

**First Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO**

**REREVISED**

*This Version Includes All Amendments  
Adopted in the Second House*

LLS NO. 23-0564.01 Christopher McMichael x4775

**SENATE BILL 23-090**

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**SENATE SPONSORSHIP**

**Gardner, Priola, Rich**

**HOUSE SPONSORSHIP**

**Snyder, Bird, Epps, Lindsay, Lindstedt, Marshall, McCluskie, Ricks**

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**Senate Committees**  
Judiciary

**House Committees**  
Judiciary

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**A BILL FOR AN ACT**

101 **CONCERNING THE ENACTMENT OF THE 2022 AMENDMENTS TO THE**  
102 **"UNIFORM COMMERCIAL CODE".**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Colorado Commission on Uniform State Laws.** The bill makes changes to the "Uniform Commercial Code" (UCC), drafted by the Uniform Law Commission.

The 2022 amendments update the UCC to account for emerging technologies by:

- Amending the definitions of "conspicuous", "send", and

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.*  
*Dashes through the words or numbers indicate deletions from existing law.*

HOUSE  
3rd Reading Unamended  
March 6, 2023

HOUSE  
Amended 2nd Reading  
March 3, 2023

SENATE  
3rd Reading Unamended  
February 22, 2023

SENATE  
Amended 2nd Reading  
February 21, 2023

- "sign";
- Adding the definition of "electronic"; and
- Changing current references to "writing" or "written" to refer instead to a "record".

The 2022 amendments update the provisions of the UCC related to secured transactions by:

- Addressing security interests and rights to payment related to controllable electronic records;
- Specifying how to perfect security interests in controllable accounts and controllable payment intangibles;
- Updating the definition of "chattel paper" to distinguish between a right to payment and the record evidencing the right to payment;
- Updating definitions related to money generally, including creating a new definition of "electronic money"; and
- Creating a new definition of "assignee" and "assignor".

The bill creates a new article within the UCC that governs the transfer of property rights in certain intangible digital assets that have been or may be created and may involve the use of new technologies, including such assets as certain types of virtual currency and nonfungible tokens.

The bill provides guidance for which laws apply during the transition from the current UCC to the UCC as amended by the bill.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, 4-1-201, **amend** (b)  
 3 introductory portion, (b)(10), (b)(14), (b)(20)(C), (b)(23), (b)(26), (b)(36),  
 4 and (b)(37); and **add** (b)(15.5) as follows:

5           **4-1-201. General definitions.** (b) Subject to definitions  
 6 contained in other articles of this title TITLE 4 that apply to particular  
 7 articles or parts thereof OF THIS TITLE 4:

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

12           ~~(A) A heading in capital letters equal to or greater in size than the~~

1 ~~surrounding text, or in contrasting type, font, or color to the surrounding~~  
2 ~~text of the same or lesser size; and~~

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

7 (14) "Delivery", with respect to an electronic document of title,  
8 means voluntary transfer of control; and with respect to an instrument, a  
9 tangible document of title, or AN AUTHORITATIVE TANGIBLE COPY OF A  
10 RECORD EVIDENCING chattel paper, means voluntary transfer of  
11 possession.

12 (15.5) "ELECTRONIC" MEANS RELATING TO TECHNOLOGY HAVING  
13 ELECTRICAL, DIGITAL, MAGNETIC, WIRELESS, OPTICAL,  
14 ELECTROMAGNETIC, OR SIMILAR CAPABILITIES.

15 (20) "Holder" means:

16 (C) The person in control, OTHER THAN PURSUANT TO SECTION  
17 4-7-106 (g), OF A NEGOTIABLE ELECTRONIC DOCUMENT OF TITLE.

18 (23) "Money" means a medium of exchange currently authorized  
19 or adopted by a domestic or foreign government. The term includes a  
20 monetary unit of account established by an intergovernmental  
21 organization or by agreement between two or more countries. THE TERM  
22 DOES NOT INCLUDE AN ELECTRONIC RECORD THAT IS A MEDIUM OF  
23 EXCHANGE RECORDED AND TRANSFERABLE IN A SYSTEM THAT EXISTED  
24 AND OPERATED FOR THE MEDIUM OF EXCHANGE BEFORE THE MEDIUM OF  
25 EXCHANGE WAS AUTHORIZED OR ADOPTED BY THE GOVERNMENT.

26 (26) "Person" means an individual, corporation, business trust,  
27 estate, trust, partnership, limited liability company, association, joint

1 venture, government, government subdivision, agency, or instrumentality,  
2 or any other legal or commercial entity. THE TERM INCLUDES A  
3 PROTECTED SERIES, HOWEVER DENOMINATED, OF AN ENTITY IF THE  
4 PROTECTED SERIES IS ESTABLISHED UNDER THE LAWS OF ANOTHER STATE  
5 THAT:

6 (a) LIMITS, OR LIMITS IF CONDITIONS SPECIFIED UNDER THE LAW  
7 ARE SATISFIED, THE ABILITY OF A CREDITOR OF THE ENTITY OR OF ANY  
8 OTHER PROTECTED SERIES OF THE ENTITY TO SATISFY A CLAIM FROM  
9 ASSETS OF THE PROTECTED SERIES; AND

10 (b) TREATS THE PROTECTED SERIES AS AN ENTITY.

11 (36) "Send", in connection with a ~~writing~~, record or ~~notice~~  
12 NOTIFICATION, means to:

13 (A) Deposit in the mail, ~~or~~ deliver for transmission, OR TRANSMIT  
14 by any other usual means of communication with postage or cost of  
15 transmission provided for, ~~and properly addressed and, in the case of an~~  
16 ~~instrument, to an address specified thereon or otherwise agreed, or, if~~  
17 ~~there is none~~, ADDRESSED to any address reasonable under the  
18 circumstances; or

19 (B) ~~In any other way cause to be received any record or notice~~  
20 ~~within the time it would have arrived if properly sent~~ CAUSE THE RECORD  
21 OR NOTIFICATION TO BE RECEIVED WITHIN THE TIME IT WOULD HAVE BEEN  
22 RECEIVED IF PROPERLY SENT UNDER SUBSECTION (b)(36)(A) OF THIS  
23 SECTION.

24 (37) (A) ~~"Signed" includes any symbol executed or adopted with~~  
25 ~~present intention to adopt or accept a writing.~~ "SIGN" MEANS, WITH  
26 PRESENT INTENT TO AUTHENTICATE OR ADOPT A RECORD:

27 (i) EXECUTE OR ADOPT A TANGIBLE SYMBOL; OR

1 (ii) ATTACH TO OR LOGICALLY ASSOCIATE WITH THE RECORD AN  
2 ELECTRONIC SYMBOL, SOUND, OR PROCESS.

3 (B) "SIGNED", "SIGNING", AND "SIGNATURE" HAVE  
4 CORRESPONDING MEANINGS.

5 **SECTION 2.** In Colorado Revised Statutes, 4-1-204, **amend** the  
6 introductory portion as follows:

7 **4-1-204. Value.** Except as otherwise provided in articles 3, 4, ~~and~~  
8 ~~5, 6, AND 12~~ of this ~~title~~ TITLE 4, a person gives value for rights if the  
9 person acquires them:

10 **SECTION 3.** In Colorado Revised Statutes, 4-1-301, **add** (c)(9)  
11 as follows:

12 **4-1-301. Territorial applicability - parties' power to choose**  
13 **applicable law.** (c) If one of the following provisions of the "Uniform  
14 Commercial Code" specifies the applicable law, that provision governs  
15 and a contrary agreement is effective only to the extent permitted by the  
16 law so specified:

17 (9) SECTION 4-12-107.

18 **SECTION 4.** In Colorado Revised Statutes, **amend** 4-1-306 as  
19 follows:

20 **4-1-306. Waiver or renunciation of claim or right after breach.**  
21 A claim or right arising out of an alleged breach may be discharged in  
22 whole or in part without consideration by agreement of the aggrieved  
23 party in ~~an authenticated~~ A SIGNED record.

24 **SECTION 5.** In Colorado Revised Statutes, **amend** 4-2-102 as  
25 follows:

26 **4-2-102. Scope - certain security and other transactions**  
27 **excluded from this article.** (1) ~~Unless the context otherwise requires,~~

1 ~~this article applies to transactions in goods; it does not apply to:~~ UNLESS  
2 THE CONTEXT OTHERWISE REQUIRES, AND EXCEPT AS PROVIDED IN  
3 SUBSECTION (3) OF THIS SECTION, THIS ARTICLE 2 APPLIES TO  
4 TRANSACTIONS IN GOODS AND, IN THE CASE OF A HYBRID TRANSACTION,  
5 IT APPLIES TO THE EXTENT PROVIDED IN SUBSECTION (2) OF THIS SECTION.

6 ~~(a) Any transaction which, although in the form of an~~  
7 ~~unconditional contract to sell or present sale, is intended to operate only~~  
8 ~~as a security transaction, nor does this article impair or repeal any statute~~  
9 ~~regulating sales to consumers, farmers, or other specified classes of~~  
10 ~~buyers; and~~

11 ~~(b) The donation, whether for or without valuable consideration,~~  
12 ~~acquisition, preparation, transplantation, injection, or transfusion of any~~  
13 ~~human tissue, organ, or blood or component thereof for or to a human~~  
14 ~~being.~~

15 (2) IN A HYBRID TRANSACTION:

16 (a) IF THE SALE-OF-GOODS ASPECTS DO NOT PREDOMINATE, ONLY  
17 THE PROVISIONS OF THIS ARTICLE 2 WHICH RELATE PRIMARILY TO THE  
18 SALE-OF-GOODS ASPECTS OF THE TRANSACTION APPLY, AND THE  
19 PROVISIONS THAT RELATE PRIMARILY TO THE TRANSACTION AS A WHOLE  
20 DO NOT APPLY.

21 (b) IF THE SALE-OF-GOODS ASPECTS PREDOMINATE, THIS ARTICLE  
22 2 APPLIES TO THE TRANSACTION BUT DOES NOT PRECLUDE APPLICATION IN  
23 APPROPRIATE CIRCUMSTANCES OF OTHER LAW TO ASPECTS OF THE  
24 TRANSACTION WHICH DO NOT RELATE TO THE SALE OF GOODS.

25 (3) THIS ARTICLE 2 DOES NOT:

26 (a) APPLY TO A TRANSACTION THAT, EVEN THOUGH IN THE FORM  
27 OF AN UNCONDITIONAL CONTRACT TO SELL OR PRESENT SALE, OPERATES

1 ONLY TO CREATE A SECURITY INTEREST; OR

2 (b) IMPAIR OR REPEAL A STATUTE REGULATING SALES TO  
3 CONSUMERS, FARMERS, OR OTHER SPECIFIED CLASSES OF BUYERS.

4 **SECTION 6.** In Colorado Revised Statutes, 4-2-106, **add** (5) as  
5 follows:

6 **4-2-106. Definitions: "contract" - "agreement" - "contract for**  
7 **sale" - "sale" - "present sale" - "conforming" to contract -**  
8 **"termination" - "cancellation" - "hybrid transaction".** (5) "HYBRID  
9 TRANSACTION" MEANS A SINGLE TRANSACTION INVOLVING A SALE OF  
10 GOODS AND:

11 (a) THE PROVISION OF SERVICES;

12 (b) A LEASE OF OTHER GOODS; OR

13 (c) A SALE, LEASE, OR LICENSE OF PROPERTY OTHER THAN GOODS.

14 **SECTION 7.** In Colorado Revised Statutes, 4-2-201, **amend** (1)  
15 and (2) as follows:

16 **4-2-201. Formal requirements - statute of frauds.** (1) Except  
17 as otherwise provided in this section, a contract for the sale of goods for  
18 the price of five hundred dollars or more is not enforceable by way of  
19 action or defense unless there is ~~some writing~~ A RECORD sufficient to  
20 indicate that a contract for sale has been made between the parties and  
21 signed by the party against whom enforcement is sought or by ~~his~~ THE  
22 PARTY'S authorized agent or broker. A ~~writing~~ RECORD is not insufficient  
23 because it omits or incorrectly states a term agreed upon, but the contract  
24 is not enforceable under this ~~paragraph~~ SUBSECTION (1) beyond the  
25 quantity of goods shown in ~~such writing~~ THE RECORD.

26 (2) Between merchants, if within a reasonable time a ~~writing~~  
27 RECORD in confirmation of the contract and sufficient against the sender

1 is received and the party receiving it has reason to know its contents, it  
2 satisfies the requirements of subsection (1) of this section against ~~such~~  
3 THE party unless ~~written~~ notice IN A RECORD of objection to its contents  
4 is given within ten days after it is received.

5 **SECTION 8.** In Colorado Revised Statutes, 4-2-202, **amend** the  
6 introductory portion and (b) as follows:

7 **4-2-202. Final expression - parol or extrinsic evidence.** Terms  
8 with respect to which the confirmatory memoranda of the parties agree or  
9 which are otherwise set forth in a ~~writing~~ RECORD intended by the parties  
10 as a final expression of their agreement with respect to such terms as are  
11 included therein may not be contradicted by evidence of any prior  
12 agreement or of a contemporaneous oral agreement but may be explained  
13 or supplemented:

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

17 **SECTION 9.** In Colorado Revised Statutes, **amend** 4-2-203 as  
18 follows:

19 **4-2-203. Seals inoperative.** The affixing of a seal to a ~~writing~~  
20 RECORD evidencing a contract for sale or an offer to buy or sell goods  
21 does not constitute the ~~writing~~ RECORDING OF a sealed instrument, and the  
22 law with respect to sealed instruments does not apply to such a contract  
23 or offer.

24 **SECTION 10.** In Colorado Revised Statutes, **amend** 4-2-205 as  
25 follows:

26 **4-2-205. Firm offers.** An offer by a merchant to buy or sell goods  
27 in a signed ~~writing~~ RECORD which by its terms gives assurance that it will



1 be held open is not revocable, for lack of consideration, during the time  
2 stated or, if no time is stated, for a reasonable time, but in no event may  
3 such period of irrevocability exceed three months; but any such term of  
4 assurance on a form supplied by the offeree must be separately signed by  
5 the offeror.

6 **SECTION 11.** In Colorado Revised Statutes, 4-2-209, **amend** (2)  
7 as follows:

8 **4-2-209. Modification, rescission, and waiver.** (2) A signed  
9 agreement which excludes modification or rescission except by a signed  
10 writing OR OTHER SIGNED RECORD cannot be otherwise modified or  
11 rescinded, but except as between merchants such a requirement on a form  
12 supplied by the merchant must be separately signed by the other party.

13 **SECTION 12.** In Colorado Revised Statutes, **amend** 4-2.5-102  
14 as follows:

15 **4-2.5-102. Scope.** (1) This ~~article~~ ARTICLE 2.5 applies to any  
16 transaction, regardless of form, that creates a lease, AND, IN THE CASE OF  
17 A HYBRID LEASE, THIS ARTICLE 2.5 APPLIES TO THE EXTENT PROVIDED IN  
18 SUBSECTION (2) OF THIS SECTION.

19 (2) IN A HYBRID LEASE:

20 (a) IF THE LEASE-OF-GOODS ASPECTS DO NOT PREDOMINATE:

21 (i) ONLY THE PROVISIONS OF THIS ARTICLE 2.5 WHICH RELATE  
22 PRIMARILY TO THE LEASE-OF-GOODS ASPECTS OF THE TRANSACTION  
23 APPLY, AND THE PROVISIONS THAT RELATE PRIMARILY TO THE  
24 TRANSACTION AS A WHOLE DO NOT APPLY;

25 (ii) SECTION 4-2.5-209 APPLIES IF THE LEASE IS A FINANCE LEASE;

26 AND

27 (iii) SECTION 4-2.5-407 APPLIES TO THE PROMISES OF THE LESSEE

1 IN A FINANCE LEASE TO THE EXTENT THE PROMISES ARE CONSIDERATION  
2 FOR THE RIGHT TO POSSESSION AND USE OF THE LEASED GOODS; AND

3 (b) IF THE LEASE-OF-GOODS ASPECTS PREDOMINATE, THIS ARTICLE  
4 2.5 APPLIES TO THE TRANSACTION BUT DOES NOT PRECLUDE APPLICATION  
5 IN APPROPRIATE CIRCUMSTANCES OF OTHER LAW TO ASPECTS OF THE  
6 LEASE WHICH DO NOT RELATE TO THE LEASE OF GOODS.

7 **SECTION 13.** In Colorado Revised Statutes, 4-2.5-103, **amend**  
8 (1) introductory portion; and **add** (1)(h.5) as follows:

9 **4-2.5-103. Definitions and index of definitions.** (1) In this  
10 ~~article~~ ARTICLE 2.5, unless the context otherwise requires:

11 (h.5) "HYBRID LEASE" MEANS A SINGLE TRANSACTION INVOLVING  
12 A LEASE OF GOODS AND:

13 (i) THE PROVISION OF SERVICES;

14 (ii) A SALE OF OTHER GOODS; OR

15 (iii) A SALE, LEASE, OR LICENSE OF PROPERTY OTHER THAN GOODS.

16 **SECTION 14.** In Colorado Revised Statutes, **amend** 4-2.5-107  
17 as follows:

18 **4-2.5-107. Waiver or renunciation of claim or right after**  
19 **default.** Any claim or right arising out of an alleged default or breach of  
20 warranty may be discharged in whole or in part without consideration by  
21 a ~~written~~ waiver or renunciation IN A signed ~~and~~ RECORD delivered by the  
22 aggrieved party.

23 **SECTION 15.** In Colorado Revised Statutes, 4-2.5-201, **amend**  
24 (1)(b), (3), and (5)(a) as follows:

25 **4-2.5-201. Statute of frauds.** (1) A lease contract is not  
26 enforceable by way of action or defense unless:

27 (b) There is a ~~writing~~ RECORD, signed by the party against whom

1 enforcement is sought or by that party's authorized agent, sufficient to  
2 indicate that a lease contract has been made between the parties and to  
3 describe the goods leased and the lease term.

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

8 (5) The lease term under a lease contract referred to in subsection  
9 (4) of this section is:

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

13 **SECTION 16.** In Colorado Revised Statutes, 4-2.5-202, **amend**  
14 (1) introductory portion and (1)(b) as follows:

15 **4-2.5-202. Final written expression: Parol or extrinsic**  
16 **evidence.** (1) Terms with respect to which the confirmatory memoranda  
17 of the parties agree or which are otherwise set forth in a ~~writing~~ RECORD  
18 intended by the parties as a final expression of their agreement with  
19 respect to such terms as are included therein may not be contradicted by  
20 evidence of any prior agreement or of a contemporaneous oral agreement  
21 but may be explained or supplemented:

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

25 **SECTION 17.** In Colorado Revised Statutes, **amend** 4-2.5-203  
26 as follows:

27 **4-2.5-203. Seals inoperative.** The affixing of a seal to a ~~writing~~

1 RECORD evidencing a lease contract or an offer to enter into a lease  
2 contract does not render the ~~writing~~ RECORD a sealed instrument and the  
3 law with respect to sealed instruments does not apply to the lease contract  
4 or offer.

5 **SECTION 18.** In Colorado Revised Statutes, **amend** 4-2.5-205  
6 as follows:

7 **4-2.5-205. Firm offers.** An offer by a merchant to lease goods to  
8 or from another person in a signed ~~writing~~ RECORD that by its terms gives  
9 assurance it will be held open is not revocable, for lack of consideration,  
10 during the time stated or, if no time is stated, for a reasonable time, but in  
11 no event may the period of irrevocability exceed three months. Any such  
12 term of assurance on a form supplied by the offeree must be separately  
13 signed by the offeror.

14 **SECTION 19.** In Colorado Revised Statutes, 4-2.5-208, **amend**  
15 (2) as follows:

16 **4-2.5-208. Modification, rescission, and waiver.** (2) A signed  
17 lease agreement that excludes modification or rescission except by a  
18 signed ~~writing~~ RECORD may not be otherwise modified or rescinded, but,  
19 except as between merchants, such a requirement on a form supplied by  
20 a merchant must be separately signed by the other party.

21 **SECTION 20.** In Colorado Revised Statutes, 4-3-104, **amend**  
22 (a)(3) as follows:

23 **4-3-104. Negotiable instrument.** (a) Except as provided in  
24 subsections (c) and (d) of this section, "negotiable instrument" means an  
25 unconditional promise or order to pay a fixed amount of money, with or  
26 without interest or other charges described in the promise or order, if it:

27 (3) Does not state any other undertaking or instruction by the

1 person promising or ordering payment to do any act in addition to the  
2 payment of money, but the promise or order may contain: (i) an  
3 undertaking or power to give, maintain, or protect collateral to secure  
4 payment; (ii) an authorization or power to the holder to confess judgment  
5 or realize on or dispose of collateral; ~~or~~ (iii) a waiver of the benefit of any  
6 law intended for the advantage or protection of an obligor; (iv) A TERM  
7 THAT SPECIFIES THE LAW THAT GOVERNS THE PROMISE OR ORDER; OR (v)  
8 AN UNDERTAKING TO RESOLVE IN A SPECIFIED FORUM A DISPUTE  
9 CONCERNING THE PROMISE OR ORDER.

10 **SECTION 21.** In Colorado Revised Statutes, 4-3-105, **amend** (a)  
11 as follows:

12 **4-3-105. Issue of instrument.** (a) "Issue" means:

13 (1) The first delivery of an instrument by the maker or drawer,  
14 whether to a holder or nonholder, for the purpose of giving rights on the  
15 instrument to any person; OR

16 (2) IF AGREED BY THE PAYEE, THE FIRST TRANSMISSION BY THE  
17 DRAWER TO THE PAYEE OF AN IMAGE OF AN ITEM AND INFORMATION  
18 DERIVED FROM THE ITEM THAT ENABLES THE DEPOSITARY BANK TO  
19 COLLECT THE ITEM BY TRANSFERRING OR PRESENTING UNDER FEDERAL  
20 LAW AN ELECTRONIC CHECK.

21 **SECTION 22.** In Colorado Revised Statutes, **amend** 4-3-401 as  
22 follows:

23 **4-3-401. Signature necessary for liability on instrument.** ~~(a)~~ A  
24 person is not liable on an instrument unless (i) the person signed the  
25 instrument or (ii) the person is represented by an agent or representative  
26 who signed the instrument and the signature is binding on the represented  
27 person under section 4-3-402.

