) relating to the person is
1187 not provided by the collateral, a record attached to or logically associated with the collateral, or the system in which the
1188 collateral is recorded.

1189 Section 79. Amend § 9-608, Title 6 of the Delaware Code by making deletions as shown by strike through and
1190 insertions as shown by underline as follows:

1191 § 9-608. Application of proceeds of collection or enforcement; liability for deficiency and right to surplus.

1192 (a) *Application of proceeds, surplus, and deficiency if obligation secured.* — If a security interest or agricultural
1193 lien secures payment or performance of an obligation, the following rules apply:

1194 (1) A secured party shall apply or pay over for application the cash proceeds of collection or enforcement
1195 under Section 9-607, reduced by the amounts deducted pursuant to Section 9-607(d), in the following order to:

1196 (A) the reasonable expenses of collection and enforcement and, to the extent provided for by agreement
1197 and not prohibited by law, reasonable attorney's fees and legal expenses incurred by the secured party;

1198 (B) the satisfaction of obligations secured by the security interest or agricultural lien under which the
1199 collection or enforcement is made; and

1200 (C) the satisfaction of obligations secured by any subordinate security interest in or other lien on the
1201 collateral subject to the security interest or agricultural lien under which the collection or enforcement is made if

1202 the secured party receives ~~an authenticated~~ a signed demand for proceeds before distribution of the proceeds is
1203 completed.

1204 Section 80. Amend § 9-611, Title 6 of the Delaware Code by making deletions as shown by strike through and
1205 insertions as shown by underline as follows:

1206 § 9-611. Notification before disposition of collateral.

1207 (a) *“Notification date.”* — In this section, “notification date” means the earlier of the date on which:

1208 (1) a secured party sends to the debtor and any secondary obligor ~~an authenticated~~ a signed notification of
1209 disposition; or

1210 (b) *Notification of disposition required.* — Except as otherwise provided in subsection (d), a secured party that
1211 disposes of collateral under Section 9-610 shall send to the persons specified in subsection (c) a reasonable ~~authenticated~~
1212 signed notification of disposition.

1213 (c) *Persons to be notified.* — To comply with subsection (b), the secured party shall send ~~an authenticated~~ a
1214 signed notification of disposition to:

1215 (3) if the collateral is other than consumer goods:

1216 (A) any other person from which the secured party has received, before the notification date, ~~an~~
1217 ~~authenticated~~ a signed notification of a claim of an interest in the collateral;

1218 (B) any other secured party or lienholder that, 10 days before the notification date, held a security interest
1219 in or other lien on the collateral perfected by the filing of a financing statement that:

1220 (i) identified the collateral;

1221 (ii) was indexed under the debtor’s name as of that date; and

1222 (iii) was filed in the office in which to file a financing statement against the debtor covering the
1223 collateral as of that date; and

1224 (C) any other secured party that, 10 days before the notification date, held a security interest in the
1225 collateral perfected by compliance with a statute, regulation, or treaty described in Section 9-311(a).

1226 (e) *Compliance with subsection (c)(3)(B).* — A secured party complies with the requirement for notification
1227 prescribed by subsection (c)(3)(B) if:

1228 (2) before the notification date, the secured party:

1229 (A) did not receive a response to the request for information; or

1230 (B) received a response to the request for information and sent ~~an authenticated~~ a signed notification of
1231 disposition to each secured party or other lienholder named in that response whose financing statement covered the
1232 collateral.

1233 Section 81. Amend § 9-613, Title 6 of the Delaware Code by making deletions as shown by strike through and
1234 insertions as shown by underline as follows:

1235 § 9-613. Contents and form of notification before disposition of collateral: general.

1236 (a) Contents and form of notification.- Except in a consumer-goods transaction, the following rules apply:

1237 (1) The contents of a notification of disposition are sufficient if the notification:

1238 (A) describes the debtor and the secured party;

1239 (B) describes the collateral that is the subject of the intended disposition;

1240 (C) states the method of intended disposition;

1241 (D) states that the debtor is entitled to an accounting of the unpaid indebtedness and states the charge, if
1242 any, for an accounting; and

1243 (E) states the time and place of a public disposition or the time after which any other disposition is to be
1244 made.

1245 (2) Whether the contents of a notification that lacks any of the information specified in paragraph (1) are
1246 nevertheless sufficient is a question of fact.

1247 (3) The contents of a notification providing substantially the information specified in paragraph (1) are
1248 sufficient, even if the notification includes:

1249 (A) information not specified by that paragraph; or

1250 (B) minor errors that are not seriously misleading.

1251 (4) A particular phrasing of the notification is not required.

1252 (5) The following form of notification and the form appearing in Section ~~9-614(3)~~, 9-614(a)(3), when
1253 ~~completed~~, completed in accordance with the instructions in subsection (b) and Section 9-614(b), each provides
1254 sufficient information:

1255 NOTIFICATION OF DISPOSITION OF COLLATERAL

1256 _____

1257 To: *[Name of debtor, obligor, or other person to which the notification is sent]*

1258 _____

1259 From: *[Name, address, and telephone number of secured party]*

1260 _____

1261 Name of Debtor(s): _____ [Include only if debtor(s) are not an addressee]

1262 _____

1263 [For a public disposition:]

1264 _____

1265 We will sell [or lease or license, as applicable] the [describe collateral] [to the highest qualified bidder]
1266 in public as follows:

1267 _____

1268 Day and Date: _____

1269 _____

1270 Time: _____

1271 _____

1272 Place: _____

1273 [For a private disposition:]

1274 _____

1275 We will sell [or lease or license, as applicable] the [describe collateral] privately sometime after [day
1276 and date].

