

**URGENT UCC UPDATE FOR CERTAIN SECURED CREDITORS:  
IMMEDIATE ACTION MAY BE NECESSARY TO MAINTAIN  
PERFECTION IN YOUR COLLATERAL BEYOND JUNE 30, 2006**

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If you are a secured creditor whose security interest in collateral was perfected by filing a UCC financing statement under Article 9, you may need to take action by June 30, 2006 to avoid losing perfection and the priority of your lien in the collateral.

Article 9 of the Uniform Commercial Code was revised and took effect in most states on July 1, 2001. (In Florida, however, it took effect on January 1, 2002.) One of the revisions changed the required location for the filing of a financing statement from the jurisdiction where the debtor's assets are located to the jurisdiction where the debtor is organized (if the debtor is an individual, and the correct location for filing is the debtor's principal place of residence). In order to ensure that financing statements initially filed under the old law remained effective, the drafters of revised Article 9 provided a five-year transition period for secured creditors to bring existing financing statements into compliance with the new law. The transition period will end in most states on June 30, 2006 (in Florida, recent legislation was adopted to extend the transition period until December 31, 2006). This means that if you are a secured creditor who initially filed a financing statement in the state where the debtor's assets are located, you must now file an initial financing statement in lieu of a continuation statement (typically referred to as an "in-lieu filing") in the state where the Debtor is currently organized before June 30, 2006 in order to remain perfected in the collateral. Although Florida's transition period does not expire until December 31, 2006, a financing statement filed in another State under the old law will cease to be effective on June 30, with respect to Florida debtors as well as other debtors. This means that a secured party must complete the in-lieu filing in Florida no later than June 30 in order to avoid losing priority over other creditors.

For a small but potentially significant number of UCC filings made by secured parties with debtors located outside of the State of Florida (filings that were originally filed or continued between July and December of 1996 and then continued during the 6-month continuation window prior to July 1, 2001), specialized action will be required in order to maintain perfection.