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

5           **SECTION 23.** In Colorado Revised Statutes, 4-3-604, **amend** (a)  
6           as follows:

7           **4-3-604. Discharge by cancellation or renunciation.** (a) A  
8           person entitled to enforce an instrument, with or without consideration,  
9           may discharge the obligation of a party to pay the instrument (i) by an  
10          intentional voluntary act, such as surrender of the instrument to the party,  
11          destruction, mutilation, or cancellation of the instrument, cancellation or  
12          striking out of the party's signature, or the addition of words to the  
13          instrument indicating discharge or (ii) by agreeing not to sue or otherwise  
14          renouncing rights against the party by a signed writing RECORD. THE  
15          OBLIGATION OF A PARTY TO PAY A CHECK IS NOT DISCHARGED SOLELY BY  
16          DESTRUCTION OF THE CHECK IN CONNECTION WITH A PROCESS IN WHICH  
17          INFORMATION IS EXTRACTED FROM THE CHECK AND AN IMAGE OF THE  
18          CHECK IS MADE AND, SUBSEQUENTLY, THE INFORMATION AND IMAGE ARE  
19          TRANSMITTED FOR PAYMENT.

20          **SECTION 24.** In Colorado Revised Statutes, 4-4.5-103, **amend**  
21          (a) introductory portion and (a)(1) introductory portion as follows:

22          **4-4.5-103. Payment order - definitions.** (a) In this article  
23          ARTICLE 4.5:

24          (1) "Payment order" means an instruction of a sender to a  
25          receiving bank, transmitted orally ~~electronically, or in writing~~ OR IN A  
26          RECORD, to pay, or to cause another bank to pay, a fixed or determinable  
27          amount of money to a beneficiary if:

1           **SECTION 25.** In Colorado Revised Statutes, **amend** 4-4.5-201  
2 as follows:

3           **4-4.5-201. Security procedure.** "Security procedure" means a  
4 procedure established by agreement of a customer and a receiving bank  
5 for the purpose of (i) verifying that a payment order or communication  
6 amending or cancelling a payment order is that of the customer or (ii)  
7 detecting error in the transmission or the content of the payment order or  
8 communication. A security procedure MAY IMPOSE AN OBLIGATION ON  
9 THE RECEIVING BANK OR THE CUSTOMER AND may require the use of  
10 algorithms or other codes, identifying words, ~~or~~ numbers, SYMBOLS,  
11 SOUNDS, BIOMETRICS, encryption, callback procedures, or similar security  
12 devices. Comparison of a signature on a payment order or communication  
13 with an authorized specimen signature of the customer OR REQUIRING A  
14 PAYMENT ORDER TO BE SENT FROM A KNOWN E-MAIL ADDRESS, IP  
15 ADDRESS, OR TELEPHONE NUMBER is not by itself a security procedure.

16           **SECTION 26.** In Colorado Revised Statutes, 4-4.5-202, **amend**  
17 (b) and (c) as follows:

18           **4-4.5-202. Authorized and verified payment orders.** (b) If a  
19 bank and its customer have agreed that the authenticity of payment orders  
20 issued to the bank in the name of the customer as sender will be verified  
21 pursuant to a security procedure, a payment order received by the  
22 receiving bank is effective as the order of the customer, whether or not  
23 authorized, if (i) the security procedure is a commercially reasonable  
24 method of providing security against unauthorized payment orders and  
25 (ii) the bank proves that it accepted the payment order in good faith and  
26 in compliance with THE BANK'S OBLIGATIONS UNDER the security  
27 procedure and any ~~written~~ agreement or instruction of the customer,

1 EVIDENCED BY A RECORD, restricting acceptance of payment orders issued  
2 in the name of the customer. The bank is not required to follow an  
3 instruction that violates ~~a written~~ AN agreement with the customer,  
4 EVIDENCED BY A RECORD, or notice of which is not received at a time and  
5 in a manner affording the bank a reasonable opportunity to act on it  
6 before the payment order is accepted.

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

22 **SECTION 27.** In Colorado Revised Statutes, 4-4.5-203, **amend**  
23 (a)(1) as follows:

24 **4-4.5-203. Unenforceability of certain verified payment**  
25 **orders.** (a) If an accepted payment order is not, under section 4-4.5-202  
26 (a), an authorized order of a customer identified as sender, but is effective  
27 as an order of the customer pursuant to section 4-4.5-202 (b), the



1 following rules apply:

2 (1) By express ~~written~~ agreement EVIDENCED BY A RECORD, the  
3 receiving bank may limit the extent to which it is entitled to enforce or  
4 retain payment of the payment order.

5 **SECTION 28.** In Colorado Revised Statutes, 4-4.5-207, **amend**  
6 (c)(2) as follows:

7 **4-4.5-207. Misdescription of beneficiary.** (c) If (i) a payment  
8 order described in subsection (b) of this section is accepted, (ii) the  
9 originator's payment order described the beneficiary inconsistently by  
10 name and number, and (iii) the beneficiary's bank pays the person  
11 identified by number as permitted by subsection (b)(1) of this section, the  
12 following rules apply:

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

25 **SECTION 29.** In Colorado Revised Statutes, 4-4.5-208, **amend**  
26 (b)(2) as follows:

27 **4-4.5-208. Misdescription of intermediary bank or**

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

5 (2) If the sender is not a bank and the receiving bank proves that  
6 the sender, before the payment order was accepted, had notice that the  
7 receiving bank might rely on the number as the proper identification of  
8 the intermediary or beneficiary's bank even if it identifies a person  
9 different from the bank identified by name, the rights and obligations of  
10 the sender and the receiving bank are governed by subsection (b)(1) of  
11 this section, as though the sender were a bank. Proof of notice may be  
12 made by any admissible evidence. The receiving bank satisfies the burden  
13 of proof if it proves that the sender, before the payment order was  
14 accepted, signed a ~~writing~~ RECORD stating the information to which the  
15 notice relates.

16 **SECTION 30.** In Colorado Revised Statutes, 4-4.5-210, **amend**  
17 (a) as follows:

18 **4-4.5-210. Rejection of payment order.** (a) A payment order is  
19 rejected by the receiving bank by a notice of rejection transmitted to the  
20 sender orally ~~electronically~~, or in ~~writing~~ A RECORD. A notice of rejection  
21 need not use any particular words and is sufficient if it indicates that the  
22 receiving bank is rejecting the order or will not execute or pay the order.  
23 Rejection is effective when the notice is given if transmission is by a  
24 means that is reasonable in the circumstances. If notice of rejection is  
25 given by a means that is not reasonable, rejection is effective when the  
26 notice is received. If an agreement of the sender and receiving bank  
27 establishes the means to be used to reject a payment order, (i) any means

1 complying with the agreement is reasonable and (ii) any means not  
2 complying is not reasonable unless no significant delay in receipt of the  
3 notice resulted from the use of the noncomplying means.

4 **SECTION 31.** In Colorado Revised Statutes, 4-4.5-211, **amend**  
5 (a) as follows:

6 **4-4.5-211. Cancellation and amendment of payment order.**

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

14 **SECTION 32.** In Colorado Revised Statutes, 4-4.5-305, **amend**  
15 (c) and (d) as follows:

16 **4-4.5-305. Liability for late or improper execution or failure**  
17 **to execute payment order.** (c) In addition to the amounts payable under  
18 subsections (a) and (b) of this section, damages, including consequential  
19 damages, are recoverable to the extent provided in an express ~~written~~  
20 agreement of the receiving bank, EVIDENCED BY A RECORD.

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

1           **SECTION 33.** In Colorado Revised Statutes, **amend** 4-5-104 as  
2 follows:

3           **4-5-104. Formal requirements.** A letter of credit, confirmation,  
4 advice, transfer, amendment, or cancellation may be issued in any form  
5 that is a SIGNED record. ~~and is authenticated (i) by a signature or (ii) in~~  
6 ~~accordance with the agreement of the parties or the standard practice~~  
7 ~~referred to in section 4-5-108 (c).~~

8           **SECTION 34.** In Colorado Revised Statutes, **amend** 4-5-116 as  
9 follows:

10          **4-5-116. Choice of law and forum.** (a) The liability of an issuer,  
11 nominated person, or adviser for action or omission is governed by the  
12 law of the jurisdiction chosen by an agreement in the form of a record  
13 signed ~~or otherwise authenticated~~ by the affected parties ~~in the manner~~  
14 ~~provided in section 4-5-104~~ or by a provision in the person's letter of  
15 credit, confirmation, or other undertaking. The jurisdiction whose law is  
16 chosen need not bear any relation to the transaction.

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

1           ~~(c) Except as otherwise provided in this subsection (c), the~~  
2 ~~liability of an issuer, nominated person, or adviser is governed by any~~  
3 ~~rules of custom or practice, such as the "Uniform Customs and Practice~~  
4 ~~for Documentary Credits", to which the letter of credit, confirmation, or~~  
5 ~~other undertaking is expressly made subject. If (i) this article would~~  
6 ~~govern the liability of an issuer, nominated person, or adviser under~~  
7 ~~subsection (a) or (b) of this section, (ii) the relevant undertaking~~  
8 ~~incorporates rules of custom or practice, and (iii) there is conflict between~~  
9 ~~this article and those rules as applied to that undertaking, those rules~~  
10 ~~govern except to the extent of any conflict with the nonvariable~~  
11 ~~provisions specified in section 4-5-103 (c) FOR THE PURPOSE OF~~  
12 ~~JURISDICTION, CHOICE OF LAW, AND RECOGNITION OF INTERBRANCH~~  
13 ~~LETTERS OF CREDIT, BUT NOT ENFORCEMENT OF A JUDGMENT, ALL~~  
14 ~~BRANCHES OF A BANK ARE CONSIDERED SEPARATE JURIDICAL ENTITIES,~~  
15 ~~AND A BANK IS CONSIDERED TO BE LOCATED AT THE PLACE WHERE ITS~~  
16 ~~RELEVANT BRANCH IS CONSIDERED TO BE LOCATED UNDER SUBSECTION (d)~~  
17 ~~OF THIS SECTION.~~

18           ~~(d) If there is conflict between this article and article 3, 4, 4.5, or~~  
19 ~~9 of this title, this article governs~~ A BRANCH OF A BANK IS CONSIDERED TO  
20 BE LOCATED AT THE ADDRESS INDICATED IN THE BRANCH'S UNDERTAKING.  
21 IF MORE THAN ONE ADDRESS IS INDICATED, THE BRANCH IS CONSIDERED  
22 TO BE LOCATED AT THE ADDRESS FROM WHICH THE UNDERTAKING WAS  
23 ISSUED.

24           ~~(e) The forum for settling disputes arising out of an undertaking~~  
25 ~~within this article may be chosen in the manner and with the binding~~  
26 ~~effect that governing law may be chosen in accordance with subsection~~  
27 ~~(a) of this section~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION

1 (e), THE LIABILITY OF AN ISSUER, NOMINATED PERSON, OR ADVISER IS  
2 GOVERNED BY ANY RULES OF CUSTOM OR PRACTICE, SUCH AS THE  
3 "UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS", TO  
4 WHICH THE LETTER OF CREDIT, CONFIRMATION, OR OTHER UNDERTAKING  
5 IS EXPRESSLY MADE SUBJECT. IF (i) THIS ARTICLE 5 WOULD GOVERN THE  
6 LIABILITY OF AN ISSUER, NOMINATED PERSON, OR ADVISER UNDER  
7 SUBSECTION (a) OR (b) OF THIS SECTION; (ii) THE RELEVANT  
8 UNDERTAKING INCORPORATES RULES OF CUSTOM OR PRACTICE; AND (iii)  
9 THERE IS CONFLICT BETWEEN THIS ARTICLE 5 AND THOSE RULES AS  
10 APPLIED TO THAT UNDERTAKING, THOSE RULES GOVERN EXCEPT TO THE  
11 EXTENT OF ANY CONFLICT WITH THE NONVARIABLE PROVISIONS SPECIFIED  
12 IN SECTION 4-5-103 (c).

13 (f) IF THERE IS CONFLICT BETWEEN THIS ARTICLE 5 AND ARTICLE  
14 3, 4, 4.5, OR 9 OF THIS TITLE 4, THIS ARTICLE 5 GOVERNS.

15 (g) THE FORUM FOR SETTling DISPUTES ARISING OUT OF AN  
16 UNDERTAKING WITHIN THIS ARTICLE 5 MAY BE CHOSEN IN THE MANNER  
17 AND WITH THE BINDING EFFECT THAT GOVERNING LAW MAY BE CHOSEN IN  
18 ACCORDANCE WITH SUBSECTION (a) OF THIS SECTION.

19 **SECTION 35.** In Colorado Revised Statutes, 4-7-102, **amend** (a)  
20 introductory portion; and **repeal** (a)(10) and (a)(12) as follows:

21 **4-7-102. Definitions and index of definitions.** (a) In this article  
22 ARTICLE 7, unless the context otherwise requires:

23 (10) ~~"Record" means information that is inscribed on a tangible~~  
24 ~~medium or that is stored in an electronic or other medium and is~~  
25 ~~retrievable in perceivable form.~~

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

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

2           (B) ~~To attach to or logically associate with the record an~~  
3 ~~electronic sound, symbol, or process.~~

4           **SECTION 36.** In Colorado Revised Statutes, 4-7-106, **amend** (b)  
5 introductory portion and (b)(4); and **add** (c), (d), (e), (f), (g), (h), and (i)  
6 as follows:

7           **4-7-106. Control of electronic document of title.** (b) A system  
8 satisfies subsection (a) of this section, and a person ~~is deemed to have~~  
9 HAS control of an electronic document of title, if the document is created,  
10 stored, and ~~assigned~~ TRANSFERRED in ~~such~~ a manner that:

11           (4) Copies or amendments that add or change an identified  
12 ~~assignee~~ TRANSFEREE of the authoritative copy can be made only with the  
13 consent of the person asserting control;

14           (c) A SYSTEM SATISFIES SUBSECTION (a) OF THIS SECTION, AND A  
15 PERSON HAS CONTROL OF AN ELECTRONIC DOCUMENT OF TITLE, IF AN  
16 AUTHORITATIVE ELECTRONIC COPY OF THE DOCUMENT, A RECORD  
17 ATTACHED TO OR LOGICALLY ASSOCIATED WITH THE ELECTRONIC COPY,  
18 OR A SYSTEM IN WHICH THE ELECTRONIC COPY IS RECORDED:

19           (1) ENABLES THE PERSON READILY TO IDENTIFY EACH ELECTRONIC  
20 COPY AS EITHER AN AUTHORITATIVE COPY OR A NONAUTHORITATIVE  
21 COPY;

22           (2) ENABLES THE PERSON READILY TO IDENTIFY ITSELF IN ANY  
23 WAY, INCLUDING BY NAME, IDENTIFYING NUMBER, CRYPTOGRAPHIC KEY,  
24 OFFICE, OR ACCOUNT NUMBER, AS THE PERSON TO WHICH EACH  
25 AUTHORITATIVE ELECTRONIC COPY WAS ISSUED OR TRANSFERRED; AND

26           (3) GIVES THE PERSON EXCLUSIVE POWER, SUBJECT TO  
27 SUBSECTION (d) OF THIS SECTION, TO:

1 (A) PREVENT OTHERS FROM ADDING OR CHANGING THE PERSON TO  
2 WHICH EACH AUTHORITATIVE ELECTRONIC COPY HAS BEEN ISSUED OR  
3 TRANSFERRED; AND

4 (B) TRANSFER CONTROL OF EACH AUTHORITATIVE ELECTRONIC  
5 COPY.

6 (d) SUBJECT TO SUBSECTION (e) OF THIS SECTION, A POWER IS  
7 EXCLUSIVE UNDER SUBSECTIONS (c)(3)(A) AND (c)(3)(B) OF THIS SECTION  
8 EVEN IF:

9 (1) THE AUTHORITATIVE ELECTRONIC COPY, A RECORD ATTACHED  
10 TO OR LOGICALLY ASSOCIATED WITH THE AUTHORITATIVE ELECTRONIC  
11 COPY, OR A SYSTEM IN WHICH THE AUTHORITATIVE ELECTRONIC COPY IS  
12 RECORDED LIMITS THE USE OF THE DOCUMENT OF TITLE OR HAS A  
13 PROTOCOL THAT IS PROGRAMMED TO CAUSE A CHANGE, INCLUDING A  
14 TRANSFER OR LOSS OF CONTROL; OR

15 (2) THE POWER IS SHARED WITH ANOTHER PERSON.

16 (e) A POWER OF A PERSON IS NOT SHARED WITH ANOTHER PERSON  
17 UNDER SUBSECTION (d)(2) OF THIS SECTION AND THE PERSON'S POWER IS  
18 NOT EXCLUSIVE IF:

19 (1) THE PERSON CAN EXERCISE THE POWER ONLY IF THE POWER  
20 ALSO IS EXERCISED BY THE OTHER PERSON; AND

21 (2) THE OTHER PERSON:

22 (A) CAN EXERCISE THE POWER WITHOUT EXERCISE OF THE POWER  
23 BY THE PERSON; OR

24 (B) IS THE TRANSFEROR TO THE PERSON OF AN INTEREST IN THE  
25 DOCUMENT OF TITLE.

26 (f) IF A PERSON HAS THE POWERS SPECIFIED IN SUBSECTIONS  
27 (c)(3)(A) AND (c)(3)(B) OF THIS SECTION, THE POWERS ARE PRESUMED TO



1 BE EXCLUSIVE.

2 (g) A PERSON HAS CONTROL OF AN ELECTRONIC DOCUMENT OF  
3 TITLE IF ANOTHER PERSON, OTHER THAN THE TRANSFEROR TO THE PERSON  
4 OF AN INTEREST IN THE DOCUMENT:

5 (1) HAS CONTROL OF THE DOCUMENT AND ACKNOWLEDGES THAT  
6 IT HAS CONTROL ON BEHALF OF THE PERSON; OR

7 (2) OBTAINS CONTROL OF THE DOCUMENT AFTER HAVING  
8 ACKNOWLEDGED THAT IT WILL OBTAIN CONTROL OF THE DOCUMENT ON  
9 BEHALF OF THE PERSON.

10 (h) A PERSON THAT HAS CONTROL UNDER THIS SECTION IS NOT  
11 REQUIRED TO ACKNOWLEDGE THAT IT HAS CONTROL ON BEHALF OF  
12 ANOTHER PERSON.

13 (i) IF A PERSON ACKNOWLEDGES THAT IT HAS OR WILL OBTAIN  
14 CONTROL ON BEHALF OF ANOTHER PERSON, UNLESS THE PERSON  
15 OTHERWISE AGREES OR LAW OTHER THAN THIS ARTICLE 7 OR ARTICLE 9 OF  
16 THIS TITLE 4 OTHERWISE PROVIDES, THE PERSON DOES NOT OWE ANY DUTY  
17 TO THE OTHER PERSON AND IS NOT REQUIRED TO CONFIRM THE  
18 ACKNOWLEDGMENT TO ANY OTHER PERSON.

19 **SECTION 37.** In Colorado Revised Statutes, 4-8-102, **amend** (a)  
20 introductory portion, (a)(6)(i), and (b) as follows:

21 **4-8-102. Definitions.** (a) In this ~~article~~ ARTICLE 8:

22 (6) "Communicate" means to:

23 (i) Send a signed ~~writing~~ RECORD; or

24 (b) ~~Other~~ THE FOLLOWING definitions ~~applying to~~ IN this ~~article~~  
25 ARTICLE 8 and ~~the sections in which they appear are~~ OTHER ARTICLES  
26 APPLY TO THIS ARTICLE 8:

27 Appropriate person Section 4-8-107

1	Control	Section 4-8-106
2	CONTROLLABLE ACCOUNT	SECTION 4-9-102
3	CONTROLLABLE ELECTRONIC RECORD	SECTION 4-12-102
4	CONTROLLABLE PAYMENT INTANGIBLE	SECTION 4-9-102
5	Delivery	Section 4-8-301
6	Investment company security	Section 4-8-103
7	Issuer	Section 4-8-201
8	Overissue	Section 4-8-210
9	Protected purchaser	Section 4-8-303
10	Securities account	Section 4-8-501

11           **SECTION 38.** In Colorado Revised Statutes, 4-8-103, **add** (h) as  
12 follows:

13           **4-8-103. Rules for determining whether certain obligations**  
14 **and interests are securities or financial assets.** (h) A CONTROLLABLE  
15 ACCOUNT, CONTROLLABLE ELECTRONIC RECORD, OR CONTROLLABLE  
16 PAYMENT INTANGIBLE IS NOT A FINANCIAL ASSET UNLESS SECTION 4-8-102  
17 (a)(9)(iii) APPLIES.

18           **SECTION 39.** In Colorado Revised Statutes, 4-8-106, **amend**  
19 (d)(3); and **add** (h) and (i) as follows:

20           **4-8-106. Control.** (d) A purchaser has "control" of a security  
21 entitlement if:

22           (3) Another person, ~~has control of the security entitlement on~~  
23 ~~behalf of the purchaser or, having previously acquired control of the~~  
24 ~~security entitlement, acknowledges that it has control on behalf of the~~  
25 ~~purchaser.~~ OTHER THAN THE TRANSFEROR TO THE PURCHASER OF AN  
26 INTEREST IN THE SECURITY ENTITLEMENT:

27           (A) HAS CONTROL OF THE SECURITY ENTITLEMENT AND

1 ACKNOWLEDGES THAT IT HAS CONTROL ON BEHALF OF THE PURCHASER; OR

2 (B) OBTAINS CONTROL OF THE SECURITY ENTITLEMENT AFTER  
3 HAVING ACKNOWLEDGED THAT IT WILL OBTAIN CONTROL OF THE SECURITY  
4 ENTITLEMENT ON BEHALF OF THE PURCHASER.

5 (h) A PERSON THAT HAS CONTROL UNDER THIS SECTION IS NOT  
6 REQUIRED TO ACKNOWLEDGE THAT IT HAS CONTROL ON BEHALF OF A  
7 PURCHASER.

8 (i) IF A PERSON ACKNOWLEDGES THAT IT HAS OR WILL OBTAIN  
9 CONTROL ON BEHALF OF A PURCHASER, UNLESS THE PERSON OTHERWISE  
10 AGREES OR LAW OTHER THAN THIS ARTICLE 8 OR ARTICLE 9 OF THIS TITLE  
11 4 OTHERWISE PROVIDES, THE PERSON DOES NOT OWE ANY DUTY TO THE  
12 PURCHASER AND IS NOT REQUIRED TO CONFIRM THE ACKNOWLEDGMENT  
13 TO ANY OTHER PERSON.

14 **SECTION 40.** In Colorado Revised Statutes, 4-8-110, **add** (g) as  
15 follows:

16 **4-8-110. Applicability - choice of law.** (g) THE LOCAL LAW OF  
17 THE ISSUER'S JURISDICTION OR THE SECURITIES INTERMEDIARY'S  
18 JURISDICTION GOVERNS A MATTER OR TRANSACTION SPECIFIED IN  
19 SUBSECTION (a) OR (b) OF THIS SECTION EVEN IF THE MATTER OR  
20 TRANSACTION DOES NOT BEAR ANY RELATION TO THE JURISDICTION.