1277 You are entitled to an accounting of the unpaid indebtedness secured by the property that we intend to
1278 sell [or lease or license, as applicable] [for a charge of \$ _____]. You may request an accounting by calling us
1279 at [telephone number].

1280 _____

1281 [End of Form]

1282 NOTIFICATION OF DISPOSITION OF COLLATERAL

1283 To: (Name of debtor, obligor, or other person to which the notification is sent)

1284 From: (Name, address, and telephone number of secured party)

1285 {1} Name of any debtor that is not an addressee: (Name of each debtor)

1286 {2} We will sell (describe collateral) (to the highest qualified bidder) at public sale. A sale could include a lease or
1287 license. The sale will be held as follows:

1288 (Date)

1289 (Time)

1290 (Place)

1291 {3} We will sell (describe collateral) at private sale sometime after (date). A sale could include a lease or license.

1292 {4} You are entitled to an accounting of the unpaid indebtedness secured by the property that we intend to sell or,

1293 as applicable, lease or license.

1294 {5} If you request an accounting you must pay a charge of \$ (amount).

1295 {6} You may request an accounting by calling us at (telephone number).

1296 [End of Form]

1297 (b) *Instructions for form of notification.* - The following instructions apply to the form of notification in subsection

1298 (a)(5):

1299 (1) The instructions in this subsection refer to the numbers in braces before items in the form of notification in

1300 subsection (a)(5). Do not include the numbers or braces in the notification. The numbers and braces are used only for the

1301 purpose of these instructions.

1302 (2) Include and complete item {1} only if there is a debtor that is not an addressee of the notification and list

1303 the name or names.

1304 (3) Include and complete either item {2}, if the notification relates to a public disposition of the collateral, or

1305 item {3}, if the notification relates to a private disposition of the collateral. If item {2} is included, include the words “to

1306 the highest qualified bidder” only if applicable.

1307 (4) Include and complete items {4} and {6}.

1308 (5) Include and complete item {5} only if the sender will charge the recipient for an accounting.

1309 Section 82. Amend § 9-614, Title 6 of the Delaware Code by making deletions as shown by strike through and

1310 insertions as shown by underline as follows:

1311 § 9-614. Contents and form of notification before disposition of collateral: consumer-goods transaction.

1312 (a) *Contents and form of notification.* - In a consumer-goods transaction, the following rules apply:

1313 (1) A notification of disposition must provide the following information:

1314 (A) the information specified in Section ~~9-613(1);~~9-613(a)(1);

1315 (B) a description of any liability for a deficiency of the person to which the notification is sent;

1316 (C) a telephone number from which the amount that must be paid to the secured party to redeem the

1317 collateral under Section 9-623 is available; and

1318 (D) a telephone number or mailing address from which additional information concerning the disposition

1319 and the obligation secured is available.

1320 (2) A particular phrasing of the notification is not required.
1321 (3) The following form of notification, when ~~completed,~~completed in accordance with the instructions in
1322 subsection (b), provides sufficient information:

1323 *[Name and address of secured party]*

1324 *[Date]*

1325 NOTICE OF OUR PLAN TO SELL PROPERTY

1326 *[Name and address of any obligor who is also a debtor]*

1327 Subject: _____ *[Identification of Transaction]*

1328 We have your *[describe collateral]*, because you broke promises in our agreement.

1329 *[For a public disposition:]*

1330 We will sell *[describe collateral]* at public sale. A sale could include a lease or license. The sale will be held
1331 as follows:

1332 Date: _____

1333 Time: _____

1334 Place: _____

1335 You may attend the sale and bring bidders if you want.

1336 *[For a private disposition:]*

1337 We will sell *[describe collateral]* at private sale sometime after *[date]*. A sale could include a lease or license.

1338 The money that we get from the sale (after paying our costs) will reduce the amount you owe. If we get less
1339 money than you owe, you *[will or will not, as applicable]* still owe us the difference. If we get more money than you
1340 owe, you will get the extra money, unless we must pay it to someone else.

1341 You can get the property back at any time before we sell it by paying us the full amount you owe (not just the
1342 past due payments), including our expenses. To learn the exact amount you must pay, call us at *[telephone number]*.

1343 If you want us to explain to you in writing how we have figured the amount that you owe us, you may call us
1344 at *[telephone number]* [or write us at *[secured party's address]*] and request a written explanation. [We will charge you
1345 \$ _____ for the explanation if we sent you another written explanation of the amount you owe us within
1346 the last six months.]

1347 If you need more information about the sale call us at *[telephone number]* [or write us at *[secured party's*
1348 *address]*].

1349 We are sending this notice to the following other people who have an interest in [*describe collateral*] or who
1350 owe money under your agreement:

1351 [*Names of all other debtors and obligors, if any*]

1352 _____

1353 [*End of Form*]

1354 (Name and address of secured party)

1355 (Date)

1356 NOTICE OF OUR PLAN TO SELL PROPERTY

1357 (Name and address of any obligor who is also a debtor)

1358 Subject: (Identify transaction)

1359 We have your (describe collateral), because you broke promises in our agreement.

1360 {1} We will sell (describe collateral) at public sale. A sale could include a lease or license. The sale will be held as
1361 follows:

1362 (Date)

1363 (Time)

1364 (Place)

1365 You may attend the sale and bring bidders if you want.

1366 {2} We will sell (describe collateral) at private sale sometime after (date). A sale could include a lease or license.

1367 {3} The money that we get from the sale, after paying our costs, will reduce the amount you owe. If we get less
1368 money than you owe, you (will or will not, as applicable) still owe us the difference. If we get more money than you
1369 owe, you will get the extra money, unless we must pay it to someone else.

