



# **SPECIAL NOTES FOR INTERNET VERSION OF THE TENNESSEE UCC FILING GUIDE**

October 2004

**Pages 65-120 of the UCC Filing Guide (Fourth Edition), which include copies of the UCC Rules (Chapter 1360-8), forms and fee schedule, are not included in this internet version of the Guide. For this information, please refer to other links under the UCC section of our website.**

**Tennessee Department of State  
Division of Business Services**

**FILING GUIDE**

**UNIFORM  
COMMERCIAL CODE**



**Secretary of State**

**UCC Revised Article 9  
Fourth Edition - October 2004  
Supersedes all earlier editions**

# **Tennessee Department of State Division of Business Services**

*“Document Processing at the Speed of Business”*

## **MISSION**

The mission of the Division of Business Services is to execute the statutory processing and recordkeeping duties of the Secretary of State relating to businesses in Tennessee.

## **GOAL**

Our goal is to provide our customers with document processing services that are prompt, accurate and complete.

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## INTRODUCTION

The Secretary of State is responsible for filing and maintaining financing statements on secured transactions under Revised Article 9 of the Uniform Commercial Code (UCC) as adopted in Tennessee.

The Division of Business Services is the section of the Department of State that is responsible for executing the duties and functions of the Secretary of State relative to UCC Revised Article 9. In addition to filing and maintaining financing statements, including amendments and correction statements, the Division provides information to the public relating to filed documents.

On an annual basis, the Division of Business Services completes over 160,000 UCC filing and search transactions. In fiscal year 2003-2004, the Division collected over \$6,100,000 in UCC recording taxes and \$3,129,000 in UCC filing fees.

In March 1996, the Division of Business Services began implementation of Tennessee State Government's first major optical imaging computer system. Over 1,500,000 documents currently are filed in the electronic system. Conversion of existing paper files was completed in April 1998.

This publication is intended as a customer guide to the filing, maintaining and reporting of UCC documents recorded with the Division of Business Services under the provisions of UCC Revised Article 9 as enacted in Tennessee and the UCC Rules as promulgated in Tennessee.

**Please note that this publication is not intended to be a technical or comprehensive manual on secured transactions under Revised Article 9 of the Uniform Commercial Code in Tennessee and is neither a replacement for applicable statutes and rules, nor a substitute for legal or other professional advice.**

***This edition of the Filing Guide supercedes all earlier versions of the guide. In addition, please periodically check with the Division of Business Services or visit our website for any additions/corrections to the guide.***

*This filing guide reflects current statutory requirements through the 2004 Regular Session of the 103<sup>rd</sup> General Assembly and administrative rules as promulgated under the provisions of the Tennessee Uniform Administrative Procedures Act. Please check with the Division of Business Services or visit our Internet website for any statutory or rule updates, or other additions or corrections to this filing guide.*

## **SPECIAL NOTES CONCERNING REVISED ARTICLE 9**

On May 30, 2000, Tennessee enacted UCC Revised Article 9 (2000 Tenn. Pub. Acts, ch. 846). This legislation became effective on July 1, 2001, and is patterned after the UCC Revised Article 9 Model Act as drafted by the National Conference of Commissioners on Uniform State Laws.

Objectives of the UCC Revised Article 9 are to reduce costs, increase efficiency, promote uniformity and simplify the filing process.

Some of the filing changes in UCC Revised Article 9 are noted below:

- **Media neutrality.** References to paper and paper-based filing systems have been eliminated, thereby allowing the use of electronic transmission of documents and search requests, if and when available.
- **Signatures.** Signatures have been eliminated for financing statements.
- **Central filing.** With the exception of collateral covering fixtures, timber and mineral receivables, all UCC financing statements are filed centrally.
- **Filing jurisdiction.** New provisions simplify where financing statements are to be filed and make location of collateral irrelevant to the filing location (However, the location of collateral is still relevant to the amount of indebtedness for recording tax purposes. See pages 27-28).

- **Debtor name.** There are explicit requirements for the identification of individual and organization debtors in financing statements.
- **Forms.** Four national standardized forms are provided for filing financing statements and amendments. “Amendment” is now defined to include amendments, continuations, assignments and terminations.
- **Limited grounds for filing rejection .** The filing office can reject documents only for specific reasons listed in the Act.
- **Filing and search standards and rules.** There is a two business day standard for filing and searching turnaround time. The central filing office is also required to promulgate rules governing the filing and search process.
- **Maturity (lapse) date.** A specific maturity period (usually five years) from the date of filing is provided. There is no longer a “grace period” after the lapse date during which a filing may be continued.
- **Correction statement.** A person who believes that a financing statement is inaccurate or has been wrongfully filed is permitted to file a “correction statement.” Such a statement becomes linked to the initial financing statement and is reported in search results, but does not result in the modification of any database information maintained by the filing office.
- **Records management and reporting .** The filing office must maintain each financing statement, link all subsequent filings, and report the record until one year after the lapse of the initial financing statement.

### **UNIQUE FEATURES OF TENNESSEE VERSION OF MODEL ACT**

With respect to the filing process, the Tennessee version of UCC Revised Article 9 is similar to the model act. However, important variations include the following:

- **Indebtedness language and recording tax .** Tennessee continues to require on UCC1s (and on UCC3s increasing collateral) the indebtedness language and, if applicable, the payment of the recording tax. See pages 20-22, 27-28, 37-39).
- **Debtor information.** Tennessee does **not** require that UCC1s include the additional debtor information in items #1d, #1e, #1f, and #1g of the National

Financing Statement Form UCC1, and such information is not recorded in the Division's UCC information management system.

- **Filing fee.** The Tennessee filing fee is generally based upon the number of debtors or debtor addresses submitted, modified, deleted or added. See Filing Fee Schedule on page 120.

## **FILING OFFICE FUNCTIONS UNDER REVISED ARTICLE 9**

Under UCC Revised Article 9, the Division of Business Services (the "filing office") serves as a **ministerial recording agency** that files, maintains and reports information pertaining to filed UCC documents.

- In executing its ministerial filing functions, the filing office receipts and files UCC documents in accordance with the provisions of UCC Revised Article 9 and the UCC Rules, Chapter 1360-8. The filing office can reject documents only for grounds expressly listed in UCC Revised Article 9 and the UCC Rules. In filing a UCC document, the filing office makes no determination of the legality, sufficiency or correctness of the document.
- In executing its ministerial functions relating to records maintenance, the filing office uses an information management system to store, index and retrieve optical images of UCC documents and data relating to such documents. Except as provided by UCC Revised Article 9 and the UCC Rules, the filing office transfers data from UCC documents to the Division's information management system exactly as set forth in the documents. The filing office makes no effort to detect or correct errors of any kind.
- Since its functions are purely ministerial, the filing office makes no determination concerning the effectiveness or validity of any UCC document accepted for filing which purports to name, change, add or delete parties, or to assign or terminate security interests. **All financing statements accepted for filing remain "active" in the records of the filing office for all debtors and all secured parties named in either the initial financing statement or subsequent financing statement amendments until one year after the financing statement lapses.**

Example: An initial financing statement is filed naming two debtors. After one year, an amendment is filed deleting one of the two debtors. After two years, an amendment is filed assigning the security interest to a second secured party. After three years, an amendment is filed

terminating the statement as to the remaining debtor. This financing statement will remain on record as an “active” filing for **all** debtors and for **all** secured parties mentioned above until the five year period of the initial financing statement lapses, plus one year.

- In executing its ministerial reporting functions, the filing office searches and issues reports on all “active” financing statements, regardless of the filing of any amendments, assignments, terminations or correction statements which purport to change, add or delete parties or to assign or terminate security interests. Search reports include information about the initial financing statement and any subsequent filings of record.

Except as provided by UCC Revised Article 9 and the UCC Rules, the filing office processes a search request exactly as set forth in the search request document. The filing office makes no effort to detect or correct errors of any kind.

It is the responsibility of the searcher to determine whether a particular financing statement is still effective with respect to a particular debtor or secured party.

### **TRANSITION PROVISIONS UNDER REVISED ARTICLE 9**

UCC Revised Article 9 includes provisions governing financing statements filed prior to July 1, 2001. These provisions govern the effectiveness of such financing statements after July 1, 2001, and the procedures that must be used to ensure that the security interests remain perfected.

The Division of Business Services is neither authorized nor qualified to provide you with legal advice concerning the transition provisions. You should consult with an attorney or other qualified professional if you have any questions concerning these provisions or the application of these provisions to your financing statement.

# DOCUMENT FILING

## CUSTOMER SERVICE INFORMATION

- **FORMS AND FEE SCHEDULE.** The forms required for use in filing UCC financing statements are:
  - **National Financing Statement (Form UCC1) (rev 7/29/98) or (rev 5/22/02)**
  - **National Financing Statement Addendum (Form UCC1Ad) (rev 7/29/98) or (rev 5/22/02)**
  - **National Financing Statement Additional Party (Form UCC1AP) (rev 5/22/02)**
  - **National Financing Statement Amendment (Form UCC3) (rev 7/29/98) or (rev 5/22/02)**
  - **National Financing Statement Amendment Addendum (Form UCC3Ad) (rev 7/29/98) or (rev 5/22/02)**
  - **National Financing Statement Amendment Additional Party (Form UCC3AP) (rev 5/22/02)**

Sample copies of these forms, an optional National Financing Statement Correction Statement (Form UCC5) ( rev 5/22/02), and a recommended information search form (Form UCC11) (Modified) (TN) (rev 6/4/01) are included at the end of this filing guide (pages 97-119).

For your convenience, a filing fee schedule is also included at the end of this filing guide.

- **INTERNET WEBSITE.** The Division of Business Services has a World Wide Web page that contains:
  - General information about the Division of Business Services
  - Forms and fee schedules for UCC and other business filings
  - Filing guides, rules and information brochures
  - E-mail access to the Division (but currently **not** for document filing or search requests)
  - UCC database information [**Please note that any search results you may obtain by using this on line feature do not necessarily reflect results which would be obtained in an official search by**

our office using the rules for search requests and reports as provided in the Uniform Commercial Code Rules, Chapter 1360-8-5 (see pages 46-62, 94-96).]

The Division's site may be accessed via the Secretary of State's home page at:

**<http://www.state.tn.us/sos/>**

- **E-MAIL ADDRESS.** The Division of Business Services may be e-mailed by writing:

**Business.Services@state.tn.us**

- **MAILING ADDRESS.** The mailing address of the Division of Business Services is:

**State of Tennessee  
Department of State  
Division of Business Services  
Uniform Commercial Code Section  
312 Eighth Avenue North  
6<sup>th</sup> Fl., William R. Snodgrass Tower  
Nashville, TN 37243**

- **COUNTER SERVICE.** Customers may file documents in person during regular business hours (8:00 a.m. until 4:30 p.m. (CST) Monday - Friday). The UCC Section of the Division is located on the 7<sup>th</sup> floor of the William R. Snodgrass Tower, 312 Eighth Avenue North, Nashville, Tennessee.
- **FAX NUMBER.** The Division of Business Services UCC fax number is:

**615-741-7310**

- **GENERAL TELEPHONE NUMBER.** For other assistance relating to UCC document filing and searches, please contact us at:

**615-741-3276**

- **COPIES OF STATUTES.**

The Division of Business Services does not provide copies of the Tennessee Uniform Commercial Code (Tennessee Code Annotated, Title 47, chapter 9) and related statutes. This information usually is available at public libraries, law libraries and other locations that have access to the Tennessee Code Annotated (T.C.A.). An unannotated version of the Tennessee Code currently is available on the Internet at [www.michie.com/](http://www.michie.com/).