21 **SECTION 41.** In Colorado Revised Statutes, 4-8-303, **amend** (b)  
22 as follows:

23 **4-8-303. Protected purchaser.** (b) ~~In addition to acquiring the~~  
24 ~~rights of a purchaser,~~ A protected purchaser also acquires its interest in  
25 the security free of any adverse claim.

26 **SECTION 42.** In Colorado Revised Statutes, 4-9-102, **amend** (a)  
27 introductory portion, (a)(2), (a)(3), (a)(4)(A), (a)(11), (a)(42), (a)(47),

1 (a)(61), (a)(66), and (b); **repeal** (a)(7), (a)(31), (a)(77), and (a)(81); and  
2 **add** (a)(7.3), (a)(7.5), (a)(27.5), (a)(27.7), (a)(31.5), (a)(54.5), and  
3 (a)(81.5) as follows:

4 **4-9-102. Definitions and index of definitions.** (a) In this article  
5 ARTICLE 9:

6 (2) "Account", except as used in "account for", "ACCOUNT  
7 STATEMENT", "ACCOUNT TO", "COMMODITY ACCOUNT" IN SUBSECTION  
8 (a)(14) OF THIS SECTION, "CUSTOMER'S ACCOUNT", "DEPOSIT ACCOUNT"  
9 IN SUBSECTION (a)(29) OF THIS SECTION, "ON ACCOUNT OF", AND  
10 "STATEMENT OF ACCOUNT", means a right to payment of a monetary  
11 obligation, whether or not earned by performance, (i) for property that has  
12 been or is to be sold, leased, licensed, assigned, or otherwise disposed of;  
13 (ii) for services rendered or to be rendered; (iii) for a policy of insurance  
14 issued or to be issued; (iv) for a secondary obligation incurred or to be  
15 incurred; (v) for energy provided or to be provided; (vi) for the use or hire  
16 of a vessel under a charter or other contract; (vii) arising out of the use of  
17 a credit or charge card or information contained on or for use with the  
18 card; or (viii) as winnings in a lottery or other game of chance operated  
19 or sponsored by a state, governmental unit of a state, or person licensed  
20 or authorized to operate the game by a state or governmental unit of a  
21 state. The term includes CONTROLLABLE ACCOUNTS AND  
22 health-care-insurance receivables. The term does not include (i) ~~rights to~~  
23 ~~payment evidenced by chattel paper; or an instrument;~~ (ii) commercial tort  
24 claims; (iii) deposit accounts; (iv) investment property; (v) letter-of-credit  
25 rights or letters of credit; ~~or~~ (vi) rights to payment for money or funds  
26 advanced or sold, other than rights arising out of the use of a credit or  
27 charge card or information contained on or for use with the card; OR (vii)

1 RIGHTS TO PAYMENT EVIDENCED BY AN INSTRUMENT.

2 (3) "Account debtor" means a person obligated on an account,  
3 chattel paper, or general intangible. The term does not include persons  
4 obligated to pay a negotiable instrument, even if the NEGOTIABLE  
5 instrument ~~constitutes part of~~ EVIDENCES chattel paper.

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

8 (A) ~~Authenticated~~ SIGNED by a secured party;

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

10 (A) ~~To sign; or~~

11 (B) ~~With present intent to adopt or accept a record, to attach to or~~  
12 ~~logically associate with the record an electronic sound, symbol, or~~  
13 ~~process.~~

14 (7.3) "ASSIGNEE", EXCEPT AS USED IN "ASSIGNEE FOR BENEFIT OF  
15 CREDITORS", MEANS A PERSON (i) IN WHOSE FAVOR A SECURITY INTEREST  
16 THAT SECURES AN OBLIGATION IS CREATED OR PROVIDED FOR UNDER A  
17 SECURITY AGREEMENT, WHETHER OR NOT THE OBLIGATION IS  
18 OUTSTANDING OR (ii) TO WHICH AN ACCOUNT, CHATTEL PAPER, PAYMENT  
19 INTANGIBLE, OR PROMISSORY NOTE HAS BEEN SOLD. THE TERM INCLUDES  
20 A PERSON TO WHICH A SECURITY INTEREST HAS BEEN TRANSFERRED BY A  
21 SECURED PARTY.

22 (7.5) "ASSIGNOR" MEANS A PERSON THAT (i) UNDER A SECURITY  
23 AGREEMENT CREATES OR PROVIDES FOR A SECURITY INTEREST THAT  
24 SECURES AN OBLIGATION OR (ii) SELLS AN ACCOUNT, CHATTEL PAPER,  
25 PAYMENT INTANGIBLE, OR PROMISSORY NOTE. THE TERM INCLUDES A  
26 SECURED PARTY THAT HAS TRANSFERRED A SECURITY INTEREST TO  
27 ANOTHER PERSON.

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

15           (A) A RIGHT TO PAYMENT OF A MONETARY OBLIGATION SECURED  
16 BY SPECIFIC GOODS, IF THE RIGHT TO PAYMENT AND SECURITY AGREEMENT  
17 ARE EVIDENCED BY A RECORD; OR

18           (B) A RIGHT TO PAYMENT OF A MONETARY OBLIGATION OWED BY  
19 A LESSEE UNDER A LEASE AGREEMENT WITH RESPECT TO SPECIFIC GOODS  
20 AND A MONETARY OBLIGATION OWED BY THE LESSEE IN CONNECTION WITH  
21 THE TRANSACTION GIVING RISE TO THE LEASE, IF:

22           (i) THE RIGHT TO PAYMENT AND LEASE AGREEMENT ARE  
23 EVIDENCED BY A RECORD; AND

24           (ii) THE PREDOMINANT PURPOSE OF THE TRANSACTION GIVING RISE  
25 TO THE LEASE WAS TO GIVE THE LESSEE THE RIGHT TO POSSESSION AND  
26 USE OF THE GOODS. THE TERM DOES NOT INCLUDE A RIGHT TO PAYMENT  
27 ARISING OUT OF A CHARTER OR OTHER CONTRACT INVOLVING THE USE OR

1 HIRE OF A VESSEL OR A RIGHT TO PAYMENT ARISING OUT OF THE USE OF A  
2 CREDIT OR CHARGE CARD OR INFORMATION CONTAINED ON OR FOR USE  
3 WITH THE CARD.

4 (27.5) "CONTROLLABLE ACCOUNT" MEANS AN ACCOUNT  
5 EVIDENCED BY A CONTROLLABLE ELECTRONIC RECORD THAT PROVIDES  
6 THAT THE ACCOUNT DEBTOR UNDERTAKES TO PAY THE PERSON THAT HAS  
7 CONTROL UNDER SECTION 4-12-105 OF THE CONTROLLABLE ELECTRONIC  
8 RECORD.

9 (27.7) "CONTROLLABLE PAYMENT INTANGIBLE" MEANS A  
10 PAYMENT INTANGIBLE EVIDENCED BY A CONTROLLABLE ELECTRONIC  
11 RECORD THAT PROVIDES THAT THE ACCOUNT DEBTOR UNDERTAKES TO  
12 PAY THE PERSON THAT HAS CONTROL UNDER SECTION 4-12-105 OF THE  
13 CONTROLLABLE ELECTRONIC RECORD.

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

17 (31.5) "ELECTRONIC MONEY" MEANS MONEY IN AN ELECTRONIC  
18 FORM.

19 (42) "General intangible" means any personal property, including  
20 things in action, other than accounts, chattel paper, commercial tort  
21 claims, deposit accounts, documents, goods, instruments, investment  
22 property, letter-of-credit rights, letters of credit, money, and oil, gas, or  
23 other minerals before extraction. The term includes CONTROLLABLE  
24 ELECTRONIC RECORDS, payment intangibles, and software.

25 (47) "Instrument" means a negotiable instrument or any other  
26 writing that evidences a right to the payment of a monetary obligation, is  
27 not itself a security agreement or lease, and is of a type that in THE

1 ordinary course of business is transferred by delivery with any necessary  
2 indorsement or assignment. The term does not include (i) investment  
3 property; (ii) letters of credit; ~~or~~ (iii) writings that evidence a right to  
4 payment arising out of the use of a credit or charge card or information  
5 contained on or for use with the card; OR (iv) WRITINGS THAT EVIDENCE  
6 CHATTEL PAPER.

7 (54.5) "MONEY" HAS THE MEANING IN SECTION 4-1-201 (b)(24),  
8 BUT DOES NOT INCLUDE (i) A DEPOSIT ACCOUNT OR (ii) MONEY IN AN  
9 ELECTRONIC FORM THAT CANNOT BE SUBJECTED TO CONTROL UNDER  
10 SECTION 4-9-105.5.

11 (61) "Payment intangible" means a general intangible under which  
12 the account debtor's principal obligation is a monetary obligation. THE  
13 TERM INCLUDES A CONTROLLABLE PAYMENT INTANGIBLE.

14 (66) "Proposal" means a record ~~authenticated~~ SIGNED by a secured  
15 party which includes the terms on which the secured party is willing to  
16 accept collateral in full or partial satisfaction of the obligation it secures  
17 pursuant to sections 4-9-620, 4-9-621, and 4-9-622.

18 (77) ~~"Send", in connection with a record or notification, means:~~

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

23 ~~(B) To cause the record or notification to be received within the~~  
24 ~~time that it would have been received if properly sent under subparagraph~~  
25 ~~(A) of this paragraph (77).~~

26 (81) ~~"Tangible chattel paper" means chattel paper evidenced by~~  
27 ~~a record or records consisting of information that is inscribed on a~~



1	<del>tangible medium.</del>	
2	(81.5) "TANGIBLE MONEY" MEANS MONEY IN A TANGIBLE FORM.	
3	(b) "Control" as provided in section 4-7-106 and the following	
4	definitions in other articles apply to this <del>article</del> ARTICLE 9:	
5	"Applicant"	Section 4-5-102.
6	"Beneficiary"	Section 4-5-102.
7	"Broker"	Section 4-8-102.
8	"Certificated security"	Section 4-8-102.
9	"Check"	Section 4-3-104.
10	"Clearing corporation"	Section 4-8-102.
11	"Contract for sale"	Section 4-2-106.
12	"CONTROLLABLE ELECTRONIC RECORD"	SECTION 4-12-102.
13	"Customer"	Section 4-4-104.
14	"Entitlement holder"	Section 4-8-102.
15	"Financial asset"	Section 4-8-102.
16	"Holder in due course"	Section 4-3-302.
17	"Issuer" (with respect to a letter of credit	
18	or letter-of-credit right)	Section 4-5-102.
19	"Issuer" (with respect to a security)	Section 4-8-201.
20	"Issuer" (with respect to documents of title)	Section 4-7-102.
21	"Lease"	Section 4-2.5-103.
22	"Lease agreement"	Section 4-2.5-103.
23	"Lease contract"	Section 4-2.5-103.
24	"Leasehold interest"	Section 4-2.5-103.
25	"Lessee"	Section 4-2.5-103.
26	"Lessee in ordinary course of business"	Section 4-2.5-103.
27	"Lessor"	Section 4-2.5-103.

1	"Lessor's residual interest"	Section 4-2.5-103.
2	"Letter of credit"	Section 4-5-102.
3	"Merchant"	Section 4-2-104.
4	"Negotiable instrument"	Section 4-3-104.
5	"Nominated person"	Section 4-5-102.
6	"Note"	Section 4-3-104.
7	"Proceeds of a letter of credit"	Section 4-5-114.
8	"PROTECTED PURCHASER"	SECTION 4-8-303.
9	"Prove"	Section 4-3-103.
10	"QUALIFYING PURCHASER"	SECTION 4-12-102.
11	"Sale"	Section 4-2-106.
12	"Securities account"	Section 4-8-501.
13	"Securities intermediary"	Section 4-8-102.
14	"Security"	Section 4-8-102.
15	"Security certificate"	Section 4-8-102.
16	"Security entitlement"	Section 4-8-102.
17	"Uncertificated security"	Section 4-8-102.

18       **SECTION 43.** In Colorado Revised Statutes, 4-9-104, **amend**  
19 (a)(2) and (a)(3); and **add** (a)(4) as follows:

20       **4-9-104. Control of deposit account.** (a) A secured party has  
21 control of a deposit account if:

22       (2) The debtor, secured party, and bank have agreed in ~~an~~  
23 ~~authenticated~~ A SIGNED record that the bank will comply with instructions  
24 originated by the secured party directing disposition of the funds in the  
25 deposit account without further consent by the debtor; ~~or~~

26       (3) The secured party becomes the bank's customer with respect  
27 to the deposit account; OR

- 1 (4) ANOTHER PERSON, OTHER THAN THE DEBTOR:  
2 (A) HAS CONTROL OF THE DEPOSIT ACCOUNT AND ACKNOWLEDGES  
3 THAT IT HAS CONTROL ON BEHALF OF THE SECURED PARTY; OR  
4 (B) OBTAINS CONTROL OF THE DEPOSIT ACCOUNT AFTER HAVING  
5 ACKNOWLEDGED THAT IT WILL OBTAIN CONTROL OF THE DEPOSIT  
6 ACCOUNT ON BEHALF OF THE SECURED PARTY.

7 **SECTION 44.** In Colorado Revised Statutes, 4-9-105, **amend** (a),  
8 (b) introductory portion, (b)(1), (b)(2), (b)(3), and (b)(4); and **add** (c), (d),  
9 (e), (f), and (g) as follows:

10 **4-9-105. Control of electronic copy of record evidencing**  
11 **chattel paper.** ~~(a) A secured party has control of electronic chattel paper~~  
12 ~~if a system employed for evidencing the transfer of interests in the chattel~~  
13 ~~paper reliably establishes the secured party as the person to which the~~  
14 ~~chattel paper was assigned~~ A PURCHASER HAS CONTROL OF AN  
15 AUTHORITATIVE ELECTRONIC COPY OF A RECORD EVIDENCING CHATTEL  
16 PAPER IF A SYSTEM EMPLOYED FOR EVIDENCING THE ASSIGNMENT OF  
17 INTERESTS IN THE CHATTEL PAPER RELIABLY ESTABLISHES THE PURCHASER  
18 AS THE PERSON TO WHICH THE AUTHORITATIVE ELECTRONIC COPY WAS  
19 ASSIGNED.

20 (b) ~~A system satisfies subsection (a) of this section if the record~~  
21 ~~or records comprising the chattel paper are created, stored, and assigned~~  
22 ~~in such a manner that~~ A SYSTEM SATISFIES SUBSECTION (a) OF THIS  
23 SECTION IF THE RECORD OR RECORDS EVIDENCING THE CHATTEL PAPER  
24 ARE CREATED, STORED, AND ASSIGNED IN A MANNER THAT:

25 (1) ~~A single authoritative copy of the record or records exists that~~  
26 ~~is unique, identifiable, and, except as otherwise provided in paragraphs~~  
27 ~~(4), (5), and (6) of this subsection (b), unalterable~~ A SINGLE

1 AUTHORITY COPY OF THE RECORD OR RECORDS EXISTS WHICH IS  
2 UNIQUE, IDENTIFIABLE, AND, EXCEPT AS OTHERWISE PROVIDED IN  
3 SUBSECTIONS (a)(4), (a)(5), AND (a)(6) OF THIS SECTION, UNALTERABLE;

4 (2) The authoritative copy identifies the ~~secured party~~ PURCHASER  
5 as the assignee of the record or records;

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

8 (4) Copies or amendments that add or change an identified  
9 assignee of the authoritative copy can be made only with the consent of  
10 the ~~secured party~~ purchaser;

11 (c) A SYSTEM SATISFIES SUBSECTION (a) OF THIS SECTION, AND A  
12 PURCHASER HAS CONTROL OF AN AUTHORITATIVE ELECTRONIC COPY OF A  
13 RECORDED EVIDENCING CHATTEL PAPER, IF THE ELECTRONIC COPY, A RECORD  
14 ATTACHED TO OR LOGICALLY ASSOCIATED WITH THE ELECTRONIC COPY,  
15 OR A SYSTEM IN WHICH THE ELECTRONIC COPY IS RECORDED:

16 (1) ENABLES THE PURCHASER READILY TO IDENTIFY EACH  
17 ELECTRONIC COPY AS EITHER AN AUTHORITATIVE COPY OR A  
18 NONAUTHORITATIVE COPY;

19 (2) ENABLES THE PURCHASER READILY TO IDENTIFY ITSELF IN ANY  
20 WAY, INCLUDING BY NAME, IDENTIFYING NUMBER, CRYPTOGRAPHIC KEY,  
21 OFFICE, OR ACCOUNT NUMBER, AS THE ASSIGNEE OF THE AUTHORITATIVE  
22 ELECTRONIC COPY; AND

23 (3) GIVES THE PURCHASER EXCLUSIVE POWER, SUBJECT TO  
24 SUBSECTION (d) OF THIS SECTION, TO:

25 (A) PREVENT OTHERS FROM ADDING OR CHANGING AN IDENTIFIED  
26 ASSIGNEE OF THE AUTHORITATIVE ELECTRONIC COPY; AND

27 (B) TRANSFER CONTROL OF THE AUTHORITATIVE ELECTRONIC

1 COPY.

2 (d) SUBJECT TO SUBSECTION (e) OF THIS SECTION, A POWER IS  
3 EXCLUSIVE UNDER SUBSECTIONS (c)(3)(A) AND (c)(3)(B) OF THIS SECTION  
4 EVEN IF:

5 (1) THE AUTHORITATIVE ELECTRONIC COPY, A RECORD ATTACHED  
6 TO OR LOGICALLY ASSOCIATED WITH THE AUTHORITATIVE ELECTRONIC  
7 COPY, OR A SYSTEM IN WHICH THE AUTHORITATIVE ELECTRONIC COPY IS  
8 RECORDED LIMITS THE USE OF THE AUTHORITATIVE ELECTRONIC COPY OR  
9 HAS A PROTOCOL PROGRAMMED TO CAUSE A CHANGE, INCLUDING A  
10 TRANSFER OR LOSS OF CONTROL; OR

11 (2) THE POWER IS SHARED WITH ANOTHER PERSON.

12 (e) A POWER OF A PURCHASER IS NOT SHARED WITH ANOTHER  
13 PERSON UNDER SUBSECTION (d)(2) OF THIS SECTION AND THE PURCHASER'S  
14 POWER IS NOT EXCLUSIVE IF:

15 (1) THE PURCHASER CAN EXERCISE THE POWER ONLY IF THE POWER  
16 ALSO IS EXERCISED BY THE OTHER PERSON; AND

17 (2) THE OTHER PERSON:

18 (A) CAN EXERCISE THE POWER WITHOUT EXERCISE OF THE POWER  
19 BY THE PURCHASER; OR

20 (B) IS THE TRANSFEROR TO THE PURCHASER OF AN INTEREST IN  
21 THE CHATTEL PAPER.

22 (f) IF A PURCHASER HAS THE POWERS SPECIFIED IN SUBSECTIONS  
23 (c)(3)(A) AND (c)(3)(B) OF THIS SECTION, THE POWERS ARE PRESUMED TO  
24 BE EXCLUSIVE.

25 (g) A PURCHASER HAS CONTROL OF AN AUTHORITATIVE  
26 ELECTRONIC COPY OF A RECORDED EVIDENCING CHATTEL PAPER IF ANOTHER  
27 PERSON, OTHER THAN THE TRANSFEROR TO THE PURCHASER OF AN

1 INTEREST IN THE CHATTEL PAPER:

2 (1) HAS CONTROL OF THE AUTHORITATIVE ELECTRONIC COPY AND  
3 ACKNOWLEDGES THAT IT HAS CONTROL ON BEHALF OF THE PURCHASER; OR

4 (2) OBTAINS CONTROL OF THE AUTHORITATIVE ELECTRONIC COPY  
5 AFTER HAVING ACKNOWLEDGED THAT IT WILL OBTAIN CONTROL OF THE  
6 ELECTRONIC COPY ON BEHALF OF THE PURCHASER.

7 **SECTION 45.** In Colorado Revised Statutes, **add 4-9-105.5 and**  
8 **4-9-107.5** as follows:

9 **4-9-105.5. Control of electronic money.** (a) A PERSON HAS  
10 CONTROL OF ELECTRONIC MONEY IF:

11 (1) THE ELECTRONIC MONEY, A RECORD ATTACHED TO OR  
12 LOGICALLY ASSOCIATED WITH THE ELECTRONIC MONEY, OR A SYSTEM IN  
13 WHICH THE ELECTRONIC MONEY IS RECORDED GIVES THE PERSON:

14 (A) POWER TO AVAIL ITSELF OF SUBSTANTIALLY ALL THE BENEFIT  
15 FROM THE ELECTRONIC MONEY; AND

16 (B) EXCLUSIVE POWER, SUBJECT TO SUBSECTION (b) OF THIS  
17 SECTION, TO:

18 (i) PREVENT OTHERS FROM AVAILING THEMSELVES OF  
19 SUBSTANTIALLY ALL THE BENEFIT FROM THE ELECTRONIC MONEY; AND

20 (ii) TRANSFER CONTROL OF THE ELECTRONIC MONEY TO ANOTHER  
21 PERSON OR CAUSE ANOTHER PERSON TO OBTAIN CONTROL OF OTHER  
22 ELECTRONIC MONEY AS A RESULT OF THE TRANSFER OF THE ELECTRONIC  
23 MONEY; AND

24 (2) THE ELECTRONIC MONEY, A RECORD ATTACHED TO OR  
25 LOGICALLY ASSOCIATED WITH THE ELECTRONIC MONEY, OR A SYSTEM IN  
26 WHICH THE ELECTRONIC MONEY IS RECORDED ENABLES THE PERSON  
27 READILY TO IDENTIFY ITSELF IN ANY WAY, INCLUDING BY NAME,

1 IDENTIFYING NUMBER, CRYPTOGRAPHIC KEY, OFFICE, OR ACCOUNT  
2 NUMBER, AS HAVING THE POWERS UNDER SUBSECTION (a)(1) OF THIS  
3 SECTION.

4 (b) SUBJECT TO SUBSECTION (c) OF THIS SECTION, A POWER IS  
5 EXCLUSIVE UNDER SUBSECTIONS (a)(1)(B)(i) AND (a)(1)(B)(ii) OF THIS  
6 SECTION EVEN IF:

7 (1) THE ELECTRONIC MONEY, A RECORD ATTACHED TO OR  
8 LOGICALLY ASSOCIATED WITH THE ELECTRONIC MONEY, OR A SYSTEM IN  
9 WHICH THE ELECTRONIC MONEY IS RECORDED LIMITS THE USE OF THE  
10 ELECTRONIC MONEY OR HAS A PROTOCOL PROGRAMMED TO CAUSE A  
11 CHANGE, INCLUDING A TRANSFER OR LOSS OF CONTROL; OR

12 (2) THE POWER IS SHARED WITH ANOTHER PERSON.