1370 {4} You can get the property back at any time before we sell it by paying us the full amount you owe, not just the
1371 past due payments, including our expenses. To learn the exact amount you must pay, call us at (telephone number).

1372 {5} If you want us to explain to you in (writing) (writing or in (description of electronic record)) (description of
1373 electronic record) how we have figured the amount that you owe us, {6} call us at (telephone number) (or) (write us at
1374 secured party's address)) (or contact us by (description of electronic communication method)) {7} and request (a
1375 written explanation) (a written explanation or an explanation in (description of electronic record)) (an explanation in
1376 (description of electronic record)).

1377 {8} We will charge you \$ (amount) for the explanation if we sent you another written explanation of the amount
1378 you owe us within the last six months.

1379 {9} If you need more information about the sale (call us at (telephone number)) (or) (write us at (secured party’s
1380 address)) (or contact us by (description of electronic communication method)).

1381 {10} We are sending this notice to the following other people who have an interest in (describe collateral) or who
1382 owe money under your agreement:

1383 (Names of all other debtors and obligors, if any)

1384 End of Form

1385 (b) Instructions for form of notification.- The following instructions apply to the form of notification in subsection

1386 (a)(3):

1387 (1) The instructions in this subsection refer to the numbers in braces before items in the form of notification in
1388 subsection (a)(3). Do not include the numbers or braces in the notification. The numbers and braces are used only for
1389 the purpose of these instructions.

1390 (2) Include and complete either item {1}, if the notification relates to a public disposition of the collateral, or
1391 item {2}, if the notification relates to a private disposition of the collateral.

1392 (3) Include and complete items {3}, {4}, {5}, {6}, and {7}.

1393 (4) In item {5}, include and complete any one of the three alternative methods for the explanation—writing,
1394 writing or electronic record, or electronic record.

1395 (5) In item {6}, include the telephone number. In addition, the sender may include and complete either or both
1396 of the two additional alternative methods of communication—writing or electronic communication—for the recipient
1397 of the notification to communicate with the sender. Neither of the two additional methods of communication is
1398 required to be included.

1399 (6) In item {7}, include and complete the method or methods for the explanation—writing, writing or
1400 electronic record, or electronic record—included in item {5}.

1401 (7) Include and complete item {8} only if a written explanation is included in item {5} as a method for
1402 communicating the explanation and the sender will charge the recipient for another written explanation.

1403 (8) In item {9}, include either the telephone number or the address or both the telephone number and the
1404 address. In addition, the sender may include and complete the additional method of communication—electronic
1405 communication—for the recipient of the notification to communicate with the sender. The additional method of
1406 electronic communication is not required to be included.

1407 (9) If item {10} does not apply, insert “None” after “agreement:”.

1408 Section 83. Amend § 9-615, Title 6 of the Delaware Code by making deletions as shown by strike through and
1409 insertions as shown by underline as follows:

1410 § 9-615. Application of proceeds of disposition; liability for deficiency and right to surplus.

1411 (a) *Application of proceeds.* — A secured party shall apply or pay over for application the cash proceeds of
1412 disposition under Section 9-610 in the following order to:

1413 (3) the satisfaction of obligations secured by any subordinate security interest in or other subordinate lien on
1414 the collateral if:

1415 (A) the secured party receives from the holder of the subordinate security interest or other lien ~~an~~
1416 ~~authenticated~~ a signed demand for proceeds before distribution of the proceeds is completed; and

1417 (B) in a case in which a consignor has an interest in the collateral, the subordinate security interest or
1418 other lien is senior to the interest of the consignor; and

1419 (4) a secured party that is a consignor of the collateral if the secured party receives from the consignor ~~an~~
1420 ~~authenticated~~ a signed demand for proceeds before distribution of the proceeds is completed.

1421 Section 84. Amend § 9-616, Title 6 of the Delaware Code by making deletions as shown by strike through and
1422 insertions as shown by underline as follows:

1423 § 9-616. Explanation of calculation of surplus or deficiency.

1424 (a) *Definitions.* — In this section:

1425 (1) “Explanation” means a ~~writing~~ record that:

1426 (A) states the amount of the surplus or deficiency;

1427 (B) provides an explanation in accordance with subsection (c) of how the secured party calculated the
1428 surplus or deficiency;

1429 (C) states, if applicable, that future debits, credits, charges, including additional credit service charges or
1430 interest, rebates, and expenses may affect the amount of the surplus or deficiency; and

1431 (D) provides a telephone number or mailing address from which additional information concerning the
1432 transaction is available.

1433 (2) “Request” means a record:

1434 (A) ~~authenticated~~ signed by a debtor or consumer obligor;

1435 (B) requesting that the recipient provide an explanation; and

1436 (C) sent after disposition of the collateral under Section 9-610.

1437 (b) *Explanation of calculation.* — In a consumer-goods transaction in which the debtor is entitled to a surplus or a
1438 consumer obligor is liable for a deficiency under Section 9-615, the secured party shall:

1439 (1) send an explanation to the debtor or consumer obligor, as applicable, after the disposition and:

1440 (A) before or when the secured party accounts to the debtor and pays any surplus or first makes ~~written~~
1441 demand in a record on the consumer obligor after the disposition for payment of the deficiency; and

1442 (B) within 14 days after receipt of a request; or

1443 (c) *Required information.* — To comply with subsection (a)(1)(B), ~~a writing~~ an explanation must provide the
1444 following information in the following order:

1445 Section 85. Amend § 9-619, Title 6 of the Delaware Code by making deletions as shown by strike through and
1446 insertions as shown by underline as follows:

1447 § 9-619. Transfer of record or legal title.