Certified copies of specific statutory provisions may be obtained by contacting the Tennessee Department of State, Administrative Procedures Division, at 312 Eighth Avenue North, 8<sup>th</sup> Fl., William R. Snodgrass Tower, Nashville, Tennessee 37243, telephone number **615-741-7008**. The cost is \$2.00 per certification and \$0.25 per page.

LexisNexis currently publishes a reference manual entitled *Tennessee Secured Transactions and Related Laws and Rules Annotated*. For purchasing information, contact LexisNexis, PO Box 7587, Charlottesville, VA 22906-7587, or call 1-800-562-1197.

### **GENERAL FILING INFORMATION**

- **FILING RULES.** The Division of Business Services files, maintains and reports information relating to UCC documents in accordance with UCC Revised Article 9 as enacted in Tennessee, and with the UCC Rules, Chapter 1360-8 (see pages 65-96).
- **FORMS.** UCC initial financing statement and amendment documents in written form must be submitted on National UCC1, UCC1Ad, UCC3, and UCC3Ad Forms as approved by the International Association of Commercial Administrators (IACA) on 7/29/1998, or National UCC1, UCC1Ad, UCC1AP, UCC3, UCC3Ad, and UCC3AP Forms as approved by IACA on 5/22/2002. (See pages 97-116 for copies of these forms; these forms may also be filled in and printed from our Internet website listed on page 7). If applicable, the national forms must include the statutory indebtedness language required by T.C.A. §67-4-409(b)(5)(B) or (C) (see pages 20-22, 27-28, 37-39).

UCC search requests must be submitted in a format that contains the information required by Rule 1360-8-5-.02 and that clearly conveys the scope of the requested search (see pages 46-50, 94). A UCC11 search form is

included at the end of this filing guide (see page 119). The use of this search form is strongly recommended, but its use is not required.

- **LEGIBILITY.** All UCC financing statements (including correction statements and search requests) should be typed or printed clearly. In order to ensure clear images in the optical scanning process, please avoid highlighting, light colored ink, and colored paper.
- **MULTIPLE COPIES.** Multiple copies of UCC financing statements submitted for filing are **not necessary or appropriate**. Since all original UCC financing statements (including correction statements and search requests) are received, optically scanned into the Division's computer and then returned to the submitter, only the original UCC document should be submitted to the Division of Business Services for filing. Additional copies submitted with a UCC financing statement will be destroyed prior to processing.
- **STAPLES.** Excessive use of staples impedes the filing process and should be avoided.
- **FILING DELIVERY METHOD.** The Division of Business Services accepts UCC financing statements (including search requests) for filing via mail, courier service or in person on a first-in, first-out basis. Electronic mail and telecopier delivery, electronic data interchange (EDI), and direct on-line and web page data entry currently are **not** available.
- **RECEIPT STAMP & FILING TIME .** A UCC document received by the Division of Business Services, regardless of the method of delivery, is endorsed upon receipt with a date and time stamp. This date and time become the official filing date and time if the document is accepted for filing.

**The filing time for a UCC document is, regardless of the time of delivery, the time the UCC document is received by the filing office (even though the UCC document may not yet have been accepted for filing and subsequently may be rejected). Except as noted below, in no event will such a filing time be later than the close of business on the day the document is delivered. A UCC document delivered after regular business hours or on a day the filing office is not open for business will have a filing time at the time of receipt on the next day the filing office is open for business.**

- **FILE NUMBER.** Each submitted UCC financing statement (including a correction statement and a search request) is given a unique file number:

**For a financing statement filed before March 1, 1996**, the Division of Business Services has converted the filing date and file number into a nine digit number as follows:

The converted file number consists of the last two digits of the filing year, followed by a zero, and ending with the “file” number as stamped on the financing statement (without any letter designations), with zeros added prior to the number to create a six digit number.

For example, UCC financing statement #287651 filed on June 2, 1993 would be identified as 930287651; UCC financing statement #3641R filed on February 10, 1981 would be identified as 810003641.

When referencing documents relating to UCC financing statements filed with the Division prior to March 1, 1996, submitters may use either the “old” file number and exact date (month/day/year) of filing or the “converted” nine digit file number format.

**For a financing statement filed between and including March 1, 1996 and December 31, 1999**, the file number includes three segments: the year of filing expressed as a two digit number; an internal control number expressed as a single digit number; and a six digit identification number.

**For a financing statement file d on or after January 1, 2000** , the file number includes three segments: an internal control number expressed as a single digit number; the year of filing expressed as a two digit number; and a six digit identification number.

**For a financing statement file d on or after January 1, 2002** , the file number may instead include three segments: the year of filing expressed as a two or four digit number; a unique six digit number assigned to the financing statement by the filing office; and a one or two digit verification number assigned by the filing office but algorithmically derived from the numbers in the other two segments.

**The file number should be used in identifying and referencing UCC initial financing statements in all subsequent transactions and correspondence with the Division of Business Services . Please note, however, that the file number bears no relation to the time of filing and is not an indicator of priority.**

- **OPTICAL IMAGING.** A UCC document received by the Division of Business Services is optically scanned into the Division's UCC information management system. After processing, the original document is returned to the customer.
- **RELATIONAL DATABASE.** Information concerning initial financing statements (UCC1s) is recorded by the Division of Business Services in the UCC information management system relational database, and this information is electronically linked to the filed optical images. The UCC information management system database includes the following information:
  1. UCC file number;
  2. Filing date and time;
  3. Type of UCC document;
  4. Name and address of submitter;
  5. Name and address of debtor;
  6. Name and address of secured party;
  7. Lapse date;
  8. Page count (number of pages in submitted document);
  9. Amount of indebtedness reported for recording tax purposes;
  10. Amount of filing fee and recording tax paid;
  11. Tax receipt and tax exemption information; and
  12. Status (active or inactive).

Information concerning subsequent financing statement amendments (including amendments, assignments, continuations and terminations) and correction statements is added to the relational database for the initial financing statement and is electronically linked to the filed optical images.

The relational database does **not** include other information submitted with the financing statement, such as a description of the collateral or a description of attachments filed with the financing statement.

- **STANDARDIZED DATA ENTRY OF INFORMATION** . A filing must designate whether a name is a name of an individual or an organization and, if an individual, also designate the first, middle and last names and any suffix. Please note that inclusion of names in an incorrect field or failure to transmit names accurately to the filing office may cause filings to be ineffective even though the document will be accepted for filing as tendered. The following rules apply to the data entry of names:
  - Except as noted below under “modifications,” organization names are entered **exactly** as set forth on the form, even if it appears that multiple names are set forth in the form or if it appears that the name of an individual has been included in the field designated for an organization name.
  - Except as noted below under “modifications,” individual names are entered into the first, middle and last name and suffix fields **exactly** as set forth on the form.
  - **Modifications. The following modifications are made in recording debtor and secured party information (consistent with the indexing and search logic rules under the Uniform Commercial Code Rules, Chapter 1360-8. See pages 79-80, 95):**
    1. **Only upper case letters are used ; all lower case letters are changed to upper case letters.**
    2. **“The” is omitted from the beginning of a name.**
    3. **All commas and periods (but no other punctuation or symbols) are omitted from a name.**
    4. **Appellation prefixes (such as Dr ., Ms. or Mr.) are omitted from the beginning of a name.**
    5. **Suffix titles or indications of status (such as MD or esquire) are omitted; suffix titles of lineage (such as Jr or III) are included.**
    6. **Although submitters should provide full names on their documents, business and individual names that exceed the fixed lengths noted below are entered as presented to the filing office, up to the maximum length of the data entry fields:**

**Individual first name: 30 characters (including spaces)**

**Individual middle name: 30 characters (including spaces)**

**Individual last name: 75 characters (including spaces)**

**Individual suffix: 5 characters (including spaces)**

**Business name: 75 characters (including spaces)**

- A UCC financing statement or financing statement amendment that adds a debtor but fails to specify whether the debtor is an individual or an organization should be refused by the filing office. However, if it is accepted for filing in error, the following rules apply:
  1. When not set forth in a field designated for individual names, a name is treated as an organization name if it contains words or abbreviations that indicate status such as the following and similar words or abbreviations in foreign languages: association, church, college, company, co., corp., corporation, inc., limited, ltd., club, foundation, fund, L.L.C., limited liability company, institute, society, union, syndicate, GmBH, S.A. de C.V., limited partnership, L.P., limited liability partnership, L.L.P., trust, business trust, co-op, cooperative and other designations established by statutes to indicate a statutory organization.
  2. When not set forth in a field designated for a business name, a name is entered as the name of an individual and not the name of an organization when the name is followed by a title substantially similar to one of the following titles, or the equivalent of one of the following titles in a foreign language: proprietor, sole proprietor, proprietorship, sole proprietorship, partner, general partner, president, vice president, secretary, treasurer, M.D., O.D., D.D.S., attorney at law, Esq., accountant, CPA. In such cases, the title is not entered.
  3. Where it is apparent that the name of an individual and the name of an entity are stated on a single line and not in a designated individual name field, the name of the individual and the name of the entity shall be entered as two separate debtors, one as an individual and one as an entity. Additional filing fees for the additional debtor name(s) are required.
  4. In cases where organization or individual status is not designated by the filer and is not clear, the filing office will use its own judgment.

- The failure to designate the last name of an individual debtor in the appropriate field of an initial financing statement or an amendment adding such debtor to a financing statement should cause a filing to be refused. If the filing is accepted in error, or if only the last name is designated, the following data entry rules apply:
  1. Freestanding initials. An initial in the first position of the name is treated as a first name. An initial in the second position of the name is treated as a middle name.
  2. Combined initials and names. An initial and a name to which the initial apparently corresponds is entered into one name field only (e.g., "D. (David)" in the name "John D. (David) Rockefeller" is entered as "John" (first name); "D. (David)" (middle name); "Rockefeller" (last name)).
  3. Multiple individual names on a single line. Two individual names contained in a single line are entered as two, different debtors (e.g., the debtor name "John and Mary Smith" is entered as two debtors: "John Smith", and "Mary Smith").
  4. One word names. A one word name is entered as a last name (e.g., "Cher" is treated as a last name).
  5. A nickname is entered in the name field together with the name preceding the nickname, or if none, then as the first name (e.g., "William (Bill) Jones").
- **FEE PAYMENT**. Other than UCC search requests (UCC11s), UCC documents submitted for filing must be accompanied by the correct fee payment (including recording tax, if applicable), with check, bank draft, money order or other such instrument made payable to the Tennessee Secretary of State. Payments by credit card, debit card, electronic funds transfer, and prepaid account currently are not available.

In calculating the payment, the amount tendered is first applied to applicable filing fees, and the remainder is applied to the recording tax due (if any).

UCC search requests (UCC11s) **may** be accompanied by a fee payment. However, search requests unaccompanied by an adequate payment amount or no prepayment will be invoiced, with payment due within 60 days. **If a**

**submitter has outstanding past due in voices, new search requests will not be processed without prepayment of applicable fees.**

Any overpayment of applicable filing fees and taxes may be refunded upon the written request of the remitter, provided that the remitter submits a refund request within six months of the time the overpayment was made. A credit voucher will be issued automatically to a remitter for any overpayment exceeding \$10.

Please note, however, that the Division of Business Services is not authorized to refund a tax payment that is based on a “customer computed tax” (see page 28) which is erroneously computed by the customer or is based on an excessive indebtedness amount as stated by the customer on the financing statement; a refund request in such cases must be directed to the Tennessee Department of Revenue.

If a document is rejected due to insufficient payment of applicable fees and taxes, a credit voucher for the partial payment will be included with the returned document.