13 (c) A POWER OF A PERSON IS NOT SHARED WITH ANOTHER PERSON  
14 UNDER SUBSECTION (b)(2) OF THIS SECTION AND THE PERSON'S POWER IS  
15 NOT EXCLUSIVE IF:

16 (1) THE PERSON CAN EXERCISE THE POWER ONLY IF THE POWER  
17 ALSO IS EXERCISED BY THE OTHER PERSON; AND

18 (2) THE OTHER PERSON:

19 (A) CAN EXERCISE THE POWER WITHOUT EXERCISE OF THE POWER  
20 BY THE PERSON; OR

21 (B) IS THE TRANSFEROR TO THE PERSON OF AN INTEREST IN THE  
22 ELECTRONIC MONEY.

23 (d) IF A PERSON HAS THE POWERS SPECIFIED IN SUBSECTIONS  
24 (a)(1)(B)(i) AND (a)(1)(B)(ii) OF THIS SECTION, THE POWERS ARE  
25 PRESUMED TO BE EXCLUSIVE.

26 (e) A PERSON HAS CONTROL OF ELECTRONIC MONEY IF ANOTHER  
27 PERSON, OTHER THAN THE TRANSFEROR TO THE PERSON OF AN INTEREST

1 IN THE ELECTRONIC MONEY:

2 (1) HAS CONTROL OF THE ELECTRONIC MONEY AND  
3 ACKNOWLEDGES THAT IT HAS CONTROL ON BEHALF OF THE PERSON; OR

4 (2) OBTAINS CONTROL OF THE ELECTRONIC MONEY AFTER HAVING  
5 ACKNOWLEDGED THAT IT WILL OBTAIN CONTROL OF THE ELECTRONIC  
6 MONEY ON BEHALF OF THE PERSON.

7 **4-9-107.5. Control of controllable electronic record,**  
8 **controllable account, or controllable payment intangible.** (a) A  
9 SECURED PARTY HAS CONTROL OF A CONTROLLABLE ELECTRONIC RECORD  
10 AS PROVIDED IN SECTION 4-12-105.

11 (b) A SECURED PARTY HAS CONTROL OF A CONTROLLABLE  
12 ACCOUNT OR CONTROLLABLE PAYMENT INTANGIBLE IF THE SECURED  
13 PARTY HAS CONTROL OF THE CONTROLLABLE ELECTRONIC RECORD THAT  
14 EVIDENCES THE CONTROLLABLE ACCOUNT OR CONTROLLABLE PAYMENT  
15 INTANGIBLE.

16 **SECTION 46.** In Colorado Revised Statutes, 4-9-203, **amend**  
17 (b)(3)(A), (b)(3)(C), and (b)(3)(D); and **add** (b)(3)(E) as follows:

18 **4-9-203. Attachment and enforceability of security interest;**  
19 **proceeds; supporting obligations; formal requisites.** (b) Except as  
20 otherwise provided in subsections (c) to (i) of this section, a security  
21 interest is enforceable against the debtor and third parties with respect to  
22 the collateral only if:

23 (3) One of the following conditions is met:

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

27 (C) The collateral is a certificated security in registered form, and



1 the security certificate has been delivered to the secured party under  
2 section 4-8-301 pursuant to the debtor's security agreement; ~~or~~

3 (D) The collateral is CONTROLLABLE ACCOUNTS, CONTROLLABLE  
4 ELECTRONIC RECORDS, CONTROLLABLE PAYMENT INTANGIBLES, deposit  
5 accounts, ~~electronic chattel paper~~ ELECTRONIC DOCUMENTS, ELECTRONIC  
6 MONEY, investment property, OR letter-of-credit rights, ~~or electronic~~  
7 ~~documents~~; and the secured party has control under section 4-7-106,  
8 4-9-104, ~~4-9-105~~ **4-9-105.5**, 4-9-106, ~~or~~ 4-9-107, OR **4-9-107.5** pursuant  
9 to the debtor's security agreement; OR

10 (E) THE COLLATERAL IS CHATTEL PAPER, AND THE SECURED PARTY  
11 HAS POSSESSION AND CONTROL UNDER SECTION 4-9-314.5 PURSUANT TO  
12 THE DEBTOR'S SECURITY AGREEMENT.

13 **SECTION 47.** In Colorado Revised Statutes, 4-9-204, **amend** (b)  
14 introductory portion; and **add** (b.1) as follows:

15 **4-9-204. After-acquired property - future advances.** (b) ~~A~~  
16 SUBJECT TO SUBSECTION (b.1) OF THIS SECTION, A security interest does  
17 not attach under a term constituting an after-acquired property clause to:

18 (b.1) SUBSECTION (b) OF THIS SECTION DOES NOT PREVENT A  
19 SECURITY INTEREST FROM ATTACHING:

20 (1) TO CONSUMER GOODS AS PROCEEDS UNDER SECTION 4-9-315  
21 (a) OR COMMINGLED GOODS UNDER SECTION 4-9-336 (c);

22 (2) TO A COMMERCIAL TORT CLAIM AS PROCEEDS UNDER SECTION  
23 4-9-315 (a); OR

24 (3) UNDER AN AFTER-ACQUIRED PROPERTY CLAUSE TO PROPERTY  
25 THAT IS PROCEEDS OF CONSUMER GOODS OR A COMMERCIAL TORT CLAIM.

26 **SECTION 48.** In Colorado Revised Statutes, 4-9-207, **amend** (c)  
27 introductory portion as follows:

1           **4-9-207. Rights and duties of secured party having possession**  
2 **or control of collateral.** (c) Except as otherwise provided in subsection  
3 (d) of this section, a secured party having possession of collateral or  
4 control of collateral under section 4-7-106, 4-9-104, 4-9-105, ~~4-9-105.5,~~  
5 4-9-106, ~~or 4-9-107,~~ OR ~~4-9-107.5:~~

6           **SECTION 49.** In Colorado Revised Statutes, 4-9-208, **amend** (b)  
7 introductory portion, (b)(1), (b)(3), (b)(4), (b)(5), and (b)(6); and **add**  
8 (b)(7) and (b)(8) as follows:

9           **4-9-208. Additional duties of secured party having control of**  
10 **collateral.** (b) Within five business days after receiving ~~an authenticated~~  
11 A SIGNED demand by the debtor:

12           (1) A secured party having control of a deposit account under  
13 section 4-9-104 (a)(2) shall send to the bank with which the deposit  
14 account is maintained ~~an authenticated statement~~ A SIGNED RECORD that  
15 releases the bank from any further obligation to comply with instructions  
16 originated by the secured party;

17           (3) ~~A secured party, other than a buyer, having control of~~  
18 ~~electronic chattel paper under section 4-9-105 shall:~~ A SECURED PARTY,  
19 OTHER THAN A BUYER, HAVING CONTROL UNDER SECTION 4-9-105 OF AN  
20 AUTHORITATIVE ELECTRONIC COPY OF A RECORD EVIDENCING CHATTEL  
21 PAPER SHALL TRANSFER CONTROL OF THE ELECTRONIC COPY TO THE  
22 DEBTOR OR A PERSON DESIGNATED BY THE DEBTOR;

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

25           ~~(B) If the debtor designates a custodian that is the designated~~  
26 ~~custodian with which the authoritative copy of the electronic chattel paper~~  
27 ~~is maintained for the secured party, communicate to the custodian an~~

1 authenticated record releasing the designated custodian from any further  
2 obligation to comply with instructions originated by the secured party and  
3 instructing the custodian to comply with instructions originated by the  
4 debtor; and

5 ~~(C) Take appropriate action to enable the debtor or its designated~~  
6 ~~custodian to make copies of or revisions to the authoritative copy which~~  
7 ~~add or change an identified assignee of the authoritative copy without the~~  
8 ~~consent of the secured party;~~

9 (4) A secured party having control of investment property under  
10 section 4-8-106 (d)(2) or 4-9-106 (b) shall send to the securities  
11 intermediary or commodity intermediary with which the security  
12 entitlement or commodity contract is maintained ~~an authenticated~~ A  
13 SIGNED record that releases the securities intermediary or commodity  
14 intermediary from any further obligation to comply with entitlement  
15 orders or directions originated by the secured party;

16 (5) A secured party having control of a letter-of-credit right under  
17 section 4-9-107 shall send to each person having an unfulfilled obligation  
18 to pay or deliver proceeds of the letter of credit to the secured party ~~an~~  
19 ~~authenticated~~ A SIGNED release from any further obligation to pay or  
20 deliver proceeds of the letter of credit to the secured party; ~~and~~

21 ~~(6) A secured party having control of an electronic document~~  
22 ~~shall:~~ A SECURED PARTY HAVING CONTROL UNDER SECTION 4-7-106 OF AN  
23 AUTHORITATIVE ELECTRONIC COPY OF AN ELECTRONIC DOCUMENT SHALL  
24 TRANSFER CONTROL OF THE ELECTRONIC COPY TO THE DEBTOR OR A  
25 PERSON DESIGNATED BY THE DEBTOR;

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

1           ~~(B) If the debtor designates a custodian that is the designated~~  
2           ~~custodian with which the authoritative copy of the electronic document~~  
3           ~~is maintained for the secured party, communicate to the custodian an~~  
4           ~~authenticated record releasing the designated custodian from any further~~  
5           ~~obligation to comply with instructions originated by the secured party and~~  
6           ~~instructing the custodian to comply with instructions originated by the~~  
7           ~~debtor; and~~

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

12           (7) A SECURED PARTY HAVING CONTROL UNDER SECTION 4-9-105.5  
13           OF ELECTRONIC MONEY SHALL TRANSFER CONTROL OF THE ELECTRONIC  
14           MONEY TO THE DEBTOR OR A PERSON DESIGNATED BY THE DEBTOR; AND

15           (8) A SECURED PARTY HAVING CONTROL UNDER SECTION 4-12-105  
16           OF A CONTROLLABLE ELECTRONIC RECORD, OTHER THAN A BUYER OF A  
17           CONTROLLABLE ACCOUNT OR CONTROLLABLE PAYMENT INTANGIBLE  
18           EVIDENCED BY THE CONTROLLABLE ELECTRONIC RECORD, SHALL  
19           TRANSFER CONTROL OF THE CONTROLLABLE ELECTRONIC RECORD TO THE  
20           DEBTOR OR A PERSON DESIGNATED BY THE DEBTOR.

21           **SECTION 50.** In Colorado Revised Statutes, 4-9-209, **amend** (b)  
22           as follows:

23           **4-9-209. Duties of secured party if account debtor has been**  
24           **notified of assignment.** (b) Within ten days after receiving an  
25           ~~authenticated~~ A SIGNED demand by the debtor, a secured party shall send  
26           to an account debtor that has received notification under section 4-9-406  
27           (a) OR **4-12-106 (b)** of an assignment to the secured party as assignee

1 ~~under section 4-9-406 (a) an authenticated~~ A SIGNED record that releases  
2 the account debtor from any further obligation to the secured party.

3 **SECTION 51.** In Colorado Revised Statutes, 4-9-210, **amend**  
4 (a)(2), (a)(3), (b), (c), and (d) introductory portion as follows:

5 **4-9-210. Request for accounting - request regarding list of**  
6 **collateral or statement of account - definitions.** (a) In this section:

7 (2) "Request for an accounting" means a record ~~authenticated~~  
8 SIGNED by a debtor requesting that the recipient provide an accounting of  
9 the unpaid obligations secured by collateral and reasonably identifying  
10 the transaction or relationship that is the subject of the request.

11 (3) "Request regarding a list of collateral" means a record  
12 ~~authenticated~~ SIGNED by a debtor requesting that the recipient approve or  
13 correct a list of what the debtor believes to be the collateral securing an  
14 obligation and reasonably identifying the transaction or relationship that  
15 is the subject of the request.

16 (b) Subject to subsections (c), (d), (e), and (f) of this section, a  
17 secured party, other than a buyer of accounts, chattel paper, payment  
18 intangibles, or promissory notes or a consignor, shall comply with a  
19 request within fourteen days after receipt:

20 (1) In the case of a request for an accounting, by ~~authenticating~~  
21 SIGNING and sending to the debtor an accounting; and

22 (2) In the case of a request regarding a list of collateral or a  
23 request regarding a statement of account, by ~~authenticating~~ SIGNING and  
24 sending to the debtor an approval or correction.

25 (c) A secured party that claims a security interest in all of a  
26 particular type of collateral owned by the debtor may comply with a  
27 request regarding a list of collateral by sending to the debtor an

1 ~~authenticated~~ A SIGNED record including a statement to that effect within  
2 fourteen days after receipt.

3 (d) A person that receives a request regarding a list of collateral,  
4 THAT claims no interest in the collateral when it receives the request, and  
5 that claimed an interest in the collateral at an earlier time shall comply  
6 with the request within fourteen days after receipt by sending to the  
7 debtor ~~an authenticated~~ A SIGNED record:

8 **SECTION 52.** In Colorado Revised Statutes, 4-9-301, **amend** the  
9 introductory portion and (3) introductory portion as follows:

10 **4-9-301. Law governing perfection and priority of security**  
11 **interests.** Except as otherwise provided in sections 4-9-303 to ~~4-9-306~~  
12 ~~4-9-306.7~~, the following rules determine the law governing perfection,  
13 the effect of perfection or nonperfection, and the priority of a security  
14 interest in collateral:

15 (3) Except as otherwise provided in ~~paragraph~~ SUBSECTION (4) of  
16 this section, while ~~tangible~~ negotiable TANGIBLE documents, goods,  
17 instruments, OR TANGIBLE money ~~or tangible chattel paper~~ is located in  
18 a jurisdiction, the local law of that jurisdiction governs:

19 **SECTION 53.** In Colorado Revised Statutes, 4-9-304, **amend** (a)  
20 as follows:

21 **4-9-304. Law governing perfection and priority of security**  
22 **interests in deposit accounts.** (a) The local law of a bank's jurisdiction  
23 governs perfection, the effect of perfection or nonperfection, and the  
24 priority of a security interest in a deposit account maintained with that  
25 bank EVEN IF THE TRANSACTION DOES NOT BEAR ANY RELATION TO THE  
26 BANK'S JURISDICTION.

27 **SECTION 54.** In Colorado Revised Statutes, 4-9-305, **add** (a)(5)

1 as follows:

2 **4-9-305. Law governing perfection and priority of security**  
3 **interests in investment property.** (a) Except as otherwise provided in  
4 subsection (c) of this section, the following rules apply:

5 (5) SUBSECTIONS (a)(2), (a)(3), AND (a)(4) OF THIS SECTION APPLY  
6 EVEN IF THE TRANSACTION DOES NOT BEAR ANY RELATION TO THE  
7 JURISDICTION.

8 **SECTION 55.** In Colorado Revised Statutes, **add 4-9-306.5 and**  
9 **4-9-306.7** as follows:

10 **4-9-306.5. Law governing perfection and priority of security**  
11 **interests in chattel paper.** (a) EXCEPT AS PROVIDED IN SUBSECTION (d)  
12 OF THIS SECTION, IF CHATTEL PAPER IS EVIDENCED ONLY BY AN  
13 AUTHORITATIVE ELECTRONIC COPY OF THE CHATTEL PAPER OR IS  
14 EVIDENCED BY AN AUTHORITATIVE ELECTRONIC COPY AND AN  
15 AUTHORITATIVE TANGIBLE COPY, THE LOCAL LAW OF THE CHATTEL  
16 PAPER'S JURISDICTION GOVERNS PERFECTION, THE EFFECT OF PERFECTION  
17 OR NONPERFECTION, AND THE PRIORITY OF A SECURITY INTEREST IN THE  
18 CHATTEL PAPER, EVEN IF THE TRANSACTION DOES NOT BEAR ANY  
19 RELATION TO THE CHATTEL PAPER'S JURISDICTION.

20 (b) THE FOLLOWING RULES DETERMINE THE CHATTEL PAPER'S  
21 JURISDICTION UNDER THIS SECTION:

22 (1) IF THE AUTHORITATIVE ELECTRONIC COPY OF THE RECORD  
23 EVIDENCING CHATTEL PAPER, OR A RECORD ATTACHED TO OR LOGICALLY  
24 ASSOCIATED WITH THE ELECTRONIC COPY AND READILY AVAILABLE FOR  
25 REVIEW, EXPRESSLY PROVIDES THAT A PARTICULAR JURISDICTION IS THE  
26 CHATTEL PAPER'S JURISDICTION FOR PURPOSES OF THIS PART 3, THIS  
27 ARTICLE 9, OR THIS TITLE 4, THAT JURISDICTION IS THE CHATTEL PAPER'S

1 JURISDICTION.

2 (2) IF SUBSECTION (b)(1) OF THIS SECTION DOES NOT APPLY AND  
3 THE RULES OF THE SYSTEM IN WHICH THE AUTHORITATIVE ELECTRONIC  
4 COPY IS RECORDED ARE READILY AVAILABLE FOR REVIEW AND EXPRESSLY  
5 PROVIDE THAT A PARTICULAR JURISDICTION IS THE CHATTEL PAPER'S  
6 JURISDICTION FOR PURPOSES OF THIS PART 3, THIS ARTICLE 9, OR THIS  
7 TITLE 4, THAT JURISDICTION IS THE CHATTEL PAPER'S JURISDICTION.

8 (3) IF SUBSECTIONS (b)(1) AND (b)(2) OF THIS SECTION DO NOT  
9 APPLY AND THE AUTHORITATIVE ELECTRONIC COPY, OR A RECORD  
10 ATTACHED TO OR LOGICALLY ASSOCIATED WITH THE ELECTRONIC COPY  
11 AND READILY AVAILABLE FOR REVIEW, EXPRESSLY PROVIDES THAT THE  
12 CHATTEL PAPER IS GOVERNED BY THE LAW OF A PARTICULAR  
13 JURISDICTION, THAT JURISDICTION IS THE CHATTEL PAPER'S JURISDICTION.

14 (4) IF SUBSECTIONS (b)(1), (b)(2), AND (b)(3) OF THIS SECTION DO  
15 NOT APPLY AND THE RULES OF THE SYSTEM IN WHICH THE AUTHORITATIVE  
16 ELECTRONIC COPY IS RECORDED ARE READILY AVAILABLE FOR REVIEW  
17 AND EXPRESSLY PROVIDE THAT THE CHATTEL PAPER OR THE SYSTEM IS  
18 GOVERNED BY THE LAW OF A PARTICULAR JURISDICTION, THAT  
19 JURISDICTION IS THE CHATTEL PAPER'S JURISDICTION.

20 (5) IF SUBSECTIONS (b)(1) TO (b)(4) OF THIS SECTION DO NOT  
21 APPLY, THE CHATTEL PAPER'S JURISDICTION IS THE JURISDICTION IN WHICH  
22 THE DEBTOR IS LOCATED.

23 (c) IF AN AUTHORITATIVE TANGIBLE COPY OF A RECORD EVIDENCES  
24 CHATTEL PAPER AND THE CHATTEL PAPER IS NOT EVIDENCED BY AN  
25 AUTHORITATIVE ELECTRONIC COPY, WHILE THE AUTHORITATIVE TANGIBLE  
26 COPY OF THE RECORD EVIDENCING CHATTEL PAPER IS LOCATED IN A  
27 JURISDICTION, THE LOCAL LAW OF THAT JURISDICTION GOVERNS:



1 (1) PERFECTION OF A SECURITY INTEREST IN THE CHATTEL PAPER  
2 BY POSSESSION UNDER SECTION 4-9-314.5; AND

3 (2) THE EFFECT OF PERFECTION OR NONPERFECTION AND THE  
4 PRIORITY OF A SECURITY INTEREST IN THE CHATTEL PAPER.

5 (d) THE LOCAL LAW OF THE JURISDICTION IN WHICH THE DEBTOR  
6 IS LOCATED GOVERNS PERFECTION OF A SECURITY INTEREST IN CHATTEL  
7 PAPER BY FILING.

8 **4-9-306.7. Law governing perfection and priority of security**  
9 **interests in controllable accounts, controllable electronic records, and**

10 **controllable payment intangibles.** (a) EXCEPT AS PROVIDED IN  
11 SUBSECTION (b) OF THIS SECTION, THE LOCAL LAW OF THE CONTROLLABLE  
12 ELECTRONIC RECORD'S JURISDICTION SPECIFIED IN SECTION 4-12-107 (c)  
13 AND (d) GOVERNS PERFECTION, THE EFFECT OF PERFECTION OR  
14 NONPERFECTION, AND THE PRIORITY OF A SECURITY INTEREST IN A  
15 CONTROLLABLE ELECTRONIC RECORD AND A SECURITY INTEREST IN A  
16 CONTROLLABLE ACCOUNT OR CONTROLLABLE PAYMENT INTANGIBLE  
17 EVIDENCED BY THE CONTROLLABLE ELECTRONIC RECORD.

18 (b) THE LOCAL LAW OF THE JURISDICTION IN WHICH THE DEBTOR  
19 IS LOCATED GOVERNS:

20 (1) PERFECTION OF A SECURITY INTEREST IN A CONTROLLABLE  
21 ACCOUNT, CONTROLLABLE ELECTRONIC RECORD, OR CONTROLLABLE  
22 PAYMENT INTANGIBLE BY FILING; AND

23 (2) AUTOMATIC PERFECTION OF A SECURITY INTEREST IN A  
24 CONTROLLABLE PAYMENT INTANGIBLE CREATED BY A SALE OF THE  
25 CONTROLLABLE PAYMENT INTANGIBLE.