1448 (a) *“Transfer statement.”* — In this section, “transfer statement” means a record ~~authenticated~~ signed by a secured
1449 party stating:

1450 Section 86. Amend § 9-620, Title 6 of the Delaware Code by making deletions as shown by strike through and
1451 insertions as shown by underline as follows:

1452 § 9-620. Acceptance of collateral in full or partial satisfaction of obligation; compulsory disposition of collateral.

1453 (a) *Conditions to acceptance in satisfaction.* — Except as otherwise provided in subsection (g), a secured party
1454 may accept collateral in full or partial satisfaction of the obligation it secures only if:

1455 (2) the secured party does not receive, within the time set forth in subsection (d), a notification of objection to
1456 the proposal ~~authenticated~~ signed by:

1457 (A) a person to which the secured party was required to send a proposal under Section 9-621; or

1458 (B) any other person, other than the debtor, holding an interest in the collateral subordinate to the security
1459 interest that is the subject of the proposal;

1460 (b) *Purported acceptance ineffective.* — A purported or apparent acceptance of collateral under this section is
1461 ineffective unless:

1462 (1) the secured party consents to the acceptance in ~~an authenticated~~ a signed record or sends a proposal to the
1463 debtor; and

1464 (c) *Debtor’s consent.* — For purposes of this section:

1465 (1) a debtor consents to an acceptance of collateral in partial satisfaction of the obligation it secures only if the
1466 debtor agrees to the terms of the acceptance in a record ~~authenticated~~ signed after default; and

1467 (2) a debtor consents to an acceptance of collateral in full satisfaction of the obligation it secures only if the
1468 debtor agrees to the terms of the acceptance in a record ~~authenticated~~ signed after default or the secured party:

1469 (A) sends to the debtor after default a proposal that is unconditional or subject only to a condition that
1470 collateral not in the possession of the secured party be preserved or maintained;

1471 (B) in the proposal, proposes to accept collateral in full satisfaction of the obligation it secures; and

1472 (C) does not receive a notification of objection ~~authenticated~~ signed by the debtor within 20 days after the
1473 proposal is sent.

1474 (f) *Compliance with mandatory disposition requirement.* — To comply with subsection (e), the secured party shall
1475 dispose of the collateral:

1476 (2) within any longer period to which the debtor and all secondary obligors have agreed in an agreement to
1477 that effect entered into and ~~authenticated~~ signed after default.

1478 Section 87. Amend § 9-621, Title 6 of the Delaware Code by making deletions as shown by strike through and
1479 insertions as shown by underline as follows:

1480 § 9-621. Notification of proposal to accept collateral.

1481 (a) *Persons to which proposal to be sent.* — A secured party that desires to accept collateral in full or partial
1482 satisfaction of the obligation it secures shall send its proposal to:

1483 (1) any person from which the secured party has received, before the debtor consented to the acceptance, ~~an~~
1484 ~~authenticated~~ a signed notification of a claim of an interest in the collateral;

1485 Section 88. Amend § 9-624, Title 6 of the Delaware Code by making deletions as shown by strike through and
1486 insertions as shown by underline as follows:

1487 § 9-624. Waiver.

1488 (a) *Waiver of disposition notification.* — A debtor or secondary obligor may waive the right to notification of
1489 disposition of collateral under Section 9-611 only by an agreement to that effect entered into and ~~authenticated~~ signed after
1490 default.

1491 (b) *Waiver of mandatory disposition.* — A debtor may waive the right to require disposition of collateral under
1492 Section 9-620(e) only by an agreement to that effect entered into and ~~authenticated~~ signed after default.

1493 (c) *Waiver of redemption right.* — Except in a consumer-goods transaction, a debtor or secondary obligor may
1494 waive the right to redeem collateral under Section 9-623 only by an agreement to that effect entered into and ~~authenticated~~
1495 signed after default.

1496 Section 89. Amend § 9-628, Title 6 of the Delaware Code by making deletions as shown by strike through and
1497 insertions as shown by underline as follows:

1498 § 9-628. Nonliability and limitation on liability of secured party; liability of secondary obligor.

1499 (a) *Limitation of liability of secured party for noncompliance with Article.* — ~~Unless~~Subject to subsection (f),
1500 unless a secured party knows that a person is a debtor or obligor, knows the identity of the person, and knows how to
1501 communicate with the person:

1502 (b) *Limitation of liability based on status as a secured party.* — ~~A~~Subject to subsection (f), a secured party is not
1503 liable because of its status as secured party:

1504 (f) *Exception: Limitation of liability under subsections (a) and (b) does not apply.*— Subsections (a) and (b) do not
1505 apply to limit the liability of a secured party to a person if, at the time the secured party obtains control of collateral that is a
1506 controllable account, controllable electronic record, or controllable payment intangible or at the time the security interest
1507 attaches to the collateral, whichever is later:

1508 (1) the person is a debtor or obligor; and

1509 (2) the secured party knows that the information in subsection (b)(1)(A), (B), or (C) relating to the person is
1510 not provided by the collateral, a record attached to or logically associated with the collateral, or the system in which the
1511 collateral is recorded.

1512 Section 90. Amend Subtitle I, Title 6 of the Delaware Code by making deletions as shown by strike through and
1513 insertions as shown by underline as follows:

1514 Article 12. Controllable Electronic Records.

1515 § 12-101. Title.

1516 This article may be cited as Uniform Commercial Code - Controllable Electronic Records.

1517 § 12-102. Definitions.

1518 (a) Article 12 definitions.-

1519 In this article:

1520 (1) “Controllable electronic record” means a record stored in an electronic medium that can be subjected to
1521 control under Section 12-105. The term does not include a controllable account, a controllable payment intangible, a
1522 deposit account, an electronic copy of a record evidencing chattel paper, an electronic document of title, electronic
1523 money, investment property, or a transferable record.