- **ACCEPTED FILINGS.** A UCC document accepted for filing by the Division of Business Services is returned to the submitter together with an acknowledgment letter as documentation of the filing and the receipt of the appropriate fees and tax. Any necessary corrections to information provided on the acknowledgment letter should be brought to the attention of the Division of Business Services as soon as possible.

**Please note, however, that only filing office data entry errors may be corrected in this manner. Erroneous database information correctly entered from the UCC document cannot be modified in this manner, but the record may be supplemented in appropriate cases by the filing of a financing statement amendment or correction statement (see pages 30-45).**

- **REJECTED FILINGS.** A document rejected for filing by the Division of Business Services is returned to the submitter with a letter identifying the reason(s) for document rejection and a payment voucher acknowledging receipt of the submitted fees. The payment voucher should be returned to the Division of Business Services and may be used in connection with the resubmission of the rejected filing, to obtain a refund, or as credit toward other filings (**NOTE: if returned to obtain a refund, the payment voucher should be signed and dated**).

- **PARTIALLY ACCEPTED FILINGS**. A financing statement may be partially accepted for filing by the Division of Business Services if it contains multiple debtors/secured parties and some names or addresses are missing or illegible (See UCC Rule 1360-8-2-.03(1)(a)&(c)). In such a case, the acknowledgment letter will indicate that debtors/secured parties not listed in the letter were not indexed because they had missing or illegible names or addresses. A payment voucher may be included indicating a credit for any unused filing fees. A new financing statement (UCC1 or UCC3, as appropriate) should be submitted with the payment voucher and/or applicable fee payment to record such parties.
  
- **REJECTED FILING ERRORS**. If a secured party or a remitter demonstrates to the satisfaction of the Division of Business Services that a UCC document rejected for filing should not have been rejected, the Division will file the document **with a filing date and time assigned when the filing actually occurs**. The Division will also file a correction statement that states that the effective date and time of the filing is the date and time the UCC document was originally received for filing and that sets forth the date and time that the UCC document was originally received for filing.
  
- **BATCHED UCC DOCUMENTS**. The Division of Business Services will accept for processing “batched documents” (i.e., multiple UCC1/UCC3/UCC11/Correction Statements submitted together with one or more payments) using the following procedure:
  1. Batched documents will be receipted in the order submitted (top document in the batch receipted first, etc.).
  2. Except as noted below, **all** documents in the batch will be returned to the person/entity and address identified in item #B of the first submitted UCC1/UCC3/UCC11 document in which the name/address is legible.
 

**Exceptions:** (1) batched documents submitted with a cover letter clearly indicating that all documents are to be returned to a designated person/entity and address will be returned as requested; and (2) batched documents submitted in person with a request to hold the documents for pickup by the customer will be returned as requested.
  3. Payments for batched UCC documents paid with a single check (or multiple checks not identified with specific filings) will be first applied to all fee payments for UCC1s/UCC3s/Correction Statements in the batch, then to taxes, in the order of document receipt. Such payments

will not be applied to any UCC11 requests included in the batch unless a credit balance exists after first applying the payments to all other documents.

4. Each UCC1/UCC3/UCC11/Correction Statement document in the batch will receive a separate acknowledgment or rejection letter, addressed to the person/entity to whom the documents are returned (See #2). Regardless of the number of checks submitted for payment, only one credit voucher may be issued to the person/entity identified in #2 for any batch overpayment exceeding \$10.
- **GLOBAL FILINGS.** The Division’s current UCC information management system is not able to process global or “blanket” filing amendments.
  - **PUBLIC RECORDS SERVICES.** Public records services are provided on a non-discriminatory basis to any member of the public. Copies of UCC documents currently are available only in paper form and pursuant to search requests using the procedures and applying the fees explained on pages 46-50. Copies of data from the information management system currently are not available.
  - **ARCHIVAL DATA RETENTION.** UCC data and documents optically imaged in the UCC information management system relating to financing statements that have lapsed are retained for at least four years from the date such financing statement become inactive.
  - **ARCHIVAL SEARCHES.** Retained documents and data in the Division’s UCC information management system relating to financing statements that have become inactive may be searchable/retrievable upon an express request using the procedures and applying the fees explained on pages 46-50.
  - **MINISTERIAL DUTY.** The duties and responsibilities of the Division of Business Services with respect to UCC administration are ministerial. In accepting for filing or refusing to file a UCC document, the Division:
    1. Does not determine the legal sufficiency or insufficiency of a document;
    2. Does not determine that a security interest in collateral exists or does not exist;

3. Does not determine that information in the document is correct or incorrect, in whole or in part; and
4. Does not create a presumption that information in the document is correct or incorrect, in whole or in part.

**The responsibility for the legal effectiveness of a UCC filing rests with the filer. The Division of Business Services is neither authorized nor qualified to determine the effectiveness of a UCC document.**

## **FILING A UCC DOCUMENT WITH THE DIVISION OF BUSINESS SERVICES**

### **PLACE OF FILING**

- **In general, a financing statement should be filed with the Division of Business Services in order to perfect a UCC security interest in Tennessee.**
- **Exception:** If the collateral is as-extracted collateral or timber to be cut, or if the financing statement is filed as a fixture filing and the collateral is goods that are or are to become fixtures (see Glossary, pages 62-64), the financing statement should be filed in the Register of Deeds office in the county in which a mortgage on the real estate would be filed or recorded.
  - **Exception to the exception:** The proper place to file a financing statement to perfect a security interest in collateral, including fixtures, of a transmitting utility (see Glossary, pages 62-64) is the Division of Business Services.

## FINANCING STATEMENT REQUIREMENTS (UCC1)

### A. GENERAL INSTRUCTIONS

- An initial financing statement **must** be filed on the National Financing Statement (Form UCC1) (rev 7/29/98) or (rev 5/22/02), and, if applicable, the National Financing Statement Addendum (Form UCC1Ad) (rev 7/29/98) or (rev 5/22/02), and the National Financing Statement Additional Party (Form UCC1AP) (rev 5/22/02 ). (See pages 97-100, 105-110 for copies of these forms). Item numbers and letters mentioned below refer to items on these forms.
- Item #B should be completed in order for the Division of Business Services to return the UCC1 document together with an acknowledgment or rejection letter, as appropriate.
- The following information **must** be completed on the forms:
  1. Enter the debtor's exact full legal name in item #1a or #1b (BUT NOT BOTH);

“Organization” means an entity having a legal identity separate from its owner. A partnership is an organization; a sole proprietorship is not an organization, even if it does business under a trade name. If the debtor is a partnership, the exact full legal name of the partnership should be entered; the names of partners need not be entered as additional debtors. If the debtor is a registered organization (for example, a corporation, limited partnership, or limited liability company), it is advisable to examine the debtor's currently filed organization documents to determine the debtor's correct name.

“Individual” means a natural person and includes a sole proprietorship, whether or not operating under a trade name. Prefixes (such as Mr., Mrs., and Ms.) should **not** be used. Use the suffix box only for titles of lineage (such as Jr., Sr., and III) and **not** for other suffixes or titles (for example, MD). Use a married woman's personal name (for example, Mary Smith, not Mrs. John Smith). Enter the individual debtor's family name (surname) in the Last Name box, first given

name in the First Name box, and all additional given names in the Middle Name box.

For both organizations and individual debtors, do **not** use the debtor's trade name, DBA, AKA, FKA, division name, etc., in place of or combined with the debtor's legal name. Additional names of the debtor may be added as additional debtors, but this is neither required nor recommended.

2. **Enter the debtor's complete mailing address in item #1c (see important note concerning address requirements on page 23). Additional information in items #1d, #1e, #1f and #1g are NOT REQUIRED;**
3. **If applicable, enter a second debtor's exact full legal name in item #2a or #2b (BUT NOT BOTH);**
4. **Enter the second debtor's complete mailing address in item #2c (see important note concerning address requirements on page 23). Additional information in items #2d, #2e, #2f and #2g are NOT REQUIRED;**
5. **Enter the secured party's name in item #3a or #3b (BUT NOT BOTH);**
6. **Enter the secured party's complete mailing address in item #3c (see important note concerning address requirements on page 23);**
7. **Enter in item #4 the collateral covered by the financing statement (#4) (The statement may appear in this box or as an attachment on either National Financing Statement Addendum UCC1Ad (rev 7/29/98) or other attached additional page(s)).**
8. **Also enter in item #4 the language "Maximum principal indebtedness for Tennessee recording tax purposes is \$ \_\_\_\_\_" with the amount of indebtedness filled in (see pages 27-28). The language should appear in box #4 unless a sworn statement is attached (see pages 27-28):**

**IMPORTANT NOTE:** Except as noted below, the indebtedness language must appear and be completed on all financing statements even if the document is being filed as a “true lease.” If the financing statement is being filed as a “true lease,” include the indebtedness language, enter an indebtedness amount of “0,” and add “true lease.”

If the financing statement is filed to secure the performance by the mortgagor, grantor, debt or or any other person of an obligation other than the payment of a specific sum of money, and a maximum amount secured is not expressed therein, such a financing statement is taxed upon the value of the property covered by the financing statement, the value is deemed to be the “indebtedness” secured by the financing statement for tax purposes, and the following additional filing requirements apply:

- (1) The financing statement must be accompanied by a sworn statement by the owner of the property indicating the value of the property. The value so stated is the basis for assessing the recording tax.
- (2) Instead of, or in addition to, the maximum principal indebtedness language noted above, such a financing statement must include in box #4 or in the attached sworn statement the language “Secures obligation other than payment of specific sum – valuation statement submitted herewith.”

If the recording tax on the stated indebtedness has been paid at the county level, complete the indebtedness language (including indebtedness amount), add a statement that the recording tax on the stated indebtedness has been paid at the county level, and attach a tax receipt to the document.

If the recording tax on the stated indebtedness has been paid with a document previously filed with the Division of Business Services, complete the indebtedness language (including indebtedness amount), add a statement that the recording tax on the stated indebtedness has been paid on a document previously filed with the Division of Business

Services, and attach to the current document a copy of the previous filing (or acknowledgment letter).

If the recording tax on the stated indebtedness is being paid with another document being filed at the same time as the current document, complete the indebtedness language (including indebtedness amount) and add a statement that the recording tax on the stated indebtedness is being paid with another document being filed at the same time as the current document (alternatively, the current document may state that the amount of maximum principal indebtedness for Tennessee recording tax purposes is \$0).

If the financing statement is tax exempt, complete the indebtedness language (including indebtedness amount) and add a statement indicating the basis for the tax exemption.

**9. If the debtor is a trust or a trustee acting with respect to property held in trust, enter the debtor's name in item #1 and attach a National Financing Statement Addendum (Form UCC1Ad) (rev 7/29/98) or (rev 5/22/02), checking item #17.**

If the trust is named in its organic document(s), its full legal name, as set forth in such document(s) should be entered in item #1a. If the trust is not so named, the name of the settlor should be used. If a settlor or trustee is an organization, the name should be entered in item #1a; if the settlor or trustee is an individual, the name should be entered in item #1b.

A UCC document that uses a settlor's name should include other information to distinguish the debtor trust from other trusts having the same settlor. All financing statements filed against trusts or trustees acting with respect to property held in trust should indicate the nature of the debtor. However, please note that such information will be indexed as part of the debtor's name ONLY if it is supplied in the appropriate locations in item #1a or #1b.

**10. If the debtor is a decedent's estate, enter the name of the deceased individual in item #1b (DO NOT USE #1a), and attach a National Financing Statement Addendum (Form UCC1Ad)**

(rev 7/29/98) or (rev 5/22/02), checking the appropriate box in item #17.