26 **SECTION 56.** In Colorado Revised Statutes, 4-9-310, **amend**  
27 (b)(8); and **add** (b)(8.1) as follows:

1           **4-9-310. When filing required to perfect security interest or**  
2           **agricultural lien - security interests and agricultural liens to which**  
3           **filing provisions do not apply.** (b) The filing of a financing statement  
4           is not necessary to perfect a security interest:

5           (8) In CONTROLLABLE ACCOUNTS, CONTROLLABLE ELECTRONIC  
6           RECORDS, CONTROLLABLE PAYMENT INTANGIBLES, deposit accounts,  
7           ~~electronic chattel paper~~, electronic documents, investment property, or  
8           letter-of-credit rights that is perfected by control under section 4-9-314;

9           (8.1) IN CHATTEL PAPER THAT IS PERFECTED BY POSSESSION AND  
10          CONTROL UNDER SECTION 4-9-314.5;

11          **SECTION 57.** In Colorado Revised Statutes, 4-9-312, **amend** (a),  
12          (b)(2), (b)(3), and (e); and **add** (b)(4) as follows:

13          **4-9-312. Perfection of security interests in chattel paper,**  
14          **controllable accounts, controllable electronic records, controllable**  
15          **payment intangibles, deposit accounts, documents, goods covered by**  
16          **documents, instruments, investment property, letter-of-credit rights,**  
17          **and money - perfection by permissive filing - temporary perfection**  
18          **without filing or transfer of possession.** (a) A security interest in  
19          chattel paper, ~~negotiable documents~~ CONTROLLABLE ACCOUNTS,  
20          CONTROLLABLE ELECTRONIC RECORDS, CONTROLLABLE PAYMENT  
21          INTANGIBLES, instruments, ~~or~~ investment property, OR NEGOTIABLE  
22          DOCUMENTS may be perfected by filing.

23          (b) Except as otherwise provided in section 4-9-315 (c) and (d) for  
24          proceeds:

25          (2) Except as otherwise provided in section 4-9-308 (d), a security  
26          interest in a letter-of-credit right may be perfected only by control under  
27          section 4-9-314; and

1 (3) A security interest in TANGIBLE money may be perfected only  
2 by the secured party's taking possession under section 4-9-313; AND

3 (4) A SECURITY INTEREST IN ELECTRONIC MONEY MAY BE  
4 PERFECTED ONLY BY CONTROL UNDER SECTION 4-9-314.

5 (e) A security interest in certificated securities, negotiable  
6 documents, or instruments is perfected without filing or the taking of  
7 possession or control for a period of twenty days from the time it attaches  
8 to the extent that it arises for new value given under ~~an authenticated~~ A  
9 SIGNED security agreement.

10 **SECTION 58.** In Colorado Revised Statutes, 4-9-313, **amend** (a),  
11 (c), and (d) as follows:

12 **4-9-313. When possession by or delivery to secured party**  
13 **perfects security interest without filing.** (a) Except as otherwise  
14 provided in subsection (b) of this section, a secured party may perfect a  
15 security interest in ~~tangible negotiable documents~~, goods, instruments,  
16 NEGOTIABLE TANGIBLE DOCUMENTS, OR TANGIBLE money ~~or tangible~~  
17 ~~chattel paper~~ by taking possession of the collateral. A secured party may  
18 perfect a security interest in certificated securities by taking delivery of  
19 the certificated securities under section 4-8-301.

20 (c) With respect to collateral other than certificated securities and  
21 goods covered by a document, a secured party takes possession of  
22 collateral in the possession of a person other than the debtor, the secured  
23 party, or a lessee of the collateral from the debtor in the ordinary course  
24 of the debtor's business when:

25 (1) The person in possession ~~authenticates~~ SIGNS a record  
26 acknowledging that it holds possession of the collateral for the secured  
27 party's benefit; or

1           (2) The person takes possession of the collateral after having  
2 ~~authenticated~~ SIGNED a record acknowledging that it will hold possession  
3 of THE collateral for the secured party's benefit.

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

8           **SECTION 59.** In Colorado Revised Statutes, 4-9-314, **amend** (a),  
9 (b), and (c) introductory portion as follows:

10           **4-9-314. Perfection by control.** (a) A security interest in  
11 ~~investment property, deposit accounts, letter-of-credit rights, electronic~~  
12 ~~chattel paper, or electronic documents~~ CONTROLLABLE ACCOUNTS,  
13 CONTROLLABLE ELECTRONIC RECORDS, CONTROLLABLE PAYMENT  
14 INTANGIBLES, DEPOSIT ACCOUNTS, ELECTRONIC DOCUMENTS, ELECTRONIC  
15 MONEY, INVESTMENT PROPERTY, OR LETTER-OF-CREDIT RIGHTS may be  
16 perfected by control of the collateral under section 4-7-106, 4-9-104,  
17 ~~4-9-105~~ **4-9-105.5**, 4-9-106, ~~or~~ 4-9-107, OR **4-9-107.5**.

18           (b) A security interest in ~~deposit accounts, electronic chattel~~  
19 ~~paper, letter-of-credit rights, or electronic documents~~ CONTROLLABLE  
20 ACCOUNTS, CONTROLLABLE ELECTRONIC RECORDS, CONTROLLABLE  
21 PAYMENT INTANGIBLES, DEPOSIT ACCOUNTS, ELECTRONIC DOCUMENTS,  
22 ELECTRONIC MONEY, OR LETTER-OF-CREDIT RIGHTS is perfected by control  
23 under section 4-7-106, 4-9-104, ~~4-9-105, or~~ **4-9-105.5**, 4-9-107, ~~when~~ OR  
24 **4-9-107.5** NOT EARLIER THAN THE TIME the secured party obtains control  
25 and remains perfected by control only while the secured party retains  
26 control.

27           (c) A security interest in investment property is perfected by

1 control under section 4-9-106 ~~from~~ NOT EARLIER THAN the time the  
2 secured party obtains control and remains perfected by control until:

3 **SECTION 60.** In Colorado Revised Statutes, **add** 4-9-314.5 as  
4 follows:

5 **4-9-314.5. Perfection by possession and control of chattel**  
6 **paper.** (a) A SECURED PARTY MAY PERFECT A SECURITY INTEREST IN  
7 CHATTEL PAPER BY TAKING POSSESSION OF EACH AUTHORITATIVE  
8 TANGIBLE COPY OF THE RECORD EVIDENCING THE CHATTEL PAPER AND  
9 OBTAINING CONTROL OF EACH AUTHORITATIVE ELECTRONIC COPY OF THE  
10 ELECTRONIC RECORD EVIDENCING THE CHATTEL PAPER.

11 (b) A SECURITY INTEREST IS PERFECTED UNDER SUBSECTION (a) OF  
12 THIS SECTION NOT EARLIER THAN THE TIME THE SECURED PARTY TAKES  
13 POSSESSION AND OBTAINS CONTROL AND REMAINS PERFECTED UNDER  
14 SUBSECTION (a) OF THIS SECTION ONLY WHILE THE SECURED PARTY  
15 RETAINS POSSESSION AND CONTROL.

16 (c) SECTION 4-9-313 (c) AND (f) TO (i) APPLIES TO PERFECTION BY  
17 POSSESSION OF AN AUTHORITATIVE TANGIBLE COPY OF A RECORD  
18 EVIDENCING CHATTEL PAPER.

19 **SECTION 61.** In Colorado Revised Statutes, 4-9-316, **amend** (a)  
20 introductory portion and (f) introductory portion as follows:

21 **4-9-316. Continued perfection of security interest following**  
22 **change in governing law.** (a) A security interest perfected pursuant to  
23 the law of the jurisdiction designated in section 4-9-301 (1), ~~or~~ 4-9-305  
24 (c), **4-9-306.5 (d)**, OR **4-9-306.7 (b)** remains perfected until the earliest of:

25 (f) A security interest in CHATTEL PAPER, CONTROLLABLE  
26 ACCOUNTS, CONTROLLABLE ELECTRONIC RECORDS, CONTROLLABLE  
27 PAYMENT INTANGIBLES, deposit accounts, letter-of-credit rights, or

1 investment property which is perfected under the law of the CHATTEL  
2 PAPER'S JURISDICTION, THE CONTROLLABLE ELECTRONIC RECORD'S  
3 JURISDICTION, THE bank's jurisdiction, the issuer's jurisdiction, a  
4 nominated person's jurisdiction, the securities intermediary's jurisdiction,  
5 or the commodity intermediary's jurisdiction, as applicable, remains  
6 perfected until the earlier of:

7 **SECTION 62.** In Colorado Revised Statutes, 4-9-317, **amend** (b)  
8 and (d); and **add** (f), (g), (h), and (i) as follows:

9 **4-9-317. Interests that take priority over or take free of**  
10 **security interest or agricultural lien.** (b) Except as otherwise provided  
11 in subsection (e) of this section, a buyer, other than a secured party, of  
12 ~~tangible chattel paper, tangible documents,~~ goods, instruments, TANGIBLE  
13 DOCUMENTS, or a certificated security takes free of a security interest or  
14 agricultural lien if the buyer gives value and receives delivery of the  
15 collateral without knowledge of the security interest or agricultural lien  
16 and before it is perfected.

17 (d) SUBJECT TO SUBSECTIONS (f) TO (i) OF THIS SECTION, a  
18 licensee of a general intangible or a buyer, other than a secured party, of  
19 collateral other than ~~tangible chattel paper, tangible documents,~~  
20 ELECTRONIC MONEY, goods, instruments, TANGIBLE DOCUMENTS, or a  
21 certificated security takes free of a security interest if the licensee or  
22 buyer gives value without knowledge of the security interest and before  
23 it is perfected.

24 (f) A BUYER, OTHER THAN A SECURED PARTY, OF CHATTEL PAPER  
25 TAKES FREE OF A SECURITY INTEREST IF, WITHOUT KNOWLEDGE OF THE  
26 SECURITY INTEREST AND BEFORE IT IS PERFECTED, THE BUYER GIVES  
27 VALUE AND:

1 (1) RECEIVES DELIVERY OF EACH AUTHORITATIVE TANGIBLE COPY  
2 OF THE RECORD EVIDENCING THE CHATTEL PAPER; AND

3 (2) IF EACH AUTHORITATIVE ELECTRONIC COPY OF THE RECORD  
4 EVIDENCING THE CHATTEL PAPER CAN BE SUBJECTED TO CONTROL UNDER  
5 SECTION 4-9-105, OBTAINS CONTROL OF EACH AUTHORITATIVE  
6 ELECTRONIC COPY.

7 (g) A BUYER OF AN ELECTRONIC DOCUMENT TAKES FREE OF A  
8 SECURITY INTEREST IF, WITHOUT KNOWLEDGE OF THE SECURITY INTEREST  
9 AND BEFORE IT IS PERFECTED, THE BUYER GIVES VALUE AND, IF EACH  
10 AUTHORITATIVE ELECTRONIC COPY OF THE DOCUMENT CAN BE SUBJECTED  
11 TO CONTROL UNDER SECTION 4-7-106, OBTAINS CONTROL OF EACH  
12 AUTHORITATIVE ELECTRONIC COPY.

13 (h) A BUYER OF A CONTROLLABLE ELECTRONIC RECORD TAKES  
14 FREE OF A SECURITY INTEREST IF, WITHOUT KNOWLEDGE OF THE SECURITY  
15 INTEREST AND BEFORE IT IS PERFECTED, THE BUYER GIVES VALUE AND  
16 OBTAINS CONTROL OF THE CONTROLLABLE ELECTRONIC RECORD.

17 (i) A BUYER, OTHER THAN A SECURED PARTY, OF A CONTROLLABLE  
18 ACCOUNT OR A CONTROLLABLE PAYMENT INTANGIBLE TAKES FREE OF A  
19 SECURITY INTEREST IF, WITHOUT KNOWLEDGE OF THE SECURITY INTEREST  
20 AND BEFORE IT IS PERFECTED, THE BUYER GIVES VALUE AND OBTAINS  
21 CONTROL OF THE CONTROLLABLE ACCOUNT OR CONTROLLABLE PAYMENT  
22 INTANGIBLE.

23 **SECTION 63.** In Colorado Revised Statutes, 4-9-323, **amend** (d)  
24 introductory portion and (f) introductory portion as follows:

25 **4-9-323. Future advances.** (d) Except as otherwise provided in  
26 subsection (e) of this section, a buyer of goods ~~other than a buyer in~~  
27 ~~ordinary course of business~~ takes free of a security interest to the extent

1 that it secures advances made after the earlier of:

2 (f) Except as otherwise provided in subsection (g) of this section,  
3 a lessee of goods ~~other than a lessee in ordinary course of business~~, takes  
4 the leasehold interest free of a security interest to the extent that it secures  
5 advances made after the earlier of:

6 **SECTION 64.** In Colorado Revised Statutes, 4-9-324, **amend**  
7 (b)(2) and (d)(2) as follows:

8 **4-9-324. Priority of purchase-money security interests.**

9 (b) Subject to subsection (c) of this section and except as otherwise  
10 provided in subsection (g) of this section, a perfected purchase-money  
11 security interest in inventory has priority over a conflicting security  
12 interest in the same inventory, has priority over a conflicting security  
13 interest in chattel paper or an instrument constituting proceeds of the  
14 inventory and in proceeds of the chattel paper, if so provided in section  
15 4-9-330, and, except as otherwise provided in section 4-9-327, also has  
16 priority in identifiable cash proceeds of the inventory to the extent the  
17 identifiable cash proceeds are received on or before the delivery of the  
18 inventory to a buyer, if:

19 (2) The purchase-money secured party sends ~~an authenticated~~ A  
20 SIGNED notification to the holder of the conflicting security interest;

21 (d) Subject to subsection (e) of this section and except as  
22 otherwise provided in subsection (g) of this section, a perfected  
23 purchase-money security interest in livestock that are farm products has  
24 priority over a conflicting security interest in the same livestock, and,  
25 except as otherwise provided in section 4-9-327, a perfected security  
26 interest in their identifiable proceeds and identifiable products in their  
27 unmanufactured states also has priority, if:



1           (2) The purchase-money secured party sends ~~an authenticated~~ A  
2 SIGNED notification to the holder of the conflicting security interest;

3           **SECTION 65.** In Colorado Revised Statutes, **add** 4-9-326.5 as  
4 follows:

5           **4-9-326.5. Priority of security interest in controllable account,**  
6 **controllable electronic record, and controllable payment intangible.**

7 A SECURITY INTEREST IN A CONTROLLABLE ACCOUNT, CONTROLLABLE  
8 ELECTRONIC RECORD, OR CONTROLLABLE PAYMENT INTANGIBLE HELD BY  
9 A SECURED PARTY HAVING CONTROL OF THE ACCOUNT, ELECTRONIC  
10 RECORD, OR PAYMENT INTANGIBLE HAS PRIORITY OVER A CONFLICTING  
11 SECURITY INTEREST HELD BY A SECURED PARTY THAT DOES NOT HAVE  
12 CONTROL.

13           **SECTION 66.** In Colorado Revised Statutes, 4-9-330, **amend** (a),  
14 (b), and (f) as follows:

15           **4-9-330. Priority of purchaser of chattel paper or instrument.**

16 (a) A purchaser of chattel paper has priority over a security interest in the  
17 chattel paper which is claimed merely as proceeds of inventory subject to  
18 a security interest if:

19           (1) In good faith and in the ordinary course of the purchaser's  
20 business, the purchaser gives new value, ~~and~~ takes possession of EACH  
21 AUTHORITATIVE TANGIBLE COPY OF THE RECORD EVIDENCING the chattel  
22 paper, ~~or~~ AND obtains control ~~of~~ UNDER SECTION 4-9-105 OF EACH  
23 AUTHORITATIVE ELECTRONIC COPY OF THE RECORD EVIDENCING the  
24 chattel paper; ~~under section 4-9-105;~~ and

25           (2) The AUTHORITATIVE COPIES OF THE RECORD EVIDENCING THE  
26 chattel paper ~~does~~ DO not indicate that ~~it~~ THE CHATTEL PAPER has been  
27 assigned to an identified assignee other than the purchaser.

1 (b) A purchaser of chattel paper has priority over a security  
2 interest in the chattel paper which is claimed other than merely as  
3 proceeds of inventory subject to a security interest if the purchaser gives  
4 new value, ~~and~~ takes possession of EACH AUTHORITATIVE TANGIBLE COPY  
5 OF THE RECORD EVIDENCING the chattel paper, ~~or~~ AND obtains control ~~of~~  
6 UNDER SECTION 4-9-105 OF EACH AUTHORITATIVE ELECTRONIC COPY OF  
7 THE RECORD EVIDENCING the chattel paper ~~under section 4-9-105~~ in good  
8 faith, in the ordinary course of the purchaser's business, and without  
9 knowledge that the purchase violates the rights of the secured party.

10 (f) For purposes of subsections (b) and (d) of this section, if THE  
11 AUTHORITATIVE COPIES OF THE RECORD EVIDENCING chattel paper or an  
12 instrument indicates that ~~it~~ THE CHATTEL PAPER OR INSTRUMENT has been  
13 assigned to an identified secured party other than the purchaser, a  
14 purchaser of the chattel paper or instrument has knowledge that the  
15 purchase violates the rights of the secured party.

16 **SECTION 67.** In Colorado Revised Statutes, 4-9-331, **amend** (a)  
17 and (b) as follows:

18 **4-9-331. Priority of rights of purchasers of controllable**  
19 **accounts, controllable electronic records, controllable payment**  
20 **intangibles, documents, instruments, and securities under other**  
21 **articles - priority of interests in financial assets and security**  
22 **entitlements and protection against assertion of claim under articles**  
23 **8 and 12.** (a) This ~~article~~ ARTICLE 9 does not limit the rights of a holder  
24 in due course of a negotiable instrument, a holder to which a negotiable  
25 document of title has been duly negotiated, ~~or~~ a protected purchaser of a  
26 security, OR A QUALIFYING PURCHASER OF A CONTROLLABLE ACCOUNT,  
27 CONTROLLABLE ELECTRONIC RECORD, OR CONTROLLABLE PAYMENT

1 INTANGIBLE. These holders or purchasers take priority over an earlier  
2 security interest, even if perfected, to the extent provided in articles 3, 7,  
3 ~~and~~ 8, AND 12 of this ~~title~~ TITLE 4.

4 (b) This ~~article~~ ARTICLE 9 does not limit the rights of or impose  
5 liability on a person to the extent that the person is protected against the  
6 assertion of a claim under article 8 OR 12 of this ~~title~~ TITLE 4.

7 **SECTION 68.** In Colorado Revised Statutes, **amend** 4-9-332 as  
8 follows:

9 **4-9-332. Transfer of tangible money - transfer of funds from**  
10 **deposit account.** (a) A transferee of TANGIBLE money takes the money  
11 free of a security interest ~~unless the transferee acts~~ IF THE TRANSFEREE  
12 RECEIVES POSSESSION OF THE MONEY WITHOUT ACTING in collusion with  
13 the debtor in violating the rights of the secured party.

14 (b) A transferee of funds from a deposit account takes the funds  
15 free of a security interest in the deposit account ~~unless the transferee acts~~  
16 IF THE TRANSFEREE RECEIVES THE FUNDS WITHOUT ACTING in collusion  
17 with the debtor in violating the rights of the secured party.

18 (c) A TRANSFEREE OF ELECTRONIC MONEY TAKES THE MONEY FREE  
19 OF A SECURITY INTEREST IF THE TRANSFEREE OBTAINS CONTROL OF THE  
20 MONEY WITHOUT ACTING IN COLLUSION WITH THE DEBTOR IN VIOLATING  
21 THE RIGHTS OF THE SECURED PARTY.

22 **SECTION 69.** In Colorado Revised Statutes, 4-9-334, **amend**  
23 (f)(1) as follows:

24 **4-9-334. Priority of security interests in fixtures and crops.**  
25 (f) A security interest in fixtures, whether or not perfected, has priority  
26 over a conflicting interest of an encumbrancer or owner of the real  
27 property if:

1 (1) The encumbrancer or owner has, in ~~an authenticated~~ A SIGNED  
2 record, consented to the security interest or disclaimed an interest in the  
3 goods as fixtures; or

4 **SECTION 70.** In Colorado Revised Statutes, 4-9-341, **amend** the  
5 introductory portion as follows:

6 **4-9-341. Bank's rights and duties with respect to deposit**  
7 **account.** Except as otherwise provided in section 4-9-340 (c), and unless  
8 the bank otherwise agrees in ~~an authenticated~~ A SIGNED record, a bank's  
9 rights and duties with respect to a deposit account maintained with the  
10 bank are not terminated, suspended, or modified by:

11 **SECTION 71.** In Colorado Revised Statutes, 4-9-404, **amend**  
12 (a)(2) as follows:

13 **4-9-404. Rights acquired by assignee; claims and defenses**  
14 **against assignee.** (a) Unless an account debtor has made an enforceable  
15 agreement not to assert defenses or claims, and subject to subsections (b)  
16 to (e) of this section, the rights of an assignee are subject to:

17 (2) Any other defense or claim of the account debtor against the  
18 assignor which accrues before the account debtor receives a notification  
19 of the assignment ~~authenticated~~ SIGNED by the assignor or the assignee.

20 **SECTION 72.** In Colorado Revised Statutes, 4-9-406, **amend** (a),  
21 (b) introductory portion, (c), (d) introductory portion, and (g); and **add**  
22 (m) as follows:

23 **4-9-406. Discharge of account debtor - notification of**  
24 **assignment - identification and proof of assignment - restrictions on**  
25 **assignment of accounts, chattel paper, payment intangibles, and**  
26 **promissory notes ineffective.** (a) Subject to subsections (b) to (i) AND  
27 (m) of this section, an account debtor on an account, chattel paper, or a

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

8 (b) Subject to ~~subsection (h)~~ SUBSECTIONS (h) AND (m) of this  
9 section, notification is ineffective under subsection (a) of this section:

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

16 (d) IN THIS SUBSECTION (d), "PROMISSORY NOTE" INCLUDES A  
17 NEGOTIABLE INSTRUMENT THAT EVIDENCES CHATTEL PAPER. Except as  
18 otherwise provided in subsections (e), (k), ~~and~~ (l), AND (m) of this section  
19 and sections 4-2.5-303, 4-9-407, 8-80-103, 8-42-124, 13-64-210, and  
20 24-4.1-114, ~~C.R.S.~~, and subject to subsection (h) of this section, a term  
21 in an agreement between an account debtor and an assignor or in a  
22 promissory note is ineffective to the extent that it:

23 (g) Subject to ~~subsection (h)~~ SUBSECTIONS (h) AND (m) of this  
24 section, an account debtor may not waive or vary its option under  
25 ~~paragraph (3) of subsection (b)~~ SUBSECTION (b)(3) of this section.

26 (m) SUBSECTIONS (a), (b), (c), AND (g) OF THIS SECTION DO NOT  
27 APPLY TO A CONTROLLABLE ACCOUNT OR CONTROLLABLE PAYMENT

1 INTANGIBLE.

2 **SECTION 73.** In Colorado Revised Statutes, 4-9-408, **add** (h) as  
3 follows:

4 **4-9-408. Restrictions on assignment of promissory notes,**  
5 **health-care-insurance receivables, and certain general intangibles**  
6 **ineffective.** (h) IN THIS SECTION, "PROMISSORY NOTE" INCLUDES A  
7 NEGOTIABLE INSTRUMENT THAT EVIDENCES CHATTEL PAPER.