1524 (2) “Qualifying purchaser” means a purchaser of a controllable electronic record or an interest in a
1525 controllable electronic record that obtains control of the controllable electronic record for value, in good faith, and
1526 without notice of a claim of a property right in the controllable electronic record.

1527 (3) “Transferable record” has the meaning provided for that term in:

1528 (A) Section 201(a)(1) of the Electronic Signatures in Global and National Commerce Act, 15 U.S.C.
1529 Section 7021 (a)(1); or

1530 (B) § 12A-116 of this title.

1531 (4) “Value” has the meaning provided in Section 3-303(a), as if references in that subsection to an
1532 “instrument” were references to a controllable account, controllable electronic record, or controllable payment
1533 intangible.

1534 (b) Definitions in Article 9.- The definitions in Article 9 of “account debtor”, “controllable account”, “controllable
1535 payment intangible”, “chattel paper”, “deposit account”, “electronic money”, and “investment property” apply to this
1536 article.

1537 (c) Article 1 definitions and principles.- Article 1 contains general definitions and principles of construction and
1538 interpretation applicable throughout this article.

1539 § 12-103. Relation to Article 9 and consumer laws.

1540 (a) Article 9 governs in case of conflict.- If there is conflict between this article and Article 9, Article 9 governs.

1541 (b) Applicable consumer law and other laws.- A transaction subject to this article is subject to any applicable rule
1542 of law that establishes a different rule for consumers, to any other statute or regulation of this State that regulates the rates,
1543 charges, agreements, and practices for loans, credit sales, or other extensions of credit, and to any consumer-protection
1544 statute or regulation of this State.

1545 § 12-104. Rights in controllable account, controllable electronic record, and controllable payment intangible.

1546 (a) Applicability of section to controllable account and controllable payment intangible.- This section applies to
1547 the acquisition and purchase of rights in a controllable account or controllable payment intangible, including the rights and
1548 benefits under subsections (c), (d), (e), (g), and (h) of a purchaser and qualifying purchaser, in the same manner this section
1549 applies to a controllable electronic record.

1550 (b) Control of controllable account and controllable payment intangible.- To determine whether a purchaser of a
1551 controllable account or a controllable payment intangible is a qualifying purchaser, the purchaser obtains control of the
1552 account or payment intangible if it obtains control of the controllable electronic record that evidences the account or
1553 payment intangible.

1554 (c) Applicability of other law to acquisition of rights.- Except as provided in this section, law other than this article
1555 determines whether a person acquires a right in a controllable electronic record and the right the person acquires.

1556 (d) Shelter principle and purchase of limited interest.- A purchaser of a controllable electronic record acquires all
1557 rights in the controllable electronic record that the transferor had or had power to transfer, except that a purchaser of a
1558 limited interest in a controllable electronic record acquires rights only to the extent of the interest purchased.

1559 (e) Rights of qualifying purchaser.- A qualifying purchaser acquires its rights in the controllable electronic record
1560 free of a claim of a property right in the controllable electronic record.

1561 (f) Limitation of rights of qualifying purchaser in other property.- Except as provided in subsections (a) and (e) for
1562 a controllable account and a controllable payment intangible or law other than this article, a qualifying purchaser takes a
1563 right to payment, right to performance, or other interest in property evidenced by the controllable electronic record subject
1564 to a claim of a property right in the right to payment, right to performance, or other interest in property.

1565 (g) No-action protection for qualifying purchaser.- An action may not be asserted against a qualifying purchaser
1566 based on both a purchase by the qualifying purchaser of a controllable electronic record and a claim of a property right in
1567 another controllable electronic record, whether the action is framed in conversion, replevin, constructive trust, equitable
1568 lien, or other theory.

1569 (h) Filing not notice.- Filing of a financing statement under Article 9 is not notice of a claim of a property right in
1570 a controllable electronic record.

1571 § 12-105. Control of controllable electronic record.

1572 (a) General rule: control of controllable electronic record. A person has control of a controllable electronic record
1573 if the electronic record, a record attached to or logically associated with the electronic record, or a system in which the
1574 electronic record is recorded:

1575 (1) gives the person:

1576 (A) power to avail itself of substantially all the benefit from the electronic record; and

1577 (B) exclusive power, subject to subsection (b), to:

1578 (i) prevent others from availing themselves of substantially all the benefit from the electronic record;

1579 and

1580 (ii) transfer control of the electronic record to another person or cause another person to obtain

1581 control of another controllable electronic record as a result of the transfer of the electronic record; and

1582 (2) enables the person readily to identify itself in any way, including by name, identifying number,

1583 cryptographic key, office, or account number, as having the powers specified in paragraph (1).

1584 (b) Meaning of exclusive.- Subject to subsection (c), a power is exclusive under subsection (a)(1)(B)(i) and (ii)
1585 even if:

1586 (1) the controllable electronic record, a record attached to or logically associated with the electronic record, or
1587 a system in which the electronic record is recorded limits the use of the electronic record or has a protocol programmed
1588 to cause a change, including a transfer or loss of control or a modification of benefits afforded by the electronic record;
1589 or

1590 (2) the power is shared with another person.

1591 (c) When power not shared with another person.- A power of a person is not shared with another person under
1592 subsection (b)(2) and the person's power is not exclusive if:

1593 (1) the person can exercise the power only if the power also is exercised by the other person; and
1594 (2) the other person:

1595 (A) can exercise the power without exercise of the power by the person; or
1596 (B) is the transferor to the person of an interest in the controllable electronic record or a controllable
1597 account or controllable payment intangible evidenced by the controllable electronic record.