**11. If there has been a total assignment of the secured party's interest prior to filing the UCC1, either of the following procedures may be used:**

- (a) Enter the assignor secured party's name and mailing address in item #3 (see important note concerning address requirements on page 23), and file a National Financing Statement Amendment (Form UCC3) (rev 7/29/98) or (rev 5/22/02). (Note: an additional filing fee is required for the filing of the UCC3); or
- (b) Enter the total assignee's name and mailing address in item #3 (see important note concerning address requirements on page 23), and, if desired, attach a National Financing Statement Addendum (Form UCC1Ad) (rev 7/29/98) or (rev 5/22/02) giving the assignor secured party's name and address in item #12 (Note: under this option, the "initial" secured party/assignor is not considered a secured party of record and is not indexed as a secured party).

**12. If the financing statement is filed in connection with a public-finance transaction or a manufactured-home transaction as defined in Revised Article 9 (see Glossary, pages 62-64), attach a National Financing Statement Addendum (Form UCC1Ad) (rev 7/29/98) or (5/22/02), checking the appropriate box in item #18. (If the appropriate box in item #18 is not checked, the financing statement will be recorded with a maturity date of five years.)**

**13. If the debtor is a transmitting utility as defined in Revised Article 9 (see Glossary, pages 62-64), attach a National Financing Statement Addendum (Form UCC1Ad) (rev 7/29/98) or (5/22/02), checking the appropriate box in item #18. (If the appropriate box in item #18 is not    checked, the financing statement will be recorded with a maturity date of five years.)**

**14. A consignor, lessor, or other bailor of goods, a licensor, or a buyer of a payment of intangible or promissory note may file a financing statement using the terms "consignor", "consignee", "lessor", "lessee", "bailor", "bailee", "licensor", "licensee",**

**“owner”, “registered owner”, “buyer”, “seller”, or words of similar import, instead of the terms “secured party” and “debtor”. The applicable alternative designation may be checked in item #5. However, the indebtedness language mentioned above should still be inserted and completed in item #4.**

**IMPORTANT NOTE: The filing office is required to reject any financing statement that does not include mailing address information for listed debtors, secured parties, and/or assignees. The submitted address information must include location information sufficient for use as a mailing address. In other words, the address must include at least a street and number (or post office box number, general delivery, rural route, etc.), city, and state. A zip code is strongly recommended but is not required.**

- The UCC1 national forms only provide space for identifying two debtors and one secured party. Additional debtors and secured parties **must** be identified in the appropriate locations on either a National Financing Statement Addendum (Form UCC1Ad) (rev 7/29/98) or (rev 5/22/02) or a National Financing Statement Additional Party (Form UCC1AP) (rev 5/22/02). The filing office will not index any debtors or secured parties that are not properly identified in the appropriate locations on the national forms.
- The financing statement must be accompanied by payment in full of the filing fee and any recording tax. The amount tendered is applied first to the filing fee and then to any tax imposed on the filing.
- The filing fee for an initial financing statement (UCC1, including any accompanying UCC1Ad and/or UCC1AP) is **\$15.00 per debtor**. Each different address listed for a debtor is considered a separate debtor for fee calculation purposes.
- There is an additional filing fee of 50 cents (\$.50) per page for each page in excess of ten (10) pages.
- A debtor search request may be included by checking the applicable sections of box #7. Such a search request requires the payment of additional fees (see pages 46-49). Unless specifically requested otherwise, the search will be a search certificate (information listing) only (see page 47).

**IMPORTANT NOTE: A search request on Form UCC1 will report on all active financing statements against the designated debtor or debtors filed on or prior to the certification date, which is normally two business days prior to the date of the search. As a result, the search will not include any active financing statement against the designated debtor or debtors filed after that certification date, and will not include the current financing statement.**

## **B. GROUNDS FOR REJECTION**

- An initial financing statement will be rejected for filing **ONLY** for one or more of the following reasons:

### **Initial Financing Statement Rejection Reasons**

- 1. The record is not communicated by a method or medium of communication authorized by the filing office. If a written record, the record is not filed on the National Financing Statement (Form UCC1) (rev 7/29/98) or (5/22/02) and, if applicable, National Financing Statement Addendum (Form UCC1Ad) (rev 7/29/98) or (5/22/02), and National Financing Statement Additional Party (Form UCC1AP) (rev 5/22/02).**
- 2. An amount equal to or greater than the applicable filing fee and recording tax is not tendered (and/or additional required documents concerning payment of the recording tax or tax exempt status are not included).**
- 3. The record does not legibly provide a debtor name.**
- 4. If the debtor is identified as an individual, the record does not legibly identify the debtor's last name.**
- 5. The record does not legibly provide a mailing address for the debtor.**

- 6. The record does not indicate whether the debtor is an individual or an organization.**
- 7. If an assignment is reflected, the record does not legibly provide a name and mailing address for the assignee.**
- 8. The record does not legibly provide a name and mailing address for the secured party of record.**
- 9. The record does not include the required indebtedness language.**

**IMPORTANT NOTE: By law, an initial financing statement will be accepted for filing in all other cases, even if the record omits information that is legally required to make the statement effective.**

For example, a financing statement will be accepted for filing even if:

1. The document contains or appears to contain a misspelling or other apparently erroneous information;
2. The document appears to identify a debtor or secured party incorrectly;
3. The document contains additional or extraneous information of any kind;
4. The document contains less than the information required by UCC Revised Article 9 (other than mandatory information required for filing as noted above);
5. The document incorrectly identifies collateral, or contains an illegible or unintelligible description of collateral, or appears to contain no such description;
6. The document indicates that it is to be filed or recorded in the real estate records; or

7. The document is accompanied by funds in excess of the full filing fee and recording tax.

### **RECORDING (INDEBTEDNESS) TAX (See T.C.A. §67-4-409(b))**

- A recording tax of 11.5 cents for each 100 dollars of indebtedness or fraction thereof is due on any financing statement or amendment to a financing statement that states an amount of indebtedness for Tennessee recording tax purposes. The first \$2,000 of total indebtedness is exempt from the recording tax; however, the exemption can only be taken once in relation to a financing statement and any subsequent financing statement amendments.
- A financing statement or amendment to a financing statement cannot be filed unless the proper amount of recording tax has been paid.
- “Indebtedness” is defined by statute (T.C.A. §67-4-409(b)) as:

The principal debt or obligation which is reasonably contemplated by the parties to be included within the terms of the agreement. “Indebtedness” does not include any amount of interest, collection expense (including, but not limited to, attorney’s fees and expenses incurred and preserving, protecting, improving, or insuring property which serves as collateral for the indebtedness), or any other amount, other than the principal debt or obligation, for which a debtor becomes liable unless such amount is added to the principal debt or obligation, and is used to calculate additional interest pursuant to refinancing, reamortization, amendment or similar transaction or occurrence.

- If the document is given to secure the performance of an obligation other than the payment of a specific sum of money, and a maximum amount secured is not expressed therein, such document is taxable upon the value of the property covered by the document, and this value is deemed to be the “indebtedness” secured by the document. In order to be filed, such a document must be accompanied by a sworn statement by the owner of the property of its value.
- If the document secures a line of credit or other indebtedness arising from more than one advance or extension of credit, the amount of which will, or may, vary from time to time, the tax is computed and paid on the maximum amount of the indebtedness as stated in the document or the accompanying

sworn statement, and the reduction or subsequent increasing of the amount of the indebtedness within such limits does not result in additional tax.

- The recording tax is computed by excluding the first \$2,000.00 of indebtedness on the financing statement and multiplying the remaining indebtedness by .00115 (11.5 cents per each 100 dollars of indebtedness).

Example #1: A UCC1 states that the maximum amount of indebtedness for Tennessee recording tax purposes is \$1,500.00. Since the first \$2,000.00 of indebtedness on a financing statement is exempt, no recording tax is due.

Example #2: A UCC1 states that the maximum amount of indebtedness for Tennessee recording tax purposes is \$25,000.00. The amount of recording tax due is  $(\$25,000.00 - \$2,000.00) \times .00115$ , or  $\$23,000.00 \times .00115$ , which equals \$26.45.

Example #3: A UCC3 amendment to the UCC1 financing statement in example #2 increases the indebtedness amount from \$25,000.00 to \$30,000.00 and the amendment states that the maximum amount of indebtedness for Tennessee recording tax purposes is \$5,000.00. Since the \$2,000.00 exemption has already been utilized regarding this financing statement, the amount of recording tax due is  $\$5,000.00 \times .00115$  which equals \$5.75.

- If property serving as security for the payment of debt is only partially located within Tennessee, the maximum principal indebtedness for Tennessee recording tax purposes is based on the value of the property located in Tennessee.
- A secured party may indicate on the financing statement or in an attached affidavit the exact amount of tax due. The Division of Business Services will accept this amount as “**customer computed tax**” without verifying the secured party’s computation of the amount of such tax.

## FINANCING STATEMENT DURATION

- All financing statement maturity (lapse) dates consist of a month, day and year.
- Except as noted below, a financing statement is effective for a period of five years after the date of filing. The lapse date is calculated as the same date of

the same month as the filing date in the fifth year after the filing date or relevant subsequent fifth anniversary thereof if a timely continuation statement is filed.

A financing statement that indicates in item #18 of the National Financing Statement Addendum (Form UCC1Ad) that it is filed in connection with a public-finance transaction or manufactured-home transaction is effective for a period of thirty years after the date of filing. The lapse date is calculated as the same date of the same month as the filing date in the thirtieth year after the filing date.

A financing statement that states in item #18 of the National Financing Statement Addendum (Form UCC1Ad) that the debtor is a transmitting utility has no lapse date and remains active until one year after it is terminated with respect to all secured parties of record. (Note: Due to limitations of the Division's existing UCC information management system, such a financing statement may be listed for indexing purposes with a "lapse date" in excess of 50 years.)

- A lapse takes effect at midnight at the end of the lapse date. The relevant anniversary for a February 29<sup>th</sup> filing date is March 1<sup>st</sup> in the fifth year (or thirtieth year in the case of public finance or manufactured-home transactions) following the year of the filing date.
- If the duration of a financing statement causes the lapse date to fall on a Saturday, Sunday or legal State holiday, then the lapse date is deemed to be the next working day. See T.C.A. §1-3-102.
- A financing statement lapses on the maturity date unless a continuation statement is timely filed (see next section).

**IMPORTANT NOTE CONCERNING ADJUSTMENT OF CERTAIN PRE-EFFECTIVE UCC FINANCING STATEMENT LAPSE DATES TO JUNE 30, 2006:** In accordance with the transition provisions of UCC Revised Article 9, any active UCC financing statement filed prior to July 1, 2001, with a stated initial lapse (maturity) date greater than June 30, 2006, and whose debtor is not identified on the face of the financing statement as a transmitting utility, will have its lapse date of record adjusted to June 30, 2006. (If appropriate, a continuation statement may be filed for such a UCC financing statement during the sixth month period ending on

**June 30, 2006). See Attorney General Opinion No. 04-102 and an amendment to Rule 1360-8-4-.05 (effective 11/26/2004), copies of which appear under the UCC section of our Internet website.**

## **FINANCING STATEMENT AMENDMENT REQUIREMENTS (UCC3)**

### **A. GENERAL INSTRUCTIONS APPLYING TO AMENDMENTS, CONTINUATIONS, ASSIGNMENTS AND TERMINATIONS**

- **A financing statement amendment must be filed on the National Financing Statement Amendment (Form UCC3) (rev 7/29/98) or (rev 5/22/02), and, if applicable, the National Financing Statement Amendment Addendum (Form UCC3Ad) (rev 7/29/98) or (rev 5/22/02) and National Financing Statement Amendment Additional Part y (Form 3AP) (rev 5/22/02). (See pages 101-104, 111-116 for copies of these forms). Item numbers and letters mentioned below refer to items on these forms.**
- Item #B should be completed in order for the Division of Business Services to return the UCC3 document together with an acknowledgment or rejection letter, as appropriate.
- **The amendment must include the file number of the initial financing statement (or, in the case of a financing statement filed prior to March 1, 1996, the file number and the exact date (month/day/year) of filing) in item #1a. (See pages 10-11).**
- The party authorizing the financing statement amendment should be identified in item #9. In most cases, the name will be a secured party of record.
  1. If there is more than one authorizing secured party, additional name(s) may be included in item #13 of the National Financing Statement Amendment Addendum (Form UCC3Ad) (rev 7/29/98) or (rev 5/22/02).
  2. If the indicated financing statement refers to the parties as lessee and lessor, or consignee and consignor, or seller and buyer, instead of debtor and secured party, references in the amendment are deemed likewise so to refer to the parties.
  3. If the amendment is an assignment, the assignor's name should be entered in item #9.