8 **SECTION 74.** In Colorado Revised Statutes, 4-9-509, **amend**  
9 (a)(1) and (b) introductory portion as follows:

10 **4-9-509. Persons entitled to file a record.** (a) A person may file  
11 an initial financing statement, amendment that adds collateral covered by  
12 a financing statement, or amendment that adds a debtor to a financing  
13 statement only if:

14 (1) The debtor authorizes the filing in ~~an authenticated~~ A SIGNED  
15 record or pursuant to subsection (b) or (c) of this section; or

16 (b) By ~~authenticating~~ SIGNING or becoming bound as debtor by a  
17 security agreement, a debtor or new debtor authorizes the filing of an  
18 initial financing statement, and an amendment, covering:

19 **SECTION 75.** In Colorado Revised Statutes, 4-9-513, **amend**  
20 (b)(2) and (c) introductory portion as follows:

21 **4-9-513. Termination statement.** (b) To comply with subsection  
22 (a) of this section, a secured party shall cause the secured party of record  
23 to file the termination statement:

24 (2) If earlier, within twenty days after the secured party receives  
25 ~~an authenticated~~ A SIGNED demand from a debtor.

26 (c) In cases not governed by subsection (a) of this section, within  
27 twenty days after a secured party receives ~~an authenticated~~ A SIGNED

1 demand from a debtor, the secured party shall cause the secured party of  
2 record for a financing statement to send to the debtor a termination  
3 statement for the financing statement or file the termination statement in  
4 the filing office if:

5 **SECTION 76.** In Colorado Revised Statutes, 4-9-601, **amend** (b)  
6 as follows:

7 **4-9-601. Rights after default - judicial enforcement - consignor**  
8 **or buyer of accounts, chattel paper, payment intangibles, or**  
9 **promissory notes.** (b) A secured party in possession of collateral or  
10 control of collateral under section 4-7-106, 4-9-104, 4-9-105, **4-9-105.5,**  
11 **4-9-106, or 4-9-107, OR 4-9-107.5** has the rights and duties provided in  
12 section 4-9-207.

13 **SECTION 77.** In Colorado Revised Statutes, 4-9-605, **amend** the  
14 introductory portion; and **add** (b) as follows:

15 **4-9-605. Unknown debtor or secondary obligor.** (a) EXCEPT AS  
16 PROVIDED IN SUBSECTION (b) OF THIS SECTION, a secured party does not  
17 owe a duty based on its status as secured party:

18 (b) A SECURED PARTY OWES A DUTY BASED ON ITS STATUS AS A  
19 SECURED PARTY TO A PERSON IF, AT THE TIME THE SECURED PARTY  
20 OBTAINS CONTROL OF COLLATERAL THAT IS A CONTROLLABLE ACCOUNT,  
21 CONTROLLABLE ELECTRONIC RECORD, OR CONTROLLABLE PAYMENT  
22 INTANGIBLE OR AT THE TIME THE SECURITY INTEREST ATTACHES TO THE  
23 COLLATERAL, WHICHEVER IS LATER:

24 (1) THE PERSON IS A DEBTOR OR OBLIGOR; AND

25 (2) THE SECURED PARTY KNOWS THAT THE INFORMATION IN  
26 SUBSECTION (a)(1)(A), (a)(1)(B), OR (a)(1)(C) OF THIS SECTION RELATING  
27 TO THE PERSON IS NOT PROVIDED BY THE COLLATERAL, A RECORD

1 ATTACHED TO OR LOGICALLY ASSOCIATED WITH THE COLLATERAL, OR THE  
2 SYSTEM IN WHICH THE COLLATERAL IS RECORDED.

3 **SECTION 78.** In Colorado Revised Statutes, 4-9-608, **amend**  
4 (a)(1)(C) as follows:

5 **4-9-608. Application of proceeds of collection or enforcement**  
6 **- liability for deficiency and right to surplus.** (a) If a security interest  
7 or agricultural lien secures payment or performance of an obligation, the  
8 following rules apply:

9 (1) A secured party shall apply or pay over for application the  
10 cash proceeds of collection or enforcement under section 4-9-607 in the  
11 following order to:

12 (C) The satisfaction of obligations secured by any subordinate  
13 security interest in or other lien on the collateral subject to the security  
14 interest or agricultural lien under which the collection or enforcement is  
15 made if the secured party receives ~~an authenticated~~ A SIGNED demand for  
16 proceeds before distribution of the proceeds is completed.

17 **SECTION 79.** In Colorado Revised Statutes, 4-9-611, **amend**  
18 (a)(1), (b), (c) introductory portion, (c)(3)(A), (e) introductory portion,  
19 and (e)(2)(B) as follows:

20 **4-9-611. Notification before disposition of collateral -**  
21 **definition.** (a) In this section, "notification date" means the earlier of the  
22 date on which:

23 (1) A secured party sends to the debtor and any secondary obligor  
24 ~~an authenticated~~ A SIGNED notification of disposition; or

25 (b) Except as otherwise provided in subsection (d) of this section,  
26 a secured party that disposes of collateral under section 4-9-610 shall  
27 send to the persons specified in subsection (c) of this section a reasonable



1 ~~authenticated~~ SIGNED notification of disposition.

2 (c) To comply with subsection (b) of this section, the secured  
3 party shall send ~~an authenticated~~ A SIGNED notification of disposition to:

4 (3) If the collateral is other than consumer goods:

5 (A) Any other person from which the secured party has received,  
6 before the notification date, ~~an authenticated~~ A SIGNED notification of a  
7 claim of an interest in the collateral;

8 (e) A secured party complies with the requirement for notification  
9 prescribed by ~~subparagraph (B) of paragraph (3) of subsection (c)~~  
10 SUBSECTION (c)(3)(B) of this section if:

11 (2) Before the notification date, the secured party:

12 (B) Received a response to the request for information and sent  
13 ~~an authenticated~~ A SIGNED notification of disposition to each secured  
14 party or other lienholder named in that response whose financing  
15 statement covered the collateral.

16 **SECTION 80.** In Colorado Revised Statutes, 4-9-613, **amend**  
17 (a)(5); and **add** (b) as follows:

18 **4-9-613. Contents and form of notification before disposition**  
19 **of collateral: general.** (a) Except in a consumer-goods transaction, the  
20 following rules apply:

21 (5) The following form of notification and the form appearing in  
22 section ~~4-9-614(3)~~ 4-9-614 (a)(3), when completed IN ACCORDANCE WITH  
23 THE INSTRUCTIONS IN SUBSECTION (b) OF THIS SECTION AND SECTION  
24 4-9-614 (b), each provides sufficient information:

25 **~~NOTIFICATION OF DISPOSITION OF COLLATERAL~~**

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

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

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

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

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

7 Day and Date: \_\_\_\_\_

8 Time: \_\_\_\_\_

9 Place: \_\_\_\_\_

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

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

13 You are entitled to an accounting of the unpaid indebtedness  
14 secured by the property that we intend to sell ~~[or lease or license, as~~  
15 ~~applicable]~~ ~~[for a charge of \$\_\_\_\_\_]~~. You may request an  
16 accounting by calling us at ~~[telephone number]~~ or writing us at ~~[address]~~.

17 **NOTIFICATION OF DISPOSITION OF COLLATERAL**

18 TO: (NAME OF DEBTOR, OBLIGOR, OR OTHER PERSON TO WHICH  
19 THE NOTIFICATION IS SENT)

20 FROM: (NAME, ADDRESS, AND TELEPHONE NUMBER OF  
21 SECURED PARTY)

22 {1} NAME OF ANY DEBTOR THAT IS NOT AN ADDRESSEE: (NAME OF  
23 EACH DEBTOR)

24 {2} WE WILL SELL (DESCRIBE COLLATERAL) (TO THE HIGHEST  
25 QUALIFIED BIDDER) AT PUBLIC SALE. A SALE COULD INCLUDE A LEASE OR  
26 LICENSE. THE SALE WILL BE HELD AS FOLLOWS:

27 (DATE)

1 (TIME)

2 (PLACE)

3 {3} WE WILL SELL (DESCRIBE COLLATERAL) AT PRIVATE SALE  
4 SOMETIME AFTER (DATE). A SALE COULD INCLUDE A LEASE OR LICENSE.

5 {4} YOU ARE ENTITLED TO AN ACCOUNTING OF THE UNPAID  
6 INDEBTEDNESS SECURED BY THE PROPERTY THAT WE INTEND TO SELL OR,  
7 AS APPLICABLE, LEASE OR LICENSE.

8 {5} IF YOU REQUEST AN ACCOUNTING YOU MUST PAY A CHARGE OF  
9 \$ (AMOUNT).

10 {6} YOU MAY REQUEST AN ACCOUNTING BY CALLING US AT  
11 (TELEPHONE NUMBER).

12 (b) THE FOLLOWING INSTRUCTIONS APPLY TO THE FORM OF  
13 NOTIFICATION IN SUBSECTION (a)(5) OF THIS SECTION:

14 (1) THE INSTRUCTIONS IN THIS SUBSECTION (b) REFER TO THE  
15 NUMBERS IN BRACES BEFORE ITEMS IN THE FORM OF NOTIFICATION IN  
16 SUBSECTION (a)(5) OF THIS SECTION. DO NOT INCLUDE THE NUMBERS OR  
17 BRACES IN THE NOTIFICATION. THE NUMBERS AND BRACES ARE USED ONLY  
18 FOR THE PURPOSE OF THESE INSTRUCTIONS.

19 (2) INCLUDE AND COMPLETE ITEM {1} ONLY IF THERE IS A DEBTOR  
20 THAT IS NOT AN ADDRESSEE OF THE NOTIFICATION AND LIST THE NAME OR  
21 NAMES.

22 (3) INCLUDE AND COMPLETE EITHER ITEM {2}, IF THE  
23 NOTIFICATION RELATES TO A PUBLIC DISPOSITION OF THE COLLATERAL, OR  
24 ITEM {3}, IF THE NOTIFICATION RELATES TO A PRIVATE DISPOSITION OF THE  
25 COLLATERAL. IF ITEM {2} IS INCLUDED, INCLUDE THE WORDS "TO THE  
26 HIGHEST QUALIFIED BIDDER" ONLY IF APPLICABLE.

27 (4) INCLUDE AND COMPLETE ITEMS {4} AND {6}.

1 (5) INCLUDE AND COMPLETE ITEM {5} ONLY IF THE SENDER WILL  
2 CHARGE THE RECIPIENT FOR AN ACCOUNTING.

3 **SECTION 81.** In Colorado Revised Statutes, 4-9-614, **amend**  
4 (a)(1)(A) and (a)(3); and **add** (b) as follows:

5 **4-9-614. Contents and form of notification before disposition**  
6 **of collateral: consumer-goods transaction.** (a) In a consumer-goods  
7 transaction, the following rules apply:

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

10 (A) The information specified in section ~~4-9-613~~ (1) 4-9-613  
11 (a)(1);

12 (3) The following form of notification, when completed IN  
13 ACCORDANCE WITH THE INSTRUCTIONS IN SUBSECTION (b) OF THIS  
14 SECTION, provides sufficient information:

15 *[Name and address of secured party]*

16 *[Date]*

17 **~~NOTICE OF OUR PLAN TO SELL PROPERTY~~**

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

19 Subject: ~~\_\_\_\_\_~~ *[Identification of Transaction]*

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

22 ~~*[For a public disposition:]*~~

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

25 Date: \_\_\_\_\_

26 Time: \_\_\_\_\_

27 Place: \_\_\_\_\_

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

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

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

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

10           You can get the property back at any time before we sell it by  
11 paying us the full amount you owe (not just the past due payments),  
12 including our expenses. To learn the exact amount you must pay, call us  
13 at ~~[telephone number]~~ or write us at ~~[secured party's address]~~.

14           If you want us to explain to you in writing how we have figured  
15 the amount that you owe us, you may call us at ~~[telephone number]~~ [or  
16 write us at ~~[secured party's address]~~] and request a written explanation.  
17 [We will charge you \$\_\_\_\_\_ for the explanation if we have already  
18 sent you an explanation of the type requested within the last six months.]

19           If you need more information about the sale call us at ~~[telephone~~  
20 ~~number]~~ [or write us at ~~[secured party's address]~~].

21           We are sending this notice to the following other people who have  
22 an interest in ~~[describe collateral]~~ or who owe money under your  
23 agreement:

24           ~~[Names of all other debtors and obligors, if any]~~

25           ~~[Name and address of secured party]~~

26           ~~[Date]~~

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

1 (NAME AND ADDRESS OF ANY OBLIGOR WHO IS ALSO A DEBTOR)  
2 SUBJECT: (IDENTIFY TRANSACTION)  
3 WE HAVE YOUR (DESCRIBE COLLATERAL), BECAUSE YOU BROKE  
4 PROMISES IN OUR AGREEMENT.  
5 {1} WE WILL SELL (DESCRIBE COLLATERAL) AT PUBLIC SALE. A  
6 SALE COULD INCLUDE A LEASE OR LICENSE. THE SALE WILL BE HELD AS  
7 FOLLOWS:  
8 (DATE)  
9 (TIME)  
10 (PLACE)  
11 YOU MAY ATTEND THE SALE AND BRING BIDDERS IF YOU WANT.  
12 {2} WE WILL SELL (DESCRIBE COLLATERAL) AT PRIVATE SALE  
13 SOMETIME AFTER (DATE). A SALE COULD INCLUDE A LEASE OR LICENSE.  
14 {3} THE MONEY THAT WE GET FROM THE SALE, AFTER PAYING OUR  
15 COSTS, WILL REDUCE THE AMOUNT YOU OWE. IF WE GET LESS MONEY THAN  
16 YOU OWE, YOU (WILL OR WILL NOT, AS APPLICABLE) STILL OWE US THE  
17 DIFFERENCE. IF WE GET MORE MONEY THAN YOU OWE, YOU WILL GET THE  
18 EXTRA MONEY, UNLESS WE MUST PAY IT TO SOMEONE ELSE.  
19 {4} YOU CAN GET THE PROPERTY BACK AT ANY TIME BEFORE WE  
20 SELL IT BY PAYING US THE FULL AMOUNT YOU OWE, NOT JUST THE PAST  
21 DUE PAYMENTS, INCLUDING OUR EXPENSES. TO LEARN THE EXACT  
22 AMOUNT YOU MUST PAY, CALL US AT (TELEPHONE NUMBER).  
23 {5} IF YOU WANT US TO EXPLAIN TO YOU IN (WRITING) (WRITING  
24 OR IN (DESCRIPTION OF ELECTRONIC RECORD)) (DESCRIPTION OF  
25 ELECTRONIC RECORD) HOW WE HAVE FIGURED THE AMOUNT THAT YOU  
26 OWE US, {6} CALL US AT (TELEPHONE NUMBER) (OR) (WRITE US AT  
27 (SECURED PARTY'S ADDRESS)) (OR CONTACT US BY (DESCRIPTION OF

1 ELECTRONIC COMMUNICATION METHOD)) {7} AND REQUEST (A WRITTEN  
2 EXPLANATION) (A WRITTEN EXPLANATION OR AN EXPLANATION IN  
3 (DESCRIPTION OF ELECTRONIC RECORD)) (AN EXPLANATION IN  
4 (DESCRIPTION OF ELECTRONIC RECORD)).

5 {8} WE WILL CHARGE YOU \$ (AMOUNT) FOR THE EXPLANATION IF  
6 WE SENT YOU ANOTHER WRITTEN EXPLANATION OF THE AMOUNT YOU OWE  
7 US WITHIN THE LAST SIX MONTHS.

8 {9} IF YOU NEED MORE INFORMATION ABOUT THE SALE (CALL US  
9 AT (TELEPHONE NUMBER)) (OR) (WRITE US AT (SECURED PARTY'S  
10 ADDRESS)) (OR CONTACT US BY (DESCRIPTION OF ELECTRONIC  
11 COMMUNICATION METHOD)).

12 {10} WE ARE SENDING THIS NOTICE TO THE FOLLOWING OTHER  
13 PEOPLE WHO HAVE AN INTEREST IN (DESCRIBE COLLATERAL) OR WHO OWE  
14 MONEY UNDER YOUR AGREEMENT:  
15 (NAMES OF ALL OTHER DEBTORS AND OBLIGORS, IF ANY)

16 (b) THE FOLLOWING INSTRUCTIONS APPLY TO THE FORM OF  
17 NOTIFICATION IN SUBSECTION (a)(3) OF THIS SECTION:

18 (1) THE INSTRUCTIONS IN THIS SUBSECTION (b) REFER TO THE  
19 NUMBERS IN BRACES BEFORE ITEMS IN THE FORM OF NOTIFICATION IN  
20 SUBSECTION (a)(3) OF THIS SECTION. DO NOT INCLUDE THE NUMBERS OR  
21 BRACES IN THE NOTIFICATION. THE NUMBERS AND BRACES ARE USED ONLY  
22 FOR THE PURPOSE OF THESE INSTRUCTIONS.

23 (2) INCLUDE AND COMPLETE EITHER ITEM {1}, IF THE  
24 NOTIFICATION RELATES TO A PUBLIC DISPOSITION OF THE COLLATERAL, OR  
25 ITEM {2}, IF THE NOTIFICATION RELATES TO A PRIVATE DISPOSITION OF THE  
26 COLLATERAL.

27 (3) INCLUDE AND COMPLETE ITEMS {3}, {4}, {5}, {6}, AND {7}.

1           (4) IN ITEM {5}, INCLUDE AND COMPLETE ANY ONE OF THE THREE  
2 ALTERNATIVE METHODS FOR THE EXPLANATION-WRITING, WRITING OR  
3 ELECTRONIC RECORD, OR ELECTRONIC RECORD.

4           (5) IN ITEM {6}, INCLUDE THE TELEPHONE NUMBER. IN ADDITION,  
5 THE SENDER MAY INCLUDE AND COMPLETE EITHER OR BOTH OF THE TWO  
6 ADDITIONAL ALTERNATIVE METHODS OF COMMUNICATION--WRITING OR  
7 ELECTRONIC COMMUNICATION--FOR THE RECIPIENT OF THE NOTIFICATION  
8 TO COMMUNICATE WITH THE SENDER. NEITHER OF THE TWO ADDITIONAL  
9 METHODS OF COMMUNICATION IS REQUIRED TO BE INCLUDED.

10          (6) IN ITEM {7}, INCLUDE AND COMPLETE THE METHOD OR  
11 METHODS FOR THE EXPLANATION--WRITING, WRITING OR ELECTRONIC  
12 RECORD, OR ELECTRONIC RECORD--INCLUDED IN ITEM {5}.

13          (7) INCLUDE AND COMPLETE ITEM {8} ONLY IF A WRITTEN  
14 EXPLANATION IS INCLUDED IN ITEM {5} AS A METHOD FOR  
15 COMMUNICATING THE EXPLANATION AND THE SENDER WILL CHARGE THE  
16 RECIPIENT FOR ANOTHER WRITTEN EXPLANATION.

17          (8) IN ITEM {9}, INCLUDE EITHER THE TELEPHONE NUMBER OR THE  
18 ADDRESS OR BOTH THE TELEPHONE NUMBER AND THE ADDRESS. IN  
19 ADDITION, THE SENDER MAY INCLUDE AND COMPLETE THE ADDITIONAL  
20 METHOD OF COMMUNICATION--ELECTRONIC COMMUNICATION--FOR THE  
21 RECIPIENT OF THE NOTIFICATION TO COMMUNICATE WITH THE SENDER.  
22 THE ADDITIONAL METHOD OF ELECTRONIC COMMUNICATION IS NOT  
23 REQUIRED TO BE INCLUDED.

24          (9) IF ITEM {10} DOES NOT APPLY, INSERT "NONE" AFTER  
25 "AGREEMENT:".

26           **SECTION 82.** In Colorado Revised Statutes, 4-9-615, **amend**  
27 (a)(3)(A) and (a)(4) as follows:



1           **4-9-615. Application of proceeds of disposition; liability for**  
2 **deficiency and right to surplus.** (a) A secured party shall apply or pay  
3 over for application the cash proceeds of disposition under section  
4 4-9-610 in the following order to:

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

7           (A) The secured party receives from the holder of the subordinate  
8 security interest or other lien ~~an authenticated~~ A SIGNED demand for  
9 proceeds before distribution of the proceeds is completed; and

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

13           **SECTION 83.** In Colorado Revised Statutes, 4-9-616, **amend**  
14 (a)(1) introductory portion, (a)(2)(A), (b)(1)(A), and (c) introductory  
15 portion as follows:

16           **4-9-616. Explanation of calculation of surplus or deficiency -**  
17 **definitions.** (a) In this section:

18           (1) "Explanation" means a ~~writing~~ RECORD that:

19           (2) "Request" means a record:

20           (A) ~~Authenticated~~ SIGNED by a debtor or consumer obligor;

21           (b) In a consumer-goods transaction in which the debtor is entitled  
22 to a surplus or a consumer obligor is liable for a deficiency under section  
23 4-9-615, the secured party shall:

24           (1) Send an explanation to the debtor or consumer obligor, as  
25 applicable, after the disposition and:

26           (A) Before or when the secured party accounts to the debtor and  
27 pays any surplus or first makes ~~written~~ demand IN A RECORD on the

1 consumer obligor after the disposition for payment of the deficiency; and

2 (c) To comply with ~~subparagraph (B) of paragraph (1) of~~  
3 ~~subsection (a)~~ SUBSECTION (a)(1)(B) of this section, ~~a writing~~ AN  
4 EXPLANATION must provide the following information in the following  
5 order:

6 **SECTION 84.** In Colorado Revised Statutes, 4-9-619, **amend** (a)  
7 introductory portion as follows:

8 **4-9-619. Transfer of record or legal title.** (a) In this section,  
9 "transfer statement" means a record ~~authenticated~~ SIGNED by a secured  
10 party stating:

11 **SECTION 85.** In Colorado Revised Statutes, 4-9-620, **amend**  
12 (a)(2) introductory portion, (c)(1), (c)(2) introductory portion, (c)(2)(C),  
13 and (f)(2) as follows:

14 **4-9-620. Acceptance of collateral in full or partial satisfaction**  
15 **of obligation - compulsory disposition of collateral.** (a) Except as  
16 otherwise provided in subsection (g) of this section, a secured party may  
17 accept collateral in full or partial satisfaction of the obligation it secures  
18 only if:

19 (2) The secured party does not receive, within the time set forth  
20 in subsection (d) of this section, a notification of objection to the proposal  
21 ~~authenticated~~ SIGNED by:

22 (c) For purposes of this section:

23 (1) A debtor consents to an acceptance of collateral in partial  
24 satisfaction of the obligation it secures only if the debtor agrees to the  
25 terms of the acceptance in a record ~~authenticated~~ SIGNED after default;  
26 and

27 (2) A debtor consents to an acceptance of collateral in full

1 satisfaction of the obligation it secures only if the debtor agrees to the  
2 terms of the acceptance in a record ~~authenticated~~ SIGNED after default or  
3 the secured party:

4 (C) Does not receive a notification of objection ~~authenticated~~  
5 SIGNED by the debtor within twenty days after the proposal is sent.