1598 (d) Presumption of exclusivity of certain powers.- If a person has the powers specified in subsection (a)(1)(B)(i)
1599 and (ii), the powers are presumed to be exclusive.

1600 (e) Control through another person.- A person has control of a controllable electronic record if another person,
1601 other than the transferor to the person of an interest in the controllable electronic record or a controllable account or
1602 controllable payment intangible evidenced by the controllable electronic record:

1603 (1) has control of the electronic record and acknowledges that it has control on behalf of the person; or
1604 (2) obtains control of the electronic record after having acknowledged that it will obtain control of the
1605 electronic record on behalf of the person.

1606 (f) No requirement to acknowledge. – A person that has control under this section is not required to acknowledge
1607 that it has control on behalf of another person.

1608 (g) No duties or confirmation.- If a person acknowledges that it has or will obtain control on behalf of another
1609 person, unless the person otherwise agrees or law other than this article or Article 9 otherwise provides, the person does not
1610 owe any duty to the other person and is not required to confirm the acknowledgment to any other person.

1611 Section 12-106. Discharge of account debtor on controllable account or controllable payment intangible.

1612 (a) Discharge of account debtor. An account debtor on a controllable account or controllable payment intangible
1613 may discharge its obligation by paying:

1614 (1) the person having control of the controllable electronic record that evidences the controllable account or
1615 controllable payment intangible; or

1616 (2) except as provided in subsection (b), a person that formerly had control of the controllable electronic
1617 record.

1618 (b) Content and effect of notification.- Subject to subsection (d), the account debtor may not discharge its
1619 obligation by paying a person that formerly had control of the controllable electronic record if the account debtor receives a
1620 notification that:

1621 (1) is signed by a person that formerly had control or the person to which control was transferred;

1622 (2) reasonably identifies the controllable account or controllable payment intangible;

1623 (3) notifies the account debtor that control of the controllable electronic record that evidences the controllable
1624 account or controllable payment intangible was transferred;

1625 (4) identifies the transferee, in any reasonable way, including by name, identifying number, cryptographic
1626 key, office, or account number; and

1627 (5) provides a commercially reasonable method by which the account debtor is to pay the transferee.

1628 (c) Discharge following effective notification.- After receipt of a notification that complies with subsection (b), the
1629 account debtor may discharge its obligation by paying in accordance with the notification and may not discharge the
1630 obligation by paying a person that formerly had control.

1631 (d) When notification ineffective.- Subject to subsection (h), notification is ineffective under subsection (b):

1632 (1) unless, before the notification is sent, the account debtor and the person that, at that time, had control of
1633 the controllable electronic record that evidences the controllable account or controllable payment intangible agree in a
1634 signed record to a commercially reasonable method by which a person may furnish reasonable proof that control has
1635 been transferred;

1636 (2) to the extent an agreement between the account debtor and seller of a payment intangible limits the
1637 account debtor's duty to pay a person other than the seller and the limitation is effective under law other than this
1638 article; or

1639 (3) at the option of the account debtor, if the notification notifies the account debtor to:

1640 (A) divide a payment;

1641 (B) make less than the full amount of an installment or other periodic payment; or

1642 (C) pay any part of a payment by more than one method or to more than one person.

1643 (e) Proof of transfer of control.- Subject to subsection (h), if requested by the account debtor, the person giving the
1644 notification under subsection (b) seasonably shall furnish reasonable proof, using the method in the agreement referred to in
1645 subsection (d)(1), that control of the controllable electronic record has been transferred. Unless the person complies with
1646 the request, the account debtor may discharge its obligation by paying a person that formerly had control, even if the
1647 account debtor has received a notification under subsection (b).

1648 (f) What constitutes reasonable proof.- A person furnishes reasonable proof under subsection (e) that control has
1649 been transferred if the person demonstrates, using the method in the agreement referred to in subsection (d)(1), that the
1650 transferee has the power to:

- 1651 (1) avail itself of substantially all the benefit from the controllable electronic record;
1652 (2) prevent others from availing themselves of substantially all the benefit from the controllable electronic
1653 record; and
1654 (3) transfer the powers specified in paragraphs (1) and (2) to another person.

1655 (g) Rights not waivable.- Subject to subsection (h), an account debtor may not waive or vary its rights under
1656 subsections (d)(1) and (e) or its option under subsection (d)(3).

1657 (h) Rule for individual under other law.- This section is subject to law other than this article which establishes a
1658 different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or
1659 household purposes.

1660 §12-107. Governing law.

1661 (a) Governing law: general rule.- Except as provided in subsection (b), the local law of a controllable electronic
1662 record's jurisdiction governs a matter covered by this article.

1663 (b) Governing law: Section 12-106.- For a controllable electronic record that evidences a controllable account or
1664 controllable payment intangible, the local law of the controllable electronic record's jurisdiction governs a matter covered
1665 by Section 12-106 unless an effective agreement determines that the local law of another jurisdiction governs.

1666 (c) Controllable electronic record's jurisdiction.- The following rules determine a controllable electronic record's
1667 jurisdiction under this section:

- 1668 (1) If the controllable electronic record, or a record attached to or logically associated with the controllable
1669 electronic record and readily available for review, expressly provides that a particular jurisdiction is the controllable
1670 electronic record's jurisdiction for purposes of this article or the Uniform Commercial Code, that jurisdiction is the
1671 controllable electronic record's jurisdiction.

1672 (2) If paragraph (1) does not apply and the rules of the system in which the controllable electronic record is
1673 recorded are readily available for review and expressly provide that a particular jurisdiction is the controllable
1674 electronic record’s jurisdiction for purposes of this article or the Uniform Commercial Code, that jurisdiction is the
1675 controllable electronic record’s jurisdiction.