4. If the amendment is an amendment authorized by a debtor that adds collateral or adds a debtor, or if a termination authorized by a debtor, the box in item #9 should be checked and the debtor's name should be entered in item #9.

**IMPORTANT NOTE: The filing office is required to reject any financing statement amendment that does not include mailing address information for added debtors, secured parties, and/or assignees or for debtors or secured parties whose addresses are being modified. The submitted address information must include location information sufficient for use as a mailing address. In other words, the address must include at least a street and number (or post office box number, general delivery, rural route, etc.), city, and state. A zip code is strongly recommended but is not required.**

- In general, a financing statement “amendment” designating multiple transactions (amendment, assignment, continuation, and/or termination) (items #2, #3, #4, #5 and/or #8) requires the payment of the \$15 filing fee for **each transaction**.
- An amendment that changes collateral (item #8) and/or makes modifications to secured party information (item #5, “secured party”) is considered a single transaction subject to a single \$15 fee regardless of the number of changes/modifications made to either collateral or secured party information, or both.
- An amendment that modifies debtor information (item #5, “debtor”) is considered a transaction separate from other types of amendments (collateral changes and secured party information changes) and is subject to a \$15 fee for each debtor changed, deleted or added. Each different address for a debtor is considered a separate debtor for filing fee purposes.
- **In summary, the following fees should be added together in determining the total amount of filing fees due for a particular UCC3:**
  - **\$15 for item #8 (collateral change) and/or #5, “secured party” (secured party information change)**

- \$15 per debtor for item #5, “debtor” (debtor information change)
- \$15 for item #4 (assignment)
- \$15 for item #3 (continuation)
- \$15 for item #2 (termination)

**A UCC3 cannot be used to make amendment changes to party information of (item #5) affecting more than one party of record. Separate UCC3s must be used to make additional amendment changes to party information (A UCC3 Addendum cannot be used to make such changes). (However, a single UCC3 *may* be used to make amendment changes to a party’s name at multiple addresses of record - See Example #5, below).**

**A UCC3 cannot make both (1) an assignment (item #4) and (2) an amendment change to party information that changes a name and/or address or that adds a name (item #5), since both transactions require the completion of item #7.**

**A UCC3 may be used to add one additional debtor or one additional secured party; additional debtors and/or secured parties can be added by supplementing the UCC3 with a UCC3AP.**

Example #1: A UCC3 is submitted that: (1) amends the financing statement by adding collateral; (2) further amends the financing statement by changing the address of one debtor; and (3) continues the financing statement. The filing fee for the filing of this UCC3 is \$45 (\$15 for the amendment transaction that changes the collateral, \$15 for the amendment transaction that changes information relating to one debtor, and \$15 for the continuation transaction).

Example #2: A UCC3 is submitted that: (1) amends the financing statement by adding collateral; (2) further amends the financing statement by adding a secured party; and (3) continues the financing statement. The filing fee for this UCC3 is \$30 (\$15 for the multiple

amendment transaction that changes collateral and secured party information, and \$15 for the continuation transaction).

Example #3: A UCC3 is submitted that: (1) amends the financing statement by deleting one debtor; and (2) assigns the financing statement to a new secured party. The filing fee for this UCC is \$30 (\$15 for the amendment transaction that deletes a debtor, and \$15 for the assignment transaction).

Example #4: A UCC3 is submitted that amends the financing statement by changing the debtor's name and changing the same debtor's address. The filing fee for the filing of this UCC3 is \$15 since the transaction involves changing information relating to only one debtor.

Example #5: A UCC3 is submitted that amends the financing statement by changing the debtor's name, and the initial financing statement identified the debtor with two separate addresses. The filing fee for the filing of this UCC3 is \$30 since the transaction involves changing information relating to two "debtors" (each debtor address is treated as a separate "debtor").

**IMPORTANT NOTE: IF AN ADEQUATE PAYMENT AMOUNT FOR MULTIPLE TRANSACTIONS IS NOT TENDERED WITH A UCC3 (INCLUDING THE RECORDING TAX, IF APPLICABLE), THEN ALL TRANSACTIONS WILL BE REJECTED. IF YOU HAVE ANY QUESTIONS ON HOW TO CALCULATE THE AMOUNT OF FEES AND TAX DUE, PLEASE CONTACT OUR OFFICE IN ADVANCE OF SUBMITTING YOUR REQUEST.**

- There is an additional filing fee of 50 cents (\$.50) per page for each page in excess of ten (10) pages.
- Specific information relating to the filing of UCC3 financing statement amendments for the purpose of amending, continuing, assigning and terminating a financing statement is provided below.

## B. AMENDMENTS

- A UCC3 may be filed to:
  1. Change a party's address;
  2. Change a party's name;
  3. Delete a party;
  4. Add a party; and
  5. Change the collateral.
  
- To change a party's address on form UCC3:
  1. Provide a name and address in item #B to which the original document and acknowledgment/rejection letter can be sent (See general instructions, page 30);
  2. Enter the file number of the initial financing statement to which the amendment relates in item #1a (See general instructions, page 30);
  3. Check the appropriate box in item #5 to indicate whether the amendment amends information relating to a debtor or to a secured party (BUT DO NOT CHECK BOTH);
  4. Check the box in item #5 indicating that the purpose of the amendment is to "CHANGE name and/or address";
  5. Enter the name of the affected party in either item #6a or #6b, as appropriate (BUT NOT BOTH);
  6. Enter the new mailing address in item #7c (see important note concerning address requirements on page 29); and
  7. Enter the name of the party authorizing the amendment in item #9a or #9b (BUT NOT BOTH) (See general instructions, pages 30-31).

- **To change a party's name on form UCC3:**
  - 1. Provide a name and address in item #B to which the original document and acknowledgment/rejection letter can be sent (See general instructions, page 30);**
  - 2. Enter the file number of the initial financing statement to which the amendment relates in item #1a (See general instructions, page 30);**
  - 3. Check the appropriate box in item #5 to indicate whether the amendment amends information relating to a debtor or to a secured party (BUT DO NOT CHECK BOTH);**
  - 4. Check the box in item #5 indicating that the purpose of the amendment is to "CHANGE name and/or address";**
  - 5. Enter the name of the affected party in either item #6a or #6b, as appropriate (BUT NOT BOTH);**
  - 6. Enter the new name in item #7a or #7b, as appropriate (BUT NOT BOTH); and**
  - 7. Enter the name of the party authorizing the amendment in item #9a or #9b (BUT NOT BOTH) (See general instructions, pages 30-31).**
  
- **To delete a party on form UCC3:**
  - 1. Provide a name and address in item #B to which the original document and acknowledgment/rejection letter can be sent (See general instructions, page 30);**
  - 2. Enter the file number of the initial financing statement to which the amendment relates in item #1a (See general instructions, page 30);**
  - 3. Check the appropriate box in item #5 to indicate whether the amendment amends information relating to a debtor or to a secured party (BUT DO NOT CHECK BOTH);**

4. Check the box in item #5 indicating that the purpose of the amendment is to “DELETE name”;
  5. Enter the name of the deleted party in either item #6a or #6b, as appropriate (BUT NOT BOTH); and
  6. Enter the name of the party authorizing the amendment in item #9a or #9b (BUT NOT BOTH) (See general instructions, pages 30-31).
- To add a party on form UCC3:
    1. Provide a name and address in item #B to which the original document and acknowledgment/rejection letter can be sent (See general instructions, page 30);
    2. Enter the file number of the initial financing statement to which the amendment relates in item #1a (See general instructions, page 30);
    3. Check the appropriate box in item #5 to indicate whether the amendment amends information relating to a debtor or to a secured party (BUT DO NOT CHECK BOTH);
    4. Check the box in item #5 indicating that the purpose of the amendment is to “ADD name”;
    5. Enter the name of the added party in either item #7a or #7b, as appropriate (BUT NOT BOTH);
    6. Enter the mailing address of the added party in item #7c (see important note concerning address requirements on page 29). The additional information in items #7d, #7e, #7f and #7g is NOT REQUIRED; and
    7. Enter the name of the party authorizing the amendment in item #9a or #9b (BUT NOT BOTH) (See general instructions, pages 30-31).

**8. Additional parties may be added by supplementing the UCC3 with a UCC3AP**

- To make a **collateral change** on form UCC3:
  1. Provide a name and address in item #B to which the original document and acknowledgment/rejection letter can be sent (See general instructions, page 30);
  2. Enter the file number of the initial financing statement to which the amendment relates in item #1a (See general instructions, page 30);
  3. Check only one box in item #8 indicating whether the information provided describes collateral deleted or added, gives an entire restated collateral description (a partial release of collateral is a deletion);
  4. Describe the collateral change (if the space is insufficient, use item #13 of the National Financing Statement Amendment Addendum (form UCC3Ad) (rev 7/29/98) or (5/22/02);
  5. If the amendment adds indebtedness, include the indebtedness language **FOR THE ADDITION ONLY** (see below); and
  6. Enter the name of the party authorizing the amendment in item #9a or #9b (BUT NOT BOTH) (See general instructions, pages 30-31).
- If an amendment to a financing statement increases indebtedness under the financing statement, the amendment form must include in box #8 the language “Maximum principal indebtedness for Tennessee recording tax purposes is \$\_\_\_\_\_” with the amount of increase of the indebtedness filled in the blank. The language must appear either on the face of the document or in an attached sworn statement.

**IMPORTANT NOTE:** If the financing statement amendment increasing the collateral is given to secure the performance by the mortgagor, grantor, debt or or any other person of an obligation other

than the payment of a specific sum of money, and a maximum amount secured by the amendment is not expressed therein, such an amendment is taxed upon the value of the property covered by the amendment, the value is deemed to be the increased “indebtedness” secured by the amendment for tax purposes, and the following additional filing requirements apply:

- (1) The financing statement amendment must be accompanied by a sworn statement by the owner of the property indicating the value of the property. The value so stated is the basis for assessing the recording tax.
- (2) Instead of, or in addition to, the maximum principal indebtedness language noted above, such a financing statement amendment must include in box #4 or in the attached sworn statement the language “Secures obligation other than payment of specific sum – valuation statement submitted.”

If the recording tax on the stated indebtedness has been paid at the county level, complete the indebtedness language (including indebtedness amount), add a statement that the recording tax on the stated indebtedness has been paid at the county level, and attach a tax receipt to the document.

If the recording tax on the stated indebtedness has been paid with a document previously filed with the Division of Business Services, complete the indebtedness language (including indebtedness amount), add a statement that the recording tax on the stated indebtedness has been paid with a document previously filed with the Division of Business Services, and attach to the current document a copy of the previous filing (or acknowledgment letter).