6 (f) To comply with subsection (e) of this section, the secured party  
7 shall dispose of the collateral:

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

11 **SECTION 86.** In Colorado Revised Statutes, 4-9-621, **amend**  
12 (a)(1) as follows:

13 **4-9-621. Notification of proposal to accept collateral.** (a) A  
14 secured party that desires to accept collateral in full or partial satisfaction  
15 of the obligation it secures shall send its proposal to:

16 (1) Any person from which the secured party has received, before  
17 the debtor consented to the acceptance, ~~an authenticated~~ A SIGNED  
18 notification of a claim of an interest in the collateral;

19 **SECTION 87.** In Colorado Revised Statutes, **amend** 4-9-624 as  
20 follows:

21 **4-9-624. Waiver.** (a) A debtor or secondary obligor may waive  
22 the right to notification of disposition of collateral under section 4-9-611  
23 only by an agreement to that effect entered into and ~~authenticated~~ SIGNED  
24 after default.

25 (b) A debtor may waive the right to require disposition of  
26 collateral under section 4-9-620 (e) only by an agreement to that effect  
27 entered into and ~~authenticated~~ SIGNED after default.

1 (c) Except in a consumer-goods transaction, a debtor or secondary  
2 obligor may waive the right to redeem collateral under section 4-9-623.  
3 Any such waiver must be by an agreement to that effect entered into and  
4 ~~authenticated~~ SIGNED after default.

5 **SECTION 88.** In Colorado Revised Statutes, 4-9-628, **amend** (a)  
6 introductory portion and (b) introductory portion; and **add** (f) as follows:

7 **4-9-628. Nonliability and limitation on liability of secured**  
8 **party - liability of secondary obligor.** (a) SUBJECT TO SUBSECTION (f)  
9 OF THIS SECTION, unless a secured party knows that a person is a debtor  
10 or obligor, knows the identity of the person, and knows how to  
11 communicate with the person:

12 (b) SUBJECT TO SUBSECTION (f) OF THIS SECTION, a secured party  
13 is not liable because of its status as secured party:

14 (f) SUBSECTIONS (a) AND (b) OF THIS SECTION DO NOT APPLY TO  
15 LIMIT THE LIABILITY OF A SECURED PARTY TO A PERSON IF, AT THE TIME  
16 THE SECURED PARTY OBTAINS CONTROL OF COLLATERAL THAT IS A  
17 CONTROLLABLE ACCOUNT, CONTROLLABLE ELECTRONIC RECORD, OR  
18 CONTROLLABLE PAYMENT INTANGIBLE OR AT THE TIME THE SECURITY  
19 INTEREST ATTACHES TO THE COLLATERAL, WHICHEVER IS LATER:

20 (1) THE PERSON IS A DEBTOR OR OBLIGOR; AND

21 (2) THE SECURED PARTY KNOWS THAT THE INFORMATION IN  
22 SUBSECTION (b)(1)(A), (b)(1)(B), OR (b)(1)(C) OF THIS SECTION RELATING  
23 TO THE PERSON IS NOT PROVIDED BY THE COLLATERAL, A RECORD  
24 ATTACHED TO OR LOGICALLY ASSOCIATED WITH THE COLLATERAL, OR THE  
25 SYSTEM IN WHICH THE COLLATERAL IS RECORDED.

26 **SECTION 89.** In Colorado Revised Statutes, **add** articles 12 and  
27 13 to title 4 as follows:

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**ARTICLE 12**

**Controllable Electronic Records**

**4-12-101. Title.** THIS ARTICLE 12 MAY BE CITED AS THE "UNIFORM COMMERCIAL CODE-CONTROLLABLE ELECTRONIC RECORDS".

**4-12-102. Definitions.** (a) IN THIS ARTICLE 12:

(1) "CONTROLLABLE ELECTRONIC RECORD" MEANS A RECORD STORED IN AN ELECTRONIC MEDIUM THAT CAN BE SUBJECTED TO CONTROL UNDER SECTION 4-12-105. THE TERM DOES NOT INCLUDE A CONTROLLABLE ACCOUNT, A CONTROLLABLE PAYMENT INTANGIBLE, A DEPOSIT ACCOUNT, AN ELECTRONIC COPY OF A RECORD EVIDENCING CHATTEL PAPER, AN ELECTRONIC DOCUMENT OF TITLE, ELECTRONIC MONEY, INVESTMENT PROPERTY, OR A TRANSFERABLE RECORD.

(2) "QUALIFYING PURCHASER" MEANS A PURCHASER OF A CONTROLLABLE ELECTRONIC RECORD OR AN INTEREST IN A CONTROLLABLE ELECTRONIC RECORD THAT OBTAINS CONTROL OF THE CONTROLLABLE ELECTRONIC RECORD FOR VALUE, IN GOOD FAITH, AND WITHOUT NOTICE OF A CLAIM OF A PROPERTY RIGHT IN THE CONTROLLABLE ELECTRONIC RECORD.

(3) "TRANSFERABLE RECORD" HAS THE MEANING PROVIDED FOR THAT TERM IN SECTION 201(a)(1) OF THE FEDERAL "ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT", 15 U.S.C. SEC. 7021 (a)(1), AS AMENDED.

(4) "VALUE" HAS THE MEANING PROVIDED IN SECTION 4-3-303 (a), AS IF REFERENCES IN THAT SUBSECTION (a) TO AN "INSTRUMENT" WERE REFERENCES TO A CONTROLLABLE ACCOUNT, CONTROLLABLE ELECTRONIC RECORD, OR CONTROLLABLE PAYMENT INTANGIBLE.

(b) THE DEFINITIONS IN ARTICLE 9 OF THIS TITLE 4 OF "ACCOUNT

1 DEBTOR", "CONTROLLABLE ACCOUNT", "CONTROLLABLE PAYMENT  
2 INTANGIBLE", "CHATTEL PAPER", "DEPOSIT ACCOUNT", "ELECTRONIC  
3 MONEY", AND "INVESTMENT PROPERTY" APPLY TO THIS ARTICLE 12.

4 (c) ARTICLE 1 OF THIS TITLE 4 CONTAINS GENERAL DEFINITIONS  
5 AND PRINCIPLES OF CONSTRUCTION AND INTERPRETATION APPLICABLE  
6 THROUGHOUT THIS ARTICLE 12.

7 **4-12-103. Relation to article 9 and consumer laws.** (a) IF THERE  
8 IS CONFLICT BETWEEN THIS ARTICLE 12 AND ARTICLE 9 OF THIS TITLE 4,  
9 ARTICLE 9 OF THIS TITLE 4 GOVERNS.

10 (b) A TRANSACTION SUBJECT TO THIS ARTICLE 12 IS SUBJECT TO  
11 ANY APPLICABLE RULE OF LAW THAT ESTABLISHES A DIFFERENT RULE FOR  
12 CONSUMERS AND ANY OTHER STATE LAW.

13 **4-12-104. Rights in controllable account, controllable**  
14 **electronic record, and controllable payment intangible.** (a) THIS  
15 SECTION APPLIES TO THE ACQUISITION AND PURCHASE OF RIGHTS IN A  
16 CONTROLLABLE ACCOUNT OR CONTROLLABLE PAYMENT INTANGIBLE,  
17 INCLUDING THE RIGHTS AND BENEFITS UNDER SUBSECTIONS (c), (d), (e),  
18 (g), AND (h) OF THIS SECTION OF A PURCHASER AND QUALIFYING  
19 PURCHASER, IN THE SAME MANNER THIS SECTION APPLIES TO A  
20 CONTROLLABLE ELECTRONIC RECORD.

21 (b) TO DETERMINE WHETHER A PURCHASER OF A CONTROLLABLE  
22 ACCOUNT OR A CONTROLLABLE PAYMENT INTANGIBLE IS A QUALIFYING  
23 PURCHASER, THE PURCHASER OBTAINS CONTROL OF THE ACCOUNT OR  
24 PAYMENT INTANGIBLE IF IT OBTAINS CONTROL OF THE CONTROLLABLE  
25 ELECTRONIC RECORD THAT EVIDENCES THE ACCOUNT OR PAYMENT  
26 INTANGIBLE.

27 (c) EXCEPT AS PROVIDED IN THIS SECTION, LAW OTHER THAN THIS

1 ARTICLE 12 DETERMINES WHETHER A PERSON ACQUIRES A RIGHT IN A  
2 CONTROLLABLE ELECTRONIC RECORD AND THE RIGHT THE PERSON  
3 ACQUIRES.

4 (d) A PURCHASER OF A CONTROLLABLE ELECTRONIC RECORD  
5 ACQUIRES ALL RIGHTS IN THE CONTROLLABLE ELECTRONIC RECORD THAT  
6 THE TRANSFEROR HAD OR HAD POWER TO TRANSFER; EXCEPT THAT A  
7 PURCHASER OF A LIMITED INTEREST IN A CONTROLLABLE ELECTRONIC  
8 RECORD ACQUIRES RIGHTS ONLY TO THE EXTENT OF THE INTEREST  
9 PURCHASED.

10 (e) A QUALIFYING PURCHASER ACQUIRES ITS RIGHTS IN THE  
11 CONTROLLABLE ELECTRONIC RECORD FREE OF A CLAIM OF A PROPERTY  
12 RIGHT IN THE CONTROLLABLE ELECTRONIC RECORD.

13 (f) EXCEPT AS PROVIDED IN SUBSECTIONS (a) AND (e) OF THIS  
14 SECTION FOR A CONTROLLABLE ACCOUNT AND A CONTROLLABLE PAYMENT  
15 INTANGIBLE OR LAW OTHER THAN THIS ARTICLE 12, A QUALIFYING  
16 PURCHASER TAKES A RIGHT TO PAYMENT, RIGHT TO PERFORMANCE, OR  
17 OTHER INTEREST IN PROPERTY EVIDENCED BY THE CONTROLLABLE  
18 ELECTRONIC RECORD SUBJECT TO A CLAIM OF A PROPERTY RIGHT IN THE  
19 RIGHT TO PAYMENT, RIGHT TO PERFORMANCE, OR OTHER INTEREST IN  
20 PROPERTY.

21 (g) AN ACTION MAY NOT BE ASSERTED AGAINST A QUALIFYING  
22 PURCHASER BASED ON BOTH A PURCHASE BY THE QUALIFYING PURCHASER  
23 OF A CONTROLLABLE ELECTRONIC RECORD AND A CLAIM OF A PROPERTY  
24 RIGHT IN ANOTHER CONTROLLABLE ELECTRONIC RECORD, WHETHER THE  
25 ACTION IS FRAMED IN CONVERSION, REPLEVIN, CONSTRUCTIVE TRUST,  
26 EQUITABLE LIEN, OR OTHER THEORY.

27 (h) FILING OF A FINANCING STATEMENT UNDER ARTICLE 9 OF THIS

1 TITLE 4 IS NOT NOTICE OF A CLAIM OF A PROPERTY RIGHT IN A  
2 CONTROLLABLE ELECTRONIC RECORD.

3 **4-12-105. Control of controllable electronic record.** (a) A  
4 PERSON HAS CONTROL OF A CONTROLLABLE ELECTRONIC RECORD IF THE  
5 ELECTRONIC RECORD, A RECORD ATTACHED TO OR LOGICALLY  
6 ASSOCIATED WITH THE ELECTRONIC RECORD, OR A SYSTEM IN WHICH THE  
7 ELECTRONIC RECORD IS RECORDED:

8 (1) GIVES THE PERSON:

9 (A) POWER TO AVAIL ITSELF OF SUBSTANTIALLY ALL THE BENEFIT  
10 FROM THE ELECTRONIC RECORD; AND

11 (B) EXCLUSIVE POWER, SUBJECT TO SUBSECTION (b) OF THIS  
12 SECTION, TO:

13 (i) PREVENT OTHERS FROM AVAILING THEMSELVES OF  
14 SUBSTANTIALLY ALL THE BENEFIT FROM THE ELECTRONIC RECORD; AND

15 (ii) TRANSFER CONTROL OF THE ELECTRONIC RECORD TO ANOTHER  
16 PERSON OR CAUSE ANOTHER PERSON TO OBTAIN CONTROL OF ANOTHER  
17 CONTROLLABLE ELECTRONIC RECORD AS A RESULT OF THE TRANSFER OF  
18 THE ELECTRONIC RECORD; AND

19 (2) ENABLES THE PERSON READILY TO IDENTIFY ITSELF IN ANY  
20 WAY, INCLUDING BY NAME, IDENTIFYING NUMBER, CRYPTOGRAPHIC KEY,  
21 OFFICE, OR ACCOUNT NUMBER, AS HAVING THE POWERS SPECIFIED IN  
22 SUBSECTION (a)(1) OF THIS SECTION.

23 (b) SUBJECT TO SUBSECTION (c) OF THIS SECTION, A POWER IS  
24 EXCLUSIVE UNDER SUBSECTIONS (a)(1)(B)(i) AND (a)(1)(B)(ii) OF THIS  
25 SECTION EVEN IF:

26 (1) THE CONTROLLABLE ELECTRONIC RECORD, A RECORD  
27 ATTACHED TO OR LOGICALLY ASSOCIATED WITH THE ELECTRONIC RECORD,



1 OR A SYSTEM IN WHICH THE ELECTRONIC RECORD IS RECORDED LIMITS THE  
2 USE OF THE ELECTRONIC RECORD OR HAS A PROTOCOL PROGRAMMED TO  
3 CAUSE A CHANGE, INCLUDING A TRANSFER OR LOSS OF CONTROL OR A  
4 MODIFICATION OF BENEFITS AFFORDED BY THE ELECTRONIC RECORD; OR

5 (2) THE POWER IS SHARED WITH ANOTHER PERSON.

6 (c) A POWER OF A PERSON IS NOT SHARED WITH ANOTHER PERSON  
7 UNDER SUBSECTION (b)(2) OF THIS SECTION AND THE PERSON'S POWER IS  
8 NOT EXCLUSIVE IF:

9 (1) THE PERSON CAN EXERCISE THE POWER ONLY IF THE POWER  
10 ALSO IS EXERCISED BY THE OTHER PERSON; AND

11 (2) THE OTHER PERSON:

12 (A) CAN EXERCISE THE POWER WITHOUT EXERCISE OF THE POWER  
13 BY THE PERSON; OR

14 (B) IS THE TRANSFEROR TO THE PERSON OF AN INTEREST IN THE  
15 CONTROLLABLE ELECTRONIC RECORD OR A CONTROLLABLE ACCOUNT OR  
16 CONTROLLABLE PAYMENT INTANGIBLE EVIDENCED BY THE CONTROLLABLE  
17 ELECTRONIC RECORD.

18 (d) IF A PERSON HAS THE POWERS SPECIFIED IN SUBSECTIONS  
19 (a)(1)(B)(i) AND (a)(1)(B)(ii) OF THIS SECTION, THE POWERS ARE  
20 PRESUMED TO BE EXCLUSIVE.

21 (e) A PERSON HAS CONTROL OF A CONTROLLABLE ELECTRONIC  
22 RECORD IF ANOTHER PERSON, OTHER THAN THE TRANSFEROR TO THE  
23 PERSON OF AN INTEREST IN THE CONTROLLABLE ELECTRONIC RECORD OR  
24 A CONTROLLABLE ACCOUNT OR CONTROLLABLE PAYMENT INTANGIBLE  
25 EVIDENCED BY THE CONTROLLABLE ELECTRONIC RECORD:

26 (1) HAS CONTROL OF THE ELECTRONIC RECORD AND  
27 ACKNOWLEDGES THAT IT HAS CONTROL ON BEHALF OF THE PERSON; OR

1 (2) OBTAINS CONTROL OF THE ELECTRONIC RECORD AFTER HAVING  
2 ACKNOWLEDGED THAT IT WILL OBTAIN CONTROL OF THE ELECTRONIC  
3 RECORD ON BEHALF OF THE PERSON.

4 (f) A PERSON THAT HAS CONTROL UNDER THIS SECTION IS NOT  
5 REQUIRED TO ACKNOWLEDGE THAT IT HAS CONTROL ON BEHALF OF  
6 ANOTHER PERSON.

7 (g) IF A PERSON ACKNOWLEDGES THAT IT HAS OR WILL OBTAIN  
8 CONTROL ON BEHALF OF ANOTHER PERSON, UNLESS THE PERSON  
9 OTHERWISE AGREES OR LAW OTHER THAN THIS ARTICLE 12 OR ARTICLE 9  
10 OF THIS TITLE 4 OTHERWISE PROVIDES, THE PERSON DOES NOT OWE ANY  
11 DUTY TO THE OTHER PERSON AND IS NOT REQUIRED TO CONFIRM THE  
12 ACKNOWLEDGMENT TO ANY OTHER PERSON.

13 **4-12-106. Discharge of account debtor on controllable account**  
14 **or controllable payment intangible.** (a) AN ACCOUNT DEBTOR ON A  
15 CONTROLLABLE ACCOUNT OR CONTROLLABLE PAYMENT INTANGIBLE MAY  
16 DISCHARGE ITS OBLIGATION BY PAYING:

17 (1) THE PERSON HAVING CONTROL OF THE CONTROLLABLE  
18 ELECTRONIC RECORD THAT EVIDENCES THE CONTROLLABLE ACCOUNT OR  
19 CONTROLLABLE PAYMENT INTANGIBLE; OR

20 (2) EXCEPT AS PROVIDED IN SUBSECTION (b) OF THIS SECTION, A  
21 PERSON THAT FORMERLY HAD CONTROL OF THE CONTROLLABLE  
22 ELECTRONIC RECORD.

23 (b) SUBJECT TO SUBSECTION (d) OF THIS SECTION, THE ACCOUNT  
24 DEBTOR MAY NOT DISCHARGE ITS OBLIGATION BY PAYING A PERSON THAT  
25 FORMERLY HAD CONTROL OF THE CONTROLLABLE ELECTRONIC RECORD IF  
26 THE ACCOUNT DEBTOR RECEIVES A NOTIFICATION THAT:

27 (1) IS SIGNED BY A PERSON THAT FORMERLY HAD CONTROL OR THE

1 PERSON TO WHICH CONTROL WAS TRANSFERRED;

2 (2) REASONABLY IDENTIFIES THE CONTROLLABLE ACCOUNT OR  
3 CONTROLLABLE PAYMENT INTANGIBLE;

4 (3) NOTIFIES THE ACCOUNT DEBTOR THAT CONTROL OF THE  
5 CONTROLLABLE ELECTRONIC RECORD THAT EVIDENCES THE  
6 CONTROLLABLE ACCOUNT OR CONTROLLABLE PAYMENT INTANGIBLE WAS  
7 TRANSFERRED;

8 (4) IDENTIFIES THE TRANSFEREE, IN ANY REASONABLE WAY,  
9 INCLUDING BY NAME, IDENTIFYING NUMBER, CRYPTOGRAPHIC KEY, OFFICE,  
10 OR ACCOUNT NUMBER; AND

11 (5) PROVIDES A COMMERCIALY REASONABLE METHOD BY WHICH  
12 THE ACCOUNT DEBTOR IS TO PAY THE TRANSFEREE.

13 (c) AFTER RECEIPT OF A NOTIFICATION THAT COMPLIES WITH  
14 SUBSECTION (b) OF THIS SECTION, THE ACCOUNT DEBTOR MAY DISCHARGE  
15 ITS OBLIGATION BY PAYING IN ACCORDANCE WITH THE NOTIFICATION AND  
16 MAY NOT DISCHARGE THE OBLIGATION BY PAYING A PERSON THAT  
17 FORMERLY HAD CONTROL.

18 (d) SUBJECT TO SUBSECTION (h) OF THIS SECTION, NOTIFICATION  
19 IS INEFFECTIVE UNDER SUBSECTION (b) OF THIS SECTION:

20 (1) UNLESS, BEFORE THE NOTIFICATION IS SENT, THE ACCOUNT  
21 DEBTOR AND THE PERSON THAT, AT THAT TIME, HAD CONTROL OF THE  
22 CONTROLLABLE ELECTRONIC RECORD THAT EVIDENCES THE  
23 CONTROLLABLE ACCOUNT OR CONTROLLABLE PAYMENT INTANGIBLE  
24 AGREE IN A SIGNED RECORD TO A COMMERCIALY REASONABLE METHOD  
25 BY WHICH A PERSON MAY FURNISH REASONABLE PROOF THAT CONTROL  
26 HAS BEEN TRANSFERRED;

27 (2) TO THE EXTENT AN AGREEMENT BETWEEN THE ACCOUNT

1 DEBTOR AND SELLER OF A PAYMENT INTANGIBLE LIMITS THE ACCOUNT  
2 DEBTOR'S DUTY TO PAY A PERSON OTHER THAN THE SELLER AND THE  
3 LIMITATION IS EFFECTIVE UNDER LAW OTHER THAN THIS ARTICLE 12; OR

4 (3) AT THE OPTION OF THE ACCOUNT DEBTOR, IF THE NOTIFICATION  
5 NOTIFIES THE ACCOUNT DEBTOR TO:

6 (A) DIVIDE A PAYMENT;

7 (B) MAKE LESS THAN THE FULL AMOUNT OF AN INSTALLMENT OR  
8 OTHER PERIODIC PAYMENT; OR

9 (C) PAY ANY PART OF A PAYMENT BY MORE THAN ONE METHOD OR  
10 TO MORE THAN ONE PERSON.

11 (e) SUBJECT TO SUBSECTION (h) OF THIS SECTION, IF REQUESTED  
12 BY THE ACCOUNT DEBTOR, THE PERSON GIVING THE NOTIFICATION UNDER  
13 SUBSECTION (b) OF THIS SECTION SEASONABLY SHALL FURNISH  
14 REASONABLE PROOF, USING THE METHOD IN THE AGREEMENT REFERRED  
15 TO IN SUBSECTION (d)(1) OF THIS SECTION, THAT CONTROL OF THE  
16 CONTROLLABLE ELECTRONIC RECORD HAS BEEN TRANSFERRED. UNLESS  
17 THE PERSON COMPLIES WITH THE REQUEST, THE ACCOUNT DEBTOR MAY  
18 DISCHARGE ITS OBLIGATION BY PAYING A PERSON THAT FORMERLY HAD  
19 CONTROL, EVEN IF THE ACCOUNT DEBTOR HAS RECEIVED A NOTIFICATION  
20 UNDER SUBSECTION (b) OF THIS SECTION.