1676 (3) If paragraphs (1) and (2) do not apply and the controllable electronic record, or a record attached to or
1677 logically associated with the controllable electronic record and readily available for review, expressly provides that the
1678 controllable electronic record is governed by the law of a particular jurisdiction, that jurisdiction is the controllable
1679 electronic record’s jurisdiction.

1680 (4) If paragraphs (1), (2), and (3) do not apply and the rules of the system in which the controllable electronic
1681 record is recorded are readily available for review and expressly provide that the controllable electronic record or the
1682 system is governed by the law of a particular jurisdiction, that jurisdiction is the controllable electronic record’s
1683 jurisdiction.

1684 (5) If paragraphs (1) through (4) do not apply, the controllable electronic record’s jurisdiction is the District of
1685 Columbia.

1686 (d) Applicability of Article 12.- If subsection (c)(5) applies and Article 12 is not in effect in the District of
1687 Columbia without material modification, the governing law for a matter covered by this article is the law of the District of
1688 Columbia as though Article 12 were in effect in the District of Columbia without material modification. In this subsection,
1689 “Article 12” means Article 12 of Uniform Commercial Code Amendments (2022).

1690 (e) Relation of matter or transaction to controllable electronic record’s jurisdiction not necessary.- To the extent
1691 subsections (a) and (b) provide that the local law of the controllable electronic record’s jurisdiction governs a matter
1692 covered by this article, that law governs even if the matter or a transaction to which the matter relates does not bear any
1693 relation to the controllable electronic record’s jurisdiction.

1694 (f) Rights of purchasers determined at time of purchase.- The rights acquired under Section 12-104 by purchaser
1695 or qualifying purchaser are governed by the law applicable under this section at the time of purchase.

1696 Article A. Transitional Provisions for Uniform Commercial Code Amendments 2022.

1697 Part 1. General provisions and definitions.

1698 § A-101. Title.

1699 This article may be cited as Transitional Provisions for Uniform Commercial Code Amendments (2022).

1700 § A-102. Definitions.

1701 (a) Article A Definitions.- In this article:

1702 (1) “Adjustment date” means July 1, 2025, or the date that is one year after [the effective date of this Act],
1703 whichever is later.

1704 (2) “Amending Act” means [the Act of the 152nd General Assembly that enacted this Act and is chaptered in
1705 Volume 84 of the Laws of Delaware].

1706 (3) “Article 12” means Article 12 of the Uniform Commercial Code.

1707 (4) “Article 12 property” means a controllable account, controllable electronic record, or controllable payment
1708 intangible.

1709 (b) Definitions in other articles.- The following definitions in other articles of the Uniform Commercial Code
1710 apply to this article.

1711 “Controllable account”. § 9-102.

1712 “Controllable electronic record”. § 12-102.

1713 “Controllable payment intangible”. § 9-102.

1714 “Electronic money”. § 9-102

1715 “Financing statement”. § 9-102.

1716 (c) Article 1 definitions and principles.- Article 1 contains general definitions and principles of construction and
1717 interpretation applicable throughout this article.

1718 Part 2. General transitional provision.

1719 Section A-201. Saving clause.

1720 Except as provided in Part 3, a transaction validly entered into before [the effective date of this Act] and the rights,
1721 duties, and interests flowing from the transaction remain valid thereafter and may be terminated, completed, consummated,
1722 or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, the Uniform
1723 Commercial Code, as though the amending Act had not taken effect.

1724 Part 3. Transitional provisions for Articles 9 and 12.

1725 § A-301. Saving clause.

1726 (a) Pre-effective-date transaction, lien, or interest.- Except as provided in this part, Article 9, as amended by the
1727 amending Act, and Article 12 apply to a transaction, lien, or other interest in property, even if the transaction, lien, or
1728 interest was entered into, created, or acquired before [the effective date of this Act].

1729 (b) Continuing validity.- Except as provided in subsection (c) and Sections A-302 through A-306:

1730 (1) a transaction, lien, or interest in property that was validly entered into, created, or transferred before [the
1731 effective date of this Act] and was not governed by the Uniform Commercial Code, but would be subject to Article 9,

1732 as amended by the amending Act, or Article 12 if it had been entered into, created, or transferred on or after [the
1733 effective date of this Act], including the rights, duties, and interests flowing from the transaction, lien, or interest,
1734 remains valid on and after [the effective date of this Act]; and

1735 (2) the transaction, lien, or interest may be terminated, completed, consummated, and enforced as required or
1736 permitted by the amending Act or by the law that would apply if the amending Act had not taken effect.

1737 (c) Pre-effective-date proceeding.- The amending Act does not affect an action, case, or proceeding commenced
1738 before [the effective date of this Act].

1739 § A-302. Security interest perfected before effective date.

1740 (a) Continuing perfection: perfection requirements satisfied.- A security interest that is enforceable and perfected
1741 immediately before [the effective date of this Act] is a perfected security interest under the amending Act if, on [the
1742 effective date of this Act], the requirements for enforceability and perfection under the amending Act are satisfied without
1743 further action.

1744 (b) Continuing perfection; enforceability or perfection requirements not satisfied.- If a security interest is
1745 enforceable and perfected immediately before [the effective date of this Act], but the requirements for enforceability or
1746 perfection under this [act] are not satisfied on [the effective date of this Act], the security interest:

1747 (1) is a perfected security interest until the earlier of the time perfection would have ceased under the law in
1748 effect immediately before [the effective date of this Act] or the adjustment date;

1749 (2) remains enforceable thereafter only if the security interest satisfies the requirements for enforceability
1750 under Section 9-203, as amended by the amending Act, before the adjustment date; and

1751 (3) remains perfected thereafter only if the requirements for perfection under the amending Act are satisfied
1752 before the time specified in paragraph (1).