If the recording tax on the stated indebtedness is being paid with another document being filed at the same time as the current document, complete the indebtedness language (including indebtedness amount) and add a statement that the recording tax on the stated indebtedness is being paid with another document being filed at the same time as the current document (alternatively, the

current document may state that the amount of maximum principal indebtedness for Tennessee recording tax purposes is \$0).

If the financing statement is tax exempt, complete the indebtedness language (including indebtedness amount) and add a statement indicating the basis for the tax exemption.

- Note: If, due to a full release of all collateral, the filer no longer claims a security interest under the identified financing statement, the amendment should be identified as a termination (item #2), not a collateral change (item #8).
- An amendment has no effect on the status of a financing statement or on any existing debtor or secured party. In other words, a financing statement will remain in active status on the records of the Division of Business Services until one year after the financing statement lapses, regardless of the filing of any amendments. Any debtor or secured party identified in the initial financing statement or added as a result of a subsequent amendment will remain permanently indexed as a debtor or secured party, respectively.
  1. In the case of an amendment that changes the name of a debtor, the related initial financing statement and all related UCC documents are indexed under both the debtor's old name and the debtor's new name. In other words, a search under either the debtor's old name or the debtor's new name should both reveal the initial financing statement and related UCC documents.
  2. In the case of an amendment that changes the name of a secured party, the new name is added to the index as if it were a new secured party of record.
  3. In the case of an amendment that adds a new debtor, the name is added as a new debtor on the financing statement.
  4. In the case of an amendment that adds a new secured party, the new secured party name is added as a new secured party on the financing statement.
  5. In the case of an amendment that deletes a debtor, no changes are made to the record other than recording the filing of the amendment. (No changes are made even if the amendment purports to delete all debtors of record).

6. In the case of an amendment that deletes a secured party, no changes are made to the record other than recording the filing of the amendment. (No changes are made even if the amendment purports to delete all secured parties of record).
- An amendment affects only the interests or rights of the party or parties authorizing the amendment.

### C. CONTINUATIONS

- A continuation statement (UCC3) may be filed only within six months before the expiration of the financing statement's lapse date (see pages 28-29).
- To **continue** the effectiveness of the identified financing statement with respect to the security interest(s) of the authorizing secured party on form UCC3:
  1. **Provide a name and address in item #B to which the original document and acknowledgment/rejection letter can be sent (See general instructions, page 30);**
  2. **Enter the file number of the initial financing statement to which the amendment relates in item #1a (See general instructions, page 30);**
  3. **Check the box in item #3; and**
  4. **Enter the name of the party authorizing the continuation in item #9a or #9b (BUT NOT BOTH) (See general instructions, pages 30-31).**
- Upon the timely filing of a continuation statement, the financing statement is effective for an additional five year period from the previous lapse date. The financing statement may be renewed for additional five year periods under the same terms and conditions as the prior continuation statement.
- The filing of a continuation has no effect on the status of any party to the financing statement.

## D. ASSIGNMENTS

- A secured party may assign (i) all of the assignor's interest under the identified financing statement, (ii) a partial interest in the security interest covered by the identified financing statement, or (iii) the assignor's full interest in some (but not all) of the collateral covered by the identified financing statement.
- To make an **assignment** on form UCC3:
  1. **Provide a name and address in item #B to which the original document and acknowledgment/rejection letter can be sent (See general instructions, page 30);**
  2. **Enter the file number of the initial financing statement to which the amendment relates in item #1a (See general instructions, page 30);**
  3. **Check the box in item #4;**
  4. **Enter the name of the assignee in either item #7a or #7b, as appropriate (BUT NOT BOTH);**
  5. **Enter the address of the added party in item #7c. The additional information in items #7d, #7e, #7f and #7g is NOT REQUIRED;**
  6. **If a partial assignment affects only some (but not all) of the collateral covered by the identified financing statement, check the appropriate box in item #8 and indicate the affected collateral in item #8; and**
  7. **Enter the name of the assignor in item #9a or #9b (BUT NOT BOTH).**
- Note: an initial financing statement (UCC1) may also be used to designate an assignment of a security interest. However, in such a case the "initial" secured party/assignor is not considered a secured party of record and is not indexed as a secured party.
- An assignment has no effect on the status of a financing statement or on any existing debtor or secured party, except that each assignee named in the assignment becomes a secured party of record. Since the Division of Business Services has no authority to determine whether an assignment is authorized, a

secured party of record on a financing statement is never deleted as an indexed secured party.

### **E. TERMINATIONS**

- To terminate the effectiveness of the identified financing statement with respect to the security interest(s) of the authorizing secured party on form UCC3:
  1. **Provide a name and address in item #B to which the original document and acknowledgment/rejection letter can be sent (See general instructions, page 30);**
  2. **Enter the file number of the initial financing statement to which the amendment relates in item #1a (See general instructions, page 30);**
  3. **Check the box in item #2; and**
  4. **Enter the name of the party authorizing the termination in item #9a or #9b (BUT NOT BOTH) (See general instructions, pages 30-31).**
- A termination has no effect on the status of a financing statement or any party to the financing statement, and the financing statement remains active in the records of the Division of Business Services until one year after it lapses (unless the termination relates to a financing statement that indicates it is filed against a transmitting utility, in which case the financing statement becomes inactive one year after it is terminated with respect to all secured parties of record).

### **GROUND FOR REJECTION**

A financing statement amendment will be rejected for filing **ONLY** for one or more of the following reasons:

#### **Financing Statement Amendment Rejection Reasons**

- 1. For any amendment type , the record is not communicated by a method or medium of communication authorized by the filing office. If a written record, the record is not filed on the National Financing Statement Amendment (Form UCC3) (rev 7/29/98) or (rev 5/22/02) and, if applicable, the National Financing Statement Amendment Addendum (Form UCC3Ad) (rev 7/29/98) or (rev 5/22/02) and the National Financing Statement Addition Party (Form UCC3AP) (rev 5/22/02).**
- 2. For any amendment type, an amount equal to or greater than the filing fee and recording tax (if applicable) is not tendered (and/or additional required documents concerning payment of the recording tax or tax exempt status are not included). NOTE: IF AN ADEQUATE PAYMENT AMOUNT FOR MULTIPLE TRANSACTIONS IS NOT TENDERED WITH A UCC3, THEN ALL TRANSACTIONS ARE REJECTED.**
- 3. For any amendment type, the record does not legibly identify the file number of an unlapsed initial financing statement in the UCC information management system.**
- 4. For any amendment type, the document does not identify ANY type of transaction in item #2, #3, #4, #5 or #8.**
- 5. For a continuation, the record is not filed within the six month window prior to lapse.**
- 6. For an assignment, the record fails to legibly provide the name and mailing address of the assignee.**
- 7. For an amendment that adds a new party, the record does not legibly provide the new party's name.**
- 8. For an amendment that adds a new debtor, and if the debtor is identified as an individual, the record does not legibly identify the debtor's last name.**

9. For an amendment that adds a new party, the record does not legibly provide the new party's mailing address.
10. For an amendment that increases indebtedness, the record does not include the required indebtedness language.

**IMPORTANT NOTE: By law, a financing statement amendment will be accepted for filing in all other cases, even if the record omits information that is legally required to make the statement effective.**

For example, an amendment will be accepted for filing even if:

1. The document contains or appears to contain a misspelling or other apparently erroneous information;
2. The document appears to identify a debtor or secured party incorrectly;
3. The document contains additional or extraneous information of any kind;
4. The document contains less than the information required by UCC Revised Article 9 (other than mandatory information required for filing as noted above);
5. The document does not identify the party authorizing the amendment.
6. The document incorrectly identifies collateral, or contains an illegible or unintelligible description of collateral, or appears to contain no such description;
7. The document indicates that it is to be filed or recorded in the real estate records; or
8. The document is accompanied by funds in excess of the full filing fee and recording tax.

## CORRECTION STATEMENT

- A correction statement is a UCC document that claims that a financing statement is inaccurate or wrongfully filed.
- A correction statement **must** be submitted in writing, **must** identify itself as a “correction statement,” and **must** identify the file number of the initial financing statement to which the statement relates. The submitter should also provide a name and address to which the original correction statement and acknowledgment/rejection letter can be sent. UCC Correction Statement (Form UCC5) (rev 5/22/02) (pages 117-118) may be used, but is not required.
- A correction statement is indexed with the applicable financing statement and is noted on search reports concerning such a financing statement, if active. **However, a correction statement has no effect on the status of the financing statement or on any party to the financing statement, and no information is modified in the UCC information management system as a result of the filing of a correction statement.**
- The filing fee for a correction statement is **\$15.00**; there is an additional filing fee of 50 cents (\$.50) per page for each page in excess of ten (10) pages.
- A correction statement will be rejected for filing **ONLY** for one or more of the following reasons:

### Correction Statement Rejection Reasons

1. The record is not communicated by a method or medium of communication authorized by the filing office.
2. An amount equal to or greater than the applicable filing fee is not tendered.
3. The record does not legibly identify the file number of an unexpired initial financing statement in the UCC information management system.
4. The record does not identify itself as a correction statement.

# UCC SEARCHES AND COPIES

## SUBMITTING A UCC SEARCH OR COPY REQUEST

- The Division of Business Services maintains a searchable index for all active UCC records that provides for the retrieval of a record by the name of the debtor and by the file number of the initial financing statement to which the record relates and which associates with one another each initial financing statement and each filed UCC document relating to the initial financing statement.
- Information from the Division of Business Services about filed financing statements is available only through a search request (although customers may obtain basic UCC1 financing statement information by accessing the UCC Searchable Database on the Internet) (see page 6).
- A person may request from the Division of Business Services a search of the UCC records to determine whether there are any active financing statements naming a particular debtor. **However, it is the responsibility of the searcher, not the Division of Business Services , to determine whether a particular financing statement naming a particular debtor is presently effective.**
- A search is initiated by submitting to the Division of Business Services a document that sufficiently communicates the parameters of the search request consistent with the rules and guidelines noted below. At a minimum, a search request **must** include the following information.
  1. **Name to be searched.** A search request should set forth the full correct name of a debtor or the name variant desired to be searched and must specify whether the debtor is an individual or an organization. A search request will be processed using the name in the exact form it is submitted (after applying the rules on pages 50-56).

The full name of an individual consists of a first, middle, and last name, followed by any title of lineage (such as Jr or III) that may apply to the name. The full name of an organization consists of the name of the organization as stated in the articles of incorporation or other organic documents in the state or county of organization.

2. **Requesting party.** The name and address of the person to whom the search report is to be sent must be included on the search request.
- **In order to ensure an accurate search, it is strongly recommended that the National Information Request (Form UCC11) (Modified) (TN) (Rev. 06/04/01) be used for search requests (see page 119 for a copy of the form).** Item numbers and letters mentioned below refer to items on this form.
  - The name and address of the submitter should be supplied in item #B so that the Division of Business Services can return the search request, search report and payment receipt or invoice, as applicable, to the submitter.
  - The name of the debtor to be searched should be supplied in item #1a (if the search is for a debtor organization) or item #1b (if the search is for an individual debtor) BUT NOT BOTH. Information concerning city and state (item #1c) need not be provided and **will not** be used as part of the search criteria (In order to limit a search to a specific address, the address criteria must be entered in item #4c).
  - The Division of Business Services provides four types of UCC search reports related to the debtor named in the search. The search types and applicable fees are summarized below:
    1. **Search Certificate (Information Listing) (Item #2a):** This search provides a report (“information listing”) of all active initial financing statements (UCC1s) and all related UCC3 financing statement amendments and correction statements, and lists the statements by file number and file date and time. The fee for a search certificate is \$15.00.
    2. **Search Certificate and All Copies (Item #2b):** This search includes an information listing together with copies of all active financing statements, financing statement amendments and correction statements (including all exhibits and attachments). The fee for a copy search is \$15.00 plus \$1.00 per page for each page of each document.
    3. **Search Certificate and Partial Copies (“Face pages”) (Item #2c):** This search includes an information listing together with the face page of all active UCC1 financing statements (including all financing statement amendment and correction statement face pages

but excluding all exhibits and attachments). The fee for a face page search is \$15.00 plus \$1.00 per page for each included page.

4. **Specified Copy Search (Item #2d):** This search includes an information listing and copies of all **requested** active financing statements (including all financing statement amendments and correction statements, and all exhibits and attachments on file). The fee for a specified copy search is \$15.00 plus \$1.00 per page for each included page. The search request must include the file number for each initial financing statement requested; no other information is required to be completed under item #2d.
- A specified copy search must identify the requested initial financing statement file numbers and cannot be limited to only a portion of a financing statement record (such as a UCC1 without attachments, exhibits or subsequent financing statement amendments, or a particular financing statement amendment relating to the initial financing statement).
  - Unless specified otherwise in item #3, search results will be mailed to the submitter as shown in item #B. Upon request as noted in item #3, search results may be held for counter pickup; alternatively, the search results may be returned to the submitter by overnight courier delivery under the following guidelines:

The submitter must supply with the search request a completed and prepaid return courier envelope. **Important note:** the return courier envelope must be fully prepaid or charged to a valid courier account number. A return courier envelope charged to a credit card is not considered prepaid and **will not** be used by the Division of Business Services; in such a case, the search report will be returned to the submitter by first class mail.

Fax or e-mail delivery of search results (item #4e) currently is **not** available; if this item is checked, the search report will be returned to the submitter by first class mail.

- Copies may be certified for an additional processing fee of \$2.00 per search request (item #4a).
- Search requests may be further limited by specifying initial financing statements filed within a specified time period, listing a specific debtor address, or listing a specific secured party. (Items #4b, #4c, and #4d). **[However, both**

the search certificate (information listing) and copies (if requested) for such a search will be limited to the requested search parameters.]

**Important Note: A search involving copies of financing statements will be processed regardless of the number of copies generated unless the submitter expressly includes on the UCC11 a copy limit (for example, “copies not to exceed 100”). If the submitter includes a copy limit and the search results in copies that exceed the requested limit, the search report will be changed to a search certificate (information listing) only. In order to obtain copies, the submitter will need to submit a new search request for which a new search request fee (and per page copy fee) will be required.**

- If no search type is specified in the search request, the Division of Business Services will provide a search certificate (information listing) only.
- UCC search requests **may** be accompanied by a fee payment. However, search requests unaccompanied by an adequate payment amount or no prepayment will be invoiced, with payment due within 60 days. **If a submitter has outstanding past due invoices, new search requests will not be processed without prepayment of applicable fees.**
- A search request may be rejected for one or more of the following reasons:

#### **Search Request Rejection Reasons**

- 1. The request is not communicated by a method or medium of communication authorized by the filing office.**
- 2. The request does not legibly identify the debtor name to be searched or does not otherwise sufficiently communicate the scope of the requested search.**
- 3. The request does not legibly identify the name and address of the requesting party.**

**4. If prepayment is required because the submitter has outstanding past due invoices , an amount equal to or greater than the applicable filing fee is not tendered.**

## UCC SEARCH CRITERIA

- Initial financing statements (UCC1s) are listed in the UCC information management system database by the debtor's name (either as a business or as an individual) and the financing statement file number. Business debtor names and names of individual debtors are entered into the UCC information management system database according to the standardized format described on pages 12-14.
- While searches must be based upon the recorded name of the debtor, they may be qualified or limited as noted below.
- The following qualifiers, or any combination thereof, may be specified on the UCC11 form for a UCC debtor search:
  1. The debtor's address (street address, city, state, zip code, or any combination thereof);
  2. Secured party;
  3. Initial financing statement (UCC1) filing date (or the following date ranges: before a certain date, between certain dates, or after a certain date); and/or
  4. Initial financing statement (UCC1) lapse date (or the following date ranges: before a certain date, between certain dates, or after a certain date).

## UCC SEARCH REQUEST RULES AND GUIDELINES

**IMPORTANT NOTE: Please review all of the following rules and guidelines before submitting a UCC 11 search request. If you have any questions on how to construct a search to meet your specific needs, please contact our office in advance of submitting your request.**

- Search results are created by applying standardized search logic to the name submitted. Human judgment does **not** play a role in determining the results of

the search. The following, **and only the following**, rules are applied to conduct searches:

- (a) There is no limit to the number of matches that may be returned in response to the search criteria (see page 49).**
- (b) No distinction is made between upper and lower case letters.**
- (c) Punctuation marks and accents are disregarded.**
- (d) Words and abbreviations at the end of a name that indicate the existence or nature of an organization as set forth in the "Ending Noise Words" list, as adopted and promulgated by the International Association of Corporation Administrators, are disregarded. The current "Ending Noise Words" list is as follows:**

- |                                 |   |
|---------------------------------|---|
| <b>1. Agency</b>                | <b>26. Limited</b>  |
| <b>2. Association</b>           | <b>27. Ltd</b>  |
| <b>3. Assn</b>                  | <b>28. Ltee</b>   |
| <b>4. Associates</b>            | <b>29. Limited Liability<br/>Company</b>                    |
| <b>5. Assc</b>                  | <b>30. LC</b>   |
| <b>6. Assoc</b>                 | <b>31. LLC</b>  |
| <b>7. Attorneys at Law</b>      | <b>32. Limited Liability<br/>Partnership</b>                |
| <b>8. Bank</b>                  | <b>33. LLP</b>  |
| <b>9. National Bank</b>         | <b>34. Limited Partnership</b>                              |
| <b>10. Business Trust</b>       | <b>35. LP</b>   |
| <b>11. Charter</b>              | <b>36. Medical Doctors<br/>Professional<br/>Association</b> |
| <b>12. Chartered</b>            | <b>37. MDPA</b>   |
| <b>13. Company</b>              | <b>38. Medical Doctors<br/>Professional<br/>Corporation</b> |
| <b>14. Co</b>                   | <b>39. MDPC</b>   |
| <b>15. Corporation</b>          | <b>40. National Association</b>                             |
| <b>16. Corp</b>                 | <b>41. NA</b>   |
| <b>17. Credit Union</b>         | <b>42. Partners</b>   |
| <b>18. CU</b>                   | <b>43. Partnership</b>                                      |
| <b>19. Federal Savings Bank</b> |   |
| <b>20. FSB</b>                  |   |
| <b>21. General Partnership</b>  |   |
| <b>22. Gen part</b>             |   |
| <b>23. GP</b>                   |   |
| <b>24. Incorporated</b>         |   |
| <b>25. Inc</b>                  |   |

- |  |  |
|--|--|
| 44. Professional Association               | 55. Real Estate Investment Trust             |
| 45. Prof Assn                              | 56. REIT                                     |
| 46. PA                                     | 57. Registered Limited Liability Partnership |
| 47. Professional Corporation               | 58. RLLP                                     |
| 48. Prof Corp                              | 59. Savings Association                      |
| 49. PC                                     | 60. SA                                       |
| 50. Professional Limited Liability Company | 61. Service Corporation                      |
| 51. Professional Limited Liability Co      | 62. SC                                       |
| 52. PLLC                                   | 63. Sole Proprietorship                      |
| 53. Railroad                               | 64. SP                                       |
| 54. RR                                     | 65. SPA                                      |
|  | 66. Trust                                    |
|  | 67. Trustee                                  |
|  | 68. As Trustee                               |

e) The word "the" at the beginning of the search criteria is disregarded.

f) All spaces are disregarded.

g) For first and middle names of individuals, initials are equated with all names that begin with such initials, and no middle name or initial is equated with all middle names and initials.

After taking the preceding rules into account to modify the name of the debtor requested to be searched, the search will reveal only names of active debtors that, as modified, exactly match the name requested, as modified.

- Although qualifiers can be added to a debtor search, please note that the search of the UCC database will match only records exactly meeting all of the qualifiers. For example, a search request for debtor "BARKER AND CONNER COMPANY INC" at "144 WATER STREET" would locate only records with a debtor BARKER AND CONNER COMPANY INC located at 144 WATER STREET, and would **not** include records such as the following: BARKER AND CONNER COMPANY INC at 100 WATER STREET; BARKER AND CONNER COMPANY INC at 144 WATER ST; and BARKER AND CONNER COMPANY INC at 144 GREEN STREET.

- **In addition, please note that under the search rules mentioned above, names are distinguishable by the presence or absence of articles (other than “the” at the beginning of a name), conjunctions or prepositions as symbols or words (including “a,” “and,” “of,” “in,” “at,” and “plus”).**
- **The Division of Business Services will modify search requests in the following manner to provide a search that is consistent with the search rules mentioned above:**

**1. All name search requests will be converted to upper case letters.**

Note: As indicated on page 12, the filing office uses only upper case letters when recording debtor and secured party information in the UCC information management system.

**2. A name search request that includes hyphens, apostrophes, accent marks or other punctuation will be replaced by a search for the name with or without punctuation.**

For example, a search request for BARKER-CONNER COMPANY INC will be searched as BARKER\*CONNER\* and the search report will list any records with business names such as the following: BARKER-CONNER COMPANY INC; BARKER CONNER COMPANY INC; BARKERCONNER COMPANY INC; BARKER-CONNER INC; and BARKER CONNER COMPANY. A search request for BARKER CONNER’S COMPANY INC will be searched as BARKER\*CONNER\*S\* and the search report will list any records with business names such as the following: BARKER CONNER’S COMPANY; BARKER-CONNER’S COMPANY; BARKER CONNERS COMPANY; and BARKER CONNER’S INC.

Note: As indicated on page 12, the filing office omits commas and periods when recording debtor and secured party information in the UCC information management system. Such punctuation is also excluded from searches and search reports.

**3. Business endings (see list on pages 51-52) in a name search request will be disregarded.**

For example, a search request for BARKER COMPANY INC will be searched as BARKER\* and the search report will list any records with business names such as the following: BARKER COMPANY INC; BARKER INC, BARKER COMPANY,

BARKER LLC. A search request for BARKER & CONNER LLC will be searched as BARKER\*&\*CONNER\* and the search report will list any records with business names such as the following: BARKER & CONNER LLC; BARKER&CONNER LLC; and BARKER & CONNER INC.

**4. The word “THE” at the beginning of a name search request will be disregarded.**

Note: As indicated on page 12, the filing office omits “THE” from the beginning of a name when recording debtor and secured party information in the UCC information management system.

**5. All spaces between words in a name search request will be disregarded.**

For example, a search request for the business name BARKER CONNER will be searched as BARKER\*CONNER\* and the search report will list any records with names such as the following: BARKER CONNER; and BARKERCONNER. Please note, however, that the search report will **not** include records with business names such as the following: BARKER & CONNER; BARKER AND CONNER; BARKER WILLIAMS CONNER; and CONNER BARKER.

**6. An individual name search request that specifies a first name, no middle initial/name, and a last name will include all records containing the specified last name and the specified first name or the initial of the specified first name, with or without any middle initial/name.**

For example, a search request for LAWRENCE CONNER will be searched as CONNER L and CONNER LAWRENCE, and the search report will list any records with names such as the following: CONNER, LAWRENCE; CONNER, L; CONNER, LAWRENCE E; and CONNER, LAWRENCE EDWARD. However, such a search report will **not** list any records with a name such as the following: CONNER, LOGAN; and CONNER, LARRY.

**7. An individual name search request that specifies a first name, middle initial and last name will include all records containing the specified last name, the specified first name or the initial of the specified first name and the specified middle initial or any middle name beginning with the specified middle initial.**

For example, a search request for LAWRENCE E CONNER, will be searched as CONNER LAWRENCE E\* and CONNER L E\* and the search report will list any records with names such as the following: CONNER, LAWRENCE E; CONNER, LAWRENCE EDWARD; CONNER, LAWRENCE EUGENE; CONNER, L E; and CONNER, L EDWARD. However, such a search report will **not** list any record that does not contain a middle name or initial, and will not list such names as the following: CONNER, LAWRENCE; and CONNER, L.

- 8. An individual name search request that specifies a first name initial, middle name initial and last name will include all records containing the specified last name, the first name initial or any name beginning with the specified first name initial, and the middle name initial or any middle name beginning with the specified middle name initial.**

For example a search request for L E CONNER will be searched as CONNER L\* E\* and the search report will list any records with names such as the following: CONNER, LAWRENCE E; CONNER, LAWRENCE EDWARD; CONNER, L E; CONNER, L EDWARD; and CONNER, LOGAN EVANS. However, such a search report will **not** list any record that does not contain a middle name or initial and will **not** list any record with such names as the following: CONNER, LAWRENCE; and CONNER, L.

- 9. An individual name search request that specifies a first name, middle name and last name will include all records containing the specified last name, the specified first name or the initial of the specified first name, and the specified middle name or the initial of the specified middle name.**

For example, a search request for LAWRENCE EDWARD CONNER will be searched as CONNER LAWRENCE EDWARD, CONNER L EDWARD, CONNER LAWRENCE E, and CONNER L E, and the search report will include any records with the names such as the following: CONNER, LAWRENCE EDWARD; CONNER, L EDWARD; CONNER, LAWRENCE E; and CONNER, L E. The search report will **not** list any record containing a different middle name, or no middle initial, and will **not** list any record with such names as the following: CONNER, LAWRENCE EVANS; CONNER, LAWRENCE; and CONNER, L.

**10. An individual name search request that specifies a last name only will be searched for any record containing the last name and any first name/initial and/or any or no middle name/initial.**

**11. A search request for a name which appears to be an individual's name will be searched as an individual only (last name, first name) unless the submitter expressly indicates that the search is for a business or other entity.**

**12. Requested name searches indicating a street address will be replaced by a search for the name at any address.**

For example, a search request for BARKER AND CONNER COMPANY INC at 144 WATER STREET will be replaced by a search for BARKER\*AND\*CONNER\*. However, if the submitter clearly indicates that a search for a street address is requested, then the exact address as submitted will be included in the search.

**Important Note: Prior to the implementation of UCC Revised Article 9 on July 1, 2001, the standardized data entry of name information used by the filing office included all of the same rules as noted on pages 12-13, with the following exception: Prior to July 1, 2001, if a business name or individual last name exceeded 75 characters, abbreviations were sometimes used to "fit" the name into the name field, usually by abbreviating words near the end of the name. As a result, lengthy names may appear in the database either in abbreviated form (pre 7/1/2001) or in truncated form (on and after 7/1/2001).**

- **Although not required to do so under the search rules mentioned above, the Division of Business Services will make every attempt to perform a search based upon an explicit, customized request that is outside the parameters of the search rules. However, please understand that some searches outside the parameters of the search rules may not be possible.**
- **UCC SEARCH REPORTS**
- **A search report issued by the Division of Business Services will include the following information:**

1. A certification by the filing office of the search results;
  2. The date the report was generated;
  3. The certification date applicable to the report (i.e., the date through which the search is effective to reveal all relevant UCC documents filed on or prior to that date);
  4. Identification of each active initial financing statement filed on or prior to the certification date and time corresponding to the search criteria, by name of debtor, by identification number, by file date and time, and by lapse date;
  5. For each initial financing statement on the report, a listing of all related UCC documents filed on or prior to the certification date; and
  6. If requested, copies of UCC documents revealed by the search.
- The search report indicates the exact search completed. The examples listed below indicate how these searches should be interpreted:
    1. A UCC business name search reported as BARKER CONNER COMPANY INC includes records in the Division's UCC database containing only those four words exactly as written. A UCC search for CONNER, LAWRENCE includes records in the Division's UCC database containing the last name and the first name exactly as written (regardless of any middle name or initial).
    2. A UCC business name search reported as BARKER\*CONNER\* includes records in the Division's UCC database containing the names BARKER CONNER with or without spaces between the two words, together with any business ending words (see list on pages 51-52). Please note that such a search report **will not** include any records containing additional words between the names "BARKER" and "CONNER", such as BARKER & CONNER and BARKER AND CONNER.
    3. A UCC business name search reported as BARKER AND CONNER includes records in the Division's UCC database containing only those three words exactly as written.

4. A UCC business name search reported as BARKER\*AND\*CONNER\* includes records in the Division's UCC database containing the name BARKER AND CONNER with or without spaces between the three words, together with any business ending words (see list on pages 51-52). Please note that such a search report **will not** include any records containing any other words or symbols between the names "BARKER" and "CONNER", such as BARKER & CONNER and BARKER WILLIAMS AND CONNER.
5. A UCC business name search reported as BARKER-CONNER includes records in the Division's UCC database containing only that hyphenated word exactly as written.
6. A UCC business name search reported as BARKER\*CONNER\* includes records in the Division's UCC database containing the name BARKER CONNER with or without spaces between the two words, together with any business ending words (see list on pages 51-52).
7. A UCC individual debtor search reported as CONNER includes all records in the Division's UCC database containing the exact last name of CONNER and any first name or initial (including records containing any or no middle name or initial).
8. A UCC individual debtor search reported as CONNER L\* includes all records in the Division's UCC database containing the exact last name of CONNER and a first name or initial beginning with the letter L followed by any or no combination of characters and spaces in the first name (including records containing any or no middle name or initial).
9. A UCC individual debtor search reported as CONNER L includes all records in the Division's UCC database containing the exact last name of CONNER and a first name initial of the letter L (including records containing any or no middle name or initial).
10. A UCC individual debtor search reported as CONNER L\*E\* includes all records in the Division's UCC database containing the exact last name of CONNER, a first name or initial beginning with the letter L followed by any or no combination of characters and spaces in the first name, and a middle name or initial beginning with

the letter E followed by any or no combination of characters and spaces in the middle name (Note: any record including an individual debtor recorded only by first and last name would **not** be included).

11.A UCC individual debtor search reported as CONNER LAWRENCE E\* includes all records in the Division's UCC database containing the exact last name of CONNER, an exact first name of LAWRENCE, and a middle name or initial beginning with the letter E followed by any or no combination of characters and spaces in the middle name (Note: any record including an individual debtor recorded only by first and last name would **not** be included).

### **IMPORTANT NOTES CONCERNING SEARCH REPORTS THAT INCLUDE PRE 7/1/2001 FINANCING STATEMENTS.**

Under the "old" UCC Article 9, a filing was excluded and was deemed "inactive" for search reporting purposes if the statement previously had lapsed or had been terminated, if the debtor being searched previously had changed names or had been deleted as a debtor, if the secured party being searched previously had changed names or had been deleted as a secured party, or if the secured party being searched previously had its interests assigned.

Under the new Revised Article 9, all such filings mentioned above remain included and "active" for search reporting purposes until one year after the underlying financing statement lapses or would have lapsed, at which point the filing becomes excluded and "inactive."

Due to these different procedures, search results on or after July 1, 2001, may report different results for a searched name depending upon whether filing actions occurred before or after July 1, 2001, as follows:

#### **Searches involving Financing Statements that have lapsed or have been terminated:**

- Financing statements that lapse or are terminated prior to July 1, 2001, **will not** be included in search reports on or after July 1, 2001.
- Financing statements that lapse or are terminated on or after July 1, 2001, **will** be included in search reports on or after July 1, 2001, up to one year after the lapse date.
- For example:

An initial financing statement filed on March 15, 1996, names Mary Jones as a debtor. No continuation is filed for this financing statement and the statement lapses on March 15, 2001. A search on August 1, 2001, for all financing statements listing Mary Jones as a debtor **would not** include the financing statement.

An initial financing statement filed on July 16, 1996, names Mary Jones as a debtor. No continuation is filed for this financing statement and the statement lapses on July 16, 2001. A search on August 1, 2001, for all financing statements listing Mary Jones as a debtor **would** include the financing statement.

- For example:

An initial financing statement filed on December 30, 1999, names Mary Jones as a debtor. On March 30, 2000, a UCC3 is filed terminating the financing statement. A search on August 1, 2001, for all financing statements listing Mary Jones as a debtor **would not** include the financing statement.

An initial financing statement filed on December 30, 1999, names Mary Jones as a debtor. On July 30, 2001, a UCC3 amendment is filed terminating the financing statement. A search on August 1, 2001, for all financing statements listing Mary Jones as a debtor **would** include the financing statement.

### **Searches involving Financing Statements naming Debtors whose Names subsequently have been Changed or Deleted:**

- Financing statements naming a debtor whose name was changed or deleted in UCC3 filings made prior to July 1, 2001, **will not** be included in search reports on or after July 1, 2001, that are searching for financing statements which include such a debtor name.
- Financing statements naming a debtor whose name was changed or deleted in UCC3 filings made on or after July 1, 2001, **will** be included in search reports on or after July 1, 2001, that are searching for financing statements which include such a debtor name.
- For example:

An initial financing statement filed on December 30, 1999, names Mary Jones as a debtor. On March 30, 2000, a UCC3 is filed changing the debtor's name to Mary Smith. A search on August 10, 2001, for all financing statements listing Mary Jones as a debtor **would not** include the financing statement.

An initial financing statement filed on December 30, 1999, names Mary Jones as a debtor. On July 30, 2001, a UCC3 amendment is filed changing the debtor's name to Mary Smith. A search on August 10, 2001, for all financing statements listing Mary Jones as a debtor **would** include the financing statement.

**Searches involving Financing Statement naming Secured Parties whose Names subsequently have been Changed or Deleted:**

- Financing statements naming a secured party whose name was changed or deleted in UCC3 filings made prior to July 1, 2001, **will not** be included in search reports on or after July 1, 2001, that are searching for financing statement which include such a secured party name.
- Financing statements naming a secured party whose name was changed or deleted in UCC3 filings made on or after July 1, 2001, **will** be included on search reports on or after July 1, 2001, that are searching for financing statements which include such a secured party name.
- For example:

An initial financing statement filed on December 30, 1999, names General Bank as one of the secured parties. On March 30, 2000, a UCC3 is filed deleting General Bank as a secured party. A search on August 10, 2001, for all financing statements listing General Bank as a secured party **would not** include the financing statement.

An initial financing statement filed on December 30, 1999, names General Bank as one of the secured parties. On July 30, 2001, a UCC3 amendment is filed deleting General Bank as a secured party. A search on August 10, 2001, for all financing statements listing General Bank as a secured party **would** include the financing statement.

**Searches for Secured Parties whose interests have been assigned:**

- Financing statements naming a secured party whose interests were assigned in UCC3 filings made prior to July 1, 2001, **may not** be included on search reports on or after July 1, 2001, that are searching for financing statements which include such a secured party name.
- Financing statements naming a secured party whose interests were assigned in UCC3 filings made on or after July 1, 2001, **will** be included on