21 (f) A PERSON FURNISHES REASONABLE PROOF UNDER SUBSECTION  
22 (e) OF THIS SECTION THAT CONTROL HAS BEEN TRANSFERRED IF THE  
23 PERSON DEMONSTRATES, USING THE METHOD IN THE AGREEMENT  
24 REFERRED TO IN SUBSECTION (d)(1) OF THIS SECTION, THAT THE  
25 TRANSFEREE HAS THE POWER TO:

26 (1) AVAIL ITSELF OF SUBSTANTIALLY ALL THE BENEFIT FROM THE  
27 CONTROLLABLE ELECTRONIC RECORD;

1           (2) PREVENT OTHERS FROM AVAILING THEMSELVES OF  
2 SUBSTANTIALLY ALL THE BENEFIT FROM THE CONTROLLABLE ELECTRONIC  
3 RECORD; AND

4           (3) TRANSFER THE POWERS SPECIFIED IN SUBSECTIONS (f)(1) AND  
5 (f)(2) OF THIS SECTION TO ANOTHER PERSON.

6           (g) SUBJECT TO SUBSECTION (h) OF THIS SECTION, AN ACCOUNT  
7 DEBTOR MAY NOT WAIVE OR VARY ITS RIGHTS UNDER SUBSECTIONS (d)(1)  
8 AND (e) OF THIS SECTION OR ITS OPTION UNDER SUBSECTION (d)(3) OF THIS  
9 SECTION.

10           (h) THIS SECTION IS SUBJECT TO LAW OTHER THAN THIS ARTICLE  
11 12 WHICH ESTABLISHES A DIFFERENT RULE FOR AN ACCOUNT DEBTOR WHO  
12 IS AN INDIVIDUAL AND WHO INCURRED THE OBLIGATION PRIMARILY FOR  
13 PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES.

14           **4-12-107. Governing law.** (a) EXCEPT AS PROVIDED IN  
15 SUBSECTION (b) OF THIS SECTION, THE LOCAL LAW OF A CONTROLLABLE  
16 ELECTRONIC RECORD'S JURISDICTION GOVERNS A MATTER COVERED BY  
17 THIS ARTICLE 12.

18           (b) FOR A CONTROLLABLE ELECTRONIC RECORD THAT EVIDENCES  
19 A CONTROLLABLE ACCOUNT OR CONTROLLABLE PAYMENT INTANGIBLE,  
20 THE LOCAL LAW OF THE CONTROLLABLE ELECTRONIC RECORD'S  
21 JURISDICTION GOVERNS A MATTER COVERED BY SECTION 4-12-106 UNLESS  
22 AN EFFECTIVE AGREEMENT DETERMINES THAT THE LOCAL LAW OF  
23 ANOTHER JURISDICTION GOVERNS.

24           (c) THE FOLLOWING RULES DETERMINE A CONTROLLABLE  
25 ELECTRONIC RECORD'S JURISDICTION UNDER THIS SECTION:

26           (1) IF THE CONTROLLABLE ELECTRONIC RECORD, OR A RECORD  
27 ATTACHED TO OR LOGICALLY ASSOCIATED WITH THE CONTROLLABLE

1 ELECTRONIC RECORD AND READILY AVAILABLE FOR REVIEW, EXPRESSLY  
2 PROVIDES THAT A PARTICULAR JURISDICTION IS THE CONTROLLABLE  
3 ELECTRONIC RECORD'S JURISDICTION FOR PURPOSES OF THIS ARTICLE 12 OR  
4 THIS TITLE 4, THAT JURISDICTION IS THE CONTROLLABLE ELECTRONIC  
5 RECORD'S JURISDICTION.

6 (2) IF SUBSECTION (c)(1) OF THIS SECTION DOES NOT APPLY AND  
7 THE RULES OF THE SYSTEM IN WHICH THE CONTROLLABLE ELECTRONIC  
8 RECORD IS RECORDED ARE READILY AVAILABLE FOR REVIEW AND  
9 EXPRESSLY PROVIDE THAT A PARTICULAR JURISDICTION IS THE  
10 CONTROLLABLE ELECTRONIC RECORD'S JURISDICTION FOR PURPOSES OF  
11 THIS ARTICLE 12 OR THIS TITLE 4, THAT JURISDICTION IS THE  
12 CONTROLLABLE ELECTRONIC RECORD'S JURISDICTION.

13 (3) IF SUBSECTIONS (c)(1) AND (c)(2) OF THIS SECTION DO NOT  
14 APPLY AND THE CONTROLLABLE ELECTRONIC RECORD, OR A RECORD  
15 ATTACHED TO OR LOGICALLY ASSOCIATED WITH THE CONTROLLABLE  
16 ELECTRONIC RECORD AND READILY AVAILABLE FOR REVIEW, EXPRESSLY  
17 PROVIDES THAT THE CONTROLLABLE ELECTRONIC RECORD IS GOVERNED  
18 BY THE LAW OF A PARTICULAR JURISDICTION, THAT JURISDICTION IS THE  
19 CONTROLLABLE ELECTRONIC RECORD'S JURISDICTION.

20 (4) IF SUBSECTIONS (c)(1), (c)(2), AND (c)(3) OF THIS SECTION DO  
21 NOT APPLY AND THE RULES OF THE SYSTEM IN WHICH THE CONTROLLABLE  
22 ELECTRONIC RECORD IS RECORDED ARE READILY AVAILABLE FOR REVIEW  
23 AND EXPRESSLY PROVIDE THAT THE CONTROLLABLE ELECTRONIC RECORD  
24 OR THE SYSTEM IS GOVERNED BY THE LAW OF A PARTICULAR  
25 JURISDICTION, THAT JURISDICTION IS THE CONTROLLABLE ELECTRONIC  
26 RECORD'S JURISDICTION.

27 (5) IF SUBSECTIONS (c)(1) TO (c)(4) OF THIS SECTION DO NOT

1 APPLY, THE CONTROLLABLE ELECTRONIC RECORD'S JURISDICTION IS THE  
2 DISTRICT OF COLUMBIA.

3 (d) IF SUBSECTION (c)(5) OF THIS SECTION APPLIES AND THIS  
4 ARTICLE 12 IS NOT IN EFFECT IN THE DISTRICT OF COLUMBIA WITHOUT  
5 MATERIAL MODIFICATION, THE GOVERNING LAW FOR A MATTER COVERED  
6 BY THIS ARTICLE 12 IS THE LAW OF THE DISTRICT OF COLUMBIA AS  
7 THOUGH THIS ARTICLE 12 WERE IN EFFECT IN THE DISTRICT OF COLUMBIA  
8 WITHOUT MATERIAL MODIFICATION. IN THIS SUBSECTION (d), "ARTICLE  
9 12" MEANS ARTICLE 12 OF THE "UNIFORM COMMERCIAL CODE".

10 (e) TO THE EXTENT SUBSECTIONS (a) AND (b) OF THIS SECTION  
11 PROVIDE THAT THE LOCAL LAW OF THE CONTROLLABLE ELECTRONIC  
12 RECORD'S JURISDICTION GOVERNS A MATTER COVERED BY THIS ARTICLE  
13 12, THAT LAW GOVERNS EVEN IF THE MATTER OR A TRANSACTION TO  
14 WHICH THE MATTER RELATES DOES NOT BEAR ANY RELATION TO THE  
15 CONTROLLABLE ELECTRONIC RECORD'S JURISDICTION.

16 (f) THE RIGHTS ACQUIRED UNDER SECTION 4-12-104 BY A  
17 PURCHASER OR QUALIFYING PURCHASER ARE GOVERNED BY THE LAW  
18 APPLICABLE UNDER THIS SECTION AT THE TIME OF PURCHASE.

## 19 ARTICLE 13

### 20 Transitional Provisions for Uniform Commercial Code

#### 21 Amendments (2022)

#### 22 PART 1

#### 23 GENERAL PROVISIONS AND DEFINITIONS

24 **4-13-101. Short title.** THIS ARTICLE 13 MAY BE CITED AS  
25 "TRANSITIONAL PROVISIONS FOR UNIFORM COMMERCIAL CODE  
26 AMENDMENTS (2022)".

27 **4-13-102. Definitions.** (a) IN THIS ARTICLE 13:

1 (1) "ADJUSTMENT DATE" MEANS JULY 1, 2025, OR THE DATE THAT  
2 IS ONE YEAR AFTER THE EFFECTIVE DATE OF THIS ARTICLE 13, WHICHEVER  
3 IS LATER.

4 (2) "ARTICLE 12" MEANS ARTICLE 12 OF THIS TITLE 4.

5 (3) "ARTICLE 12 PROPERTY" MEANS A CONTROLLABLE ACCOUNT,  
6 CONTROLLABLE ELECTRONIC RECORD, OR CONTROLLABLE PAYMENT  
7 INTANGIBLE.

8 (b) THE FOLLOWING DEFINITIONS IN OTHER ARTICLES OF THIS TITLE  
9 4 APPLY TO THIS ARTICLE 13.

10 "CONTROLLABLE ACCOUNT" SECTION 4-9-102.

11 "CONTROLLABLE ELECTRONIC RECORD" SECTION 4-12-102.

12 "CONTROLLABLE PAYMENT INTANGIBLE" SECTION 4-9-102.

13 "ELECTRONIC MONEY" SECTION 4-9-102.

14 "FINANCING STATEMENT" SECTION 4-9-102.

15 (c) ARTICLE 1 OF THIS TITLE 4 CONTAINS GENERAL DEFINITIONS  
16 AND PRINCIPLES OF CONSTRUCTION AND INTERPRETATION APPLICABLE  
17 THROUGHOUT THIS ARTICLE 13.

18 PART 2

19 GENERAL TRANSITIONAL PROVISION

20 **4-13-201. Saving clause.** EXCEPT AS PROVIDED IN PART 3 OF THIS  
21 ARTICLE 13, A TRANSACTION VALIDLY ENTERED INTO BEFORE THE  
22 EFFECTIVE DATE OF THIS ARTICLE 13 AND THE RIGHTS, DUTIES, AND  
23 INTERESTS FLOWING FROM THE TRANSACTION REMAIN VALID THEREAFTER  
24 AND MAY BE TERMINATED, COMPLETED, CONSUMMATED, OR ENFORCED AS  
25 REQUIRED OR PERMITTED BY LAW OTHER THAN THIS TITLE 4 OR, IF  
26 APPLICABLE, THIS TITLE 4, AS THOUGH THIS ARTICLE 13 HAD NOT TAKEN  
27 EFFECT.



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PART 3  
TRANSITIONAL PROVISIONS FOR  
ARTICLES 9 AND 12 OF THIS TITLE 4

**4-13-301. Saving clause.** (a) EXCEPT AS PROVIDED IN THIS PART 3, ARTICLE 9, AS AMENDED BY SENATE BILL 23-090, ENACTED IN 2023, AND ARTICLE 12 OF THIS TITLE 4, AS ENACTED BY SENATE BILL 23-090, ENACTED IN 2023, APPLY TO A TRANSACTION, LIEN, OR OTHER INTEREST IN PROPERTY, EVEN IF THE TRANSACTION, LIEN, OR INTEREST WAS ENTERED INTO, CREATED, OR ACQUIRED BEFORE THE EFFECTIVE DATE OF THIS ARTICLE 13.

(b) EXCEPT AS PROVIDED IN SUBSECTION (c) OF THIS SECTION AND SECTIONS 4-13-302 TO 4-13-306:

(1) A TRANSACTION, LIEN, OR INTEREST IN PROPERTY THAT WAS VALIDLY ENTERED INTO, CREATED, OR TRANSFERRED BEFORE THE EFFECTIVE DATE OF THIS ARTICLE 13 AND THAT WAS NOT GOVERNED BY THIS TITLE 4, BUT WOULD BE SUBJECT TO ARTICLE 9 OF THIS TITLE 4, AS AMENDED BY SENATE BILL 23-090, ENACTED IN 2023, OR ARTICLE 12 OF THIS TITLE 4, AS ENACTED BY SENATE BILL 23-090, ENACTED IN 2023, IF IT HAD BEEN ENTERED INTO, CREATED, OR TRANSFERRED ON OR AFTER THE EFFECTIVE DATE OF THIS ARTICLE 13, INCLUDING THE RIGHTS, DUTIES, AND INTERESTS FLOWING FROM THE TRANSACTION, LIEN, OR INTEREST, REMAINS VALID ON AND AFTER THE EFFECTIVE DATE OF THIS ARTICLE 13;  
AND

(2) THE TRANSACTION, LIEN, OR INTEREST MAY BE TERMINATED, COMPLETED, CONSUMMATED, AND ENFORCED AS REQUIRED OR PERMITTED BY THIS TITLE 4, AS AMENDED BY SENATE BILL 23-090, ENACTED IN 2023, OR BY THE LAW THAT WOULD APPLY IF THIS TITLE 4, AS AMENDED BY

1 SENATE BILL 23-090, ENACTED IN 2023, HAD NOT TAKEN EFFECT.

2 (c) THIS ARTICLE 13 DOES NOT AFFECT AN ACTION, CASE, OR  
3 PROCEEDING COMMENCED BEFORE THE EFFECTIVE DATE OF THIS ARTICLE  
4 13.

5 **4-13-302. Security interest perfected before effective date.**

6 (a) A SECURITY INTEREST THAT IS ENFORCEABLE AND PERFECTED  
7 IMMEDIATELY BEFORE THE EFFECTIVE DATE OF THIS ARTICLE 13 IS A  
8 PERFECTED SECURITY INTEREST UNDER THIS TITLE 4 IF, ON THE EFFECTIVE  
9 DATE OF THIS ARTICLE 13, THE REQUIREMENTS FOR ENFORCEABILITY AND  
10 PERFECTION UNDER THIS TITLE 4 ARE SATISFIED WITHOUT FURTHER  
11 ACTION.

12 (b) IF A SECURITY INTEREST IS ENFORCEABLE AND PERFECTED  
13 IMMEDIATELY BEFORE THE EFFECTIVE DATE OF THIS ARTICLE 13, BUT THE  
14 REQUIREMENTS FOR ENFORCEABILITY OR PERFECTION UNDER THIS TITLE  
15 4 ARE NOT SATISFIED ON THE EFFECTIVE DATE OF THIS ARTICLE 13, THE  
16 SECURITY INTEREST:

17 (1) IS A PERFECTED SECURITY INTEREST UNTIL THE EARLIER OF THE  
18 TIME PERFECTION WOULD HAVE CEASED UNDER THE LAW IN EFFECT  
19 IMMEDIATELY BEFORE THE EFFECTIVE DATE OF THIS ARTICLE 13 OR THE  
20 ADJUSTMENT DATE;

21 (2) REMAINS ENFORCEABLE THEREAFTER ONLY IF THE SECURITY  
22 INTEREST SATISFIES THE REQUIREMENTS FOR ENFORCEABILITY UNDER  
23 SECTION 4-9-203, AS AMENDED BY SENATE BILL 23-090, ENACTED IN  
24 2023, BEFORE THE ADJUSTMENT DATE; AND

25 (3) REMAINS PERFECTED THEREAFTER ONLY IF THE REQUIREMENTS  
26 FOR PERFECTION UNDER THIS TITLE 4 ARE SATISFIED BEFORE THE TIME  
27 SPECIFIED IN SUBSECTION (b)(1) OF THIS SECTION.

1           **4-13-303. Security interest unperfected before effective date.**

2           A SECURITY INTEREST THAT IS ENFORCEABLE IMMEDIATELY BEFORE THE  
3           EFFECTIVE DATE OF THIS ARTICLE 13 BUT IS UNPERFECTED AT THAT TIME:

4           (1) REMAINS AN ENFORCEABLE SECURITY INTEREST UNTIL THE  
5           ADJUSTMENT DATE;

6           (2) REMAINS ENFORCEABLE THEREAFTER IF THE SECURITY  
7           INTEREST BECOMES ENFORCEABLE UNDER SECTION 4-9-203, AS AMENDED  
8           BY SENATE BILL 23-090, ENACTED IN 2023, ON THE EFFECTIVE DATE OF  
9           THIS ARTICLE 13 OR BEFORE THE ADJUSTMENT DATE; AND

10          (3) BECOMES PERFECTED:

11          (A) WITHOUT FURTHER ACTION, ON THE EFFECTIVE DATE OF THIS  
12          ARTICLE 13, IF THE REQUIREMENTS FOR PERFECTION UNDER THIS TITLE 4  
13          ARE SATISFIED BEFORE OR AT THAT TIME; OR

14          (B) WHEN THE REQUIREMENTS FOR PERFECTION ARE SATISFIED IF  
15          THE REQUIREMENTS ARE SATISFIED AFTER THAT TIME.

16           **4-13-304. Effectiveness of actions taken before effective date.**

17          (a) IF ACTION, OTHER THAN THE FILING OF A FINANCING STATEMENT, IS  
18          TAKEN BEFORE THE EFFECTIVE DATE OF THIS ARTICLE 13 AND THE ACTION  
19          WOULD HAVE RESULTED IN PERFECTION OF THE SECURITY INTEREST HAD  
20          THE SECURITY INTEREST BECOME ENFORCEABLE BEFORE THE EFFECTIVE  
21          DATE OF THIS ARTICLE 13, THE ACTION IS EFFECTIVE TO PERFECT A  
22          SECURITY INTEREST THAT ATTACHES UNDER THIS TITLE 4 BEFORE THE  
23          ADJUSTMENT DATE. AN ATTACHED SECURITY INTEREST BECOMES  
24          UNPERFECTED ON THE ADJUSTMENT DATE UNLESS THE SECURITY INTEREST  
25          BECOMES A PERFECTED SECURITY INTEREST UNDER THIS TITLE 4 BEFORE  
26          THE ADJUSTMENT DATE.

27          (b) THE FILING OF A FINANCING STATEMENT BEFORE THE

1 EFFECTIVE DATE OF THIS ARTICLE 13 IS EFFECTIVE TO PERFECT A SECURITY  
2 INTEREST ON THE EFFECTIVE DATE OF THIS ARTICLE 13 TO THE EXTENT THE  
3 FILING WOULD SATISFY THE REQUIREMENTS FOR PERFECTION UNDER THIS  
4 TITLE 4.

5 (c) THE TAKING OF AN ACTION BEFORE THE EFFECTIVE DATE OF  
6 THIS ARTICLE 13 IS SUFFICIENT FOR THE ENFORCEABILITY OF A SECURITY  
7 INTEREST ON THE EFFECTIVE DATE OF THIS ARTICLE 13 IF THE ACTION  
8 WOULD SATISFY THE REQUIREMENTS FOR ENFORCEABILITY UNDER THIS  
9 TITLE 4.

10 **4-13-305. Priority.** (a) SUBJECT TO SUBSECTIONS (b) AND (c) OF  
11 THIS SECTION, THIS TITLE 4 DETERMINES THE PRIORITY OF CONFLICTING  
12 CLAIMS TO COLLATERAL.

13 (b) SUBJECT TO SUBSECTION (c) OF THIS SECTION, IF THE  
14 PRIORITIES OF CLAIMS TO COLLATERAL WERE ESTABLISHED BEFORE THE  
15 EFFECTIVE DATE OF THIS ARTICLE 13, ARTICLE 9 OF THIS TITLE 4 AS IN  
16 EFFECT BEFORE THE EFFECTIVE DATE OF THIS ARTICLE 13 DETERMINES  
17 PRIORITY.

18 (c) ON THE ADJUSTMENT DATE, TO THE EXTENT THE PRIORITIES  
19 DETERMINED BY ARTICLE 9 OF THIS TITLE 4, AS AMENDED BY SENATE BILL  
20 23-090, ENACTED IN 2023, MODIFY THE PRIORITIES ESTABLISHED BEFORE  
21 THE EFFECTIVE DATE OF THIS ARTICLE 13, THE PRIORITIES OF CLAIMS TO  
22 ARTICLE 12 PROPERTY AND ELECTRONIC MONEY ESTABLISHED BEFORE THE  
23 EFFECTIVE DATE OF THIS ARTICLE 13 CEASE TO APPLY.

24 **4-13-306. Priority of claims when priority rules of article 9 do**  
25 **not apply.** (a) SUBJECT TO SUBSECTIONS (b) AND (c) OF THIS SECTION,  
26 ARTICLE 12 OF THIS TITLE 4, AS ENACTED BY SENATE BILL 23-090,  
27 ENACTED IN 2023, DETERMINES THE PRIORITY OF CONFLICTING CLAIMS TO

1 ARTICLE 12 PROPERTY WHEN THE PRIORITY RULES OF ARTICLE 9 OF THIS  
2 TITLE 4, AS AMENDED BY SENATE BILL 23-090, ENACTED IN 2023, DO NOT  
3 APPLY.

4 (b) SUBJECT TO SUBSECTION (c) OF THIS SECTION, WHEN THE  
5 PRIORITY RULES OF ARTICLE 9 OF THIS TITLE 4, AS AMENDED BY SENATE  
6 BILL 23-090, ENACTED IN 2023, DO NOT APPLY AND THE PRIORITIES OF  
7 CLAIMS TO ARTICLE 12 PROPERTY WERE ESTABLISHED BEFORE THE  
8 EFFECTIVE DATE OF THIS ACT, LAW OTHER THAN THIS ARTICLE 12  
9 DETERMINES PRIORITY.

10 (c) WHEN THE PRIORITY RULES OF ARTICLE 9 OF THIS TITLE 4, AS  
11 AMENDED BY SENATE BILL 23-090, ENACTED IN 2023, DO NOT APPLY, TO  
12 THE EXTENT THE PRIORITIES DETERMINED BY THIS TITLE 4 MODIFY THE  
13 PRIORITIES ESTABLISHED BEFORE THE EFFECTIVE DATE OF THIS ARTICLE  
14 13, THE PRIORITIES OF CLAIMS TO ARTICLE 12 PROPERTY ESTABLISHED  
15 BEFORE THE EFFECTIVE DATE OF THIS ARTICLE 13 CEASE TO APPLY ON THE  
16 ADJUSTMENT DATE.

17 **SECTION 90. Act subject to petition - effective date.** This act  
18 takes effect at 12:01 a.m. on the day following the expiration of the  
19 ninety-day period after final adjournment of the general assembly; except  
20 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
21 of the state constitution against this act or an item, section, or part of this  
22 act within such period, then the act, item, section, or part will not take  
23 effect unless approved by the people at the general election to be held in  
24 November 2024 and, in such case, will take effect on the date of the  
25 official declaration of the vote thereon by the governor.