1753 § A-303. Security interest unperfected before effective date.

1754 A security interest that is enforceable immediately before [the effective date of this Act] but is unperfected at that
1755 time:

1756 (1) remains an enforceable security interest until the adjustment date;

1757 (2) remains enforceable thereafter if the security interest becomes enforceable under Section 9-203, as
1758 amended by the amending Act, on [the effective date of this Act] or before the adjustment date; and

1759 (3) becomes perfected:

1760 (A) without further action, on [the effective date of this Act] if the requirements for perfection under the
1761 amending Act are satisfied before or at that time; or

1762 (B) when the requirements for perfection are satisfied if the requirements are satisfied after that time.

1763 § A-304. Effectiveness of actions taken before effective date.

1764 (a) Pre-effective-date action; attachment and perfection before adjustment date.- If action, other than the filing of
1765 a financing statement, is taken before [the effective date of this Act] and the action would have resulted in perfection of the
1766 security interest had the security interest become enforceable before [the effective date of this Act], the action is effective to
1767 perfect a security interest that attaches under the amending Act before the adjustment date. An attached security interest
1768 becomes unperfected on the adjustment date unless the security interest becomes a perfected security interest under the
1769 amending Act before the adjustment date.

1770 (b) Pre-effective-date filing.- The filing of a financing statement before [the effective date of this Act] is effective
1771 to perfect a security interest on [the effective date of this Act] to the extent the filing would satisfy the requirements for
1772 perfection under the amending Act.

1773 (c) Pre-effective-date enforceability action.- The taking of an action before [the effective date of this Act] is
1774 sufficient for the enforceability of a security interest on [the effective date of this Act] if the action would satisfy the
1775 requirements for enforceability under the amending Act.

1776 § A-305. Priority.

1777 (a) Determination of priority.- Subject to subsections (b) and (c), the amending Act determines the priority of
1778 conflicting claims to collateral.

1779 (b) Established priorities.- Subject to subsection (c), if the priorities of claims to collateral were established before
1780 [the effective date of this Act], Article 9, as in effect before [the effective date of this Act], determines priority.

1781 (c) Determination of certain priorities on adjustment date.- On the adjustment date, to the extent the priorities
1782 determined by Article 9, as amended by the amending Act, modify the priorities established before [the effective date of
1783 this Act], the priorities of claims to Article 12 property and electronic money established before [the effective date of this
1784 Act] cease to apply.

1785 § A-306. Priority of claims when priority rules of Article 9 do not apply.

1786 (a) Determination of priority.- Subject to subsections (b) and (c), Article 12 determines the priority of conflicting
1787 claims to Article 12 property when the priority rules of Article 9, as amended by the amending Act, do not apply.

1788 (b) Established priorities.- Subject to subsection (c), when the priority rules of Article 9, as amended by the
1789 amending Act, do not apply and the priorities of claims to Article 12 property were established before [the effective date of
1790 this Act], law other than Article 12 determines priority.

1791 (c) Determination of certain priorities on adjustment date.- When the priority rules of Article 9, as amended by the
1792 amending Act, do not apply, to the extent the priorities determined by the amending Act modify the priorities established
1793 before [the effective date of this Act], the priorities of claims to Article 12 property established before [the effective date of
1794 this Act] cease to apply on the adjustment date.

SYNOPSIS

This Act, the 2022 Amendments to the Uniform Commercial Code, was drafted by the Uniform Law Commission in partnership with the American Law Institute. The Uniform Law Commission "provides states with non-partisan, well-conceived and well-drafted legislation that brings clarity and stability to critical areas of state statutory law."

The Uniform Commercial Code ("UCC") provides commercial law rules for broad categories of transactions: the sale or lease of goods, negotiable instruments, bank deposits and collections, funds transfers, letters of credit, documents of title, investment property, and secured transactions in personal property. Every state has adopted the UCC and, as a result, strong interstate markets have developed because the UCC provides the legal structure necessary to have confidence when transacting business with others.

The UCC has been revised over time as the United States' economy shifted from a goods-based economy toward one based on services, software, and information-based transactions. The 2022 Amendments to the UCC ("2022 Amendments") are yet another revision to address the changing economy. Specifically, the 2022 Amendments do all of the following:

(1) Provide updated rules for commercial transactions involving emerging technologies such as virtual currencies, non-fungible tokens (also known as NFTs), and distributed ledger technologies (also known as "blockchain").

(2) Create a new Article 12 addressing new types of property, or digital assets, defined as "controllable electronic records" ("CERs"). Examples of CERs include virtual currencies, non-fungible tokens, and electronic promises to pay.

(3) Provide new default rules to govern transactions involving these emerging technologies and clarify the UCC's applicability to mixed transactions involving both goods and services.

(4) Update the UCC to recognize that parties often do not use paper documents and, therefore, the UCC applies equally to electronic transactions.

(5) Make additional revisions to the UCC unrelated to technological developments but necessary to provide needed clarification of the UCC.

(6) Create a new Article A to provide transition rules designed to protect the expectations of parties to pre-effective-date transactions. For example, a secured lender who has a priority security interest in collateral under the current law will retain its priority through a transition period, giving parties to preexisting transactions plenty of time to revise their agreements to comply with this Act.

This Act amends the UCC and, as such, deals only with consensual commercial transactions. It does not regulate the use of these emerging technologies, including CERs, address taxation of CERs, alter the law governing money transmitters, or revise anti-money laundering laws.

As of the introduction of this Act, the 2022 Amendments have been introduced in 21 states and the District of Columbia and enacted in 5 states (Indiana, North Dakota, Colorado, New Mexico, and Washington).

Author: Senator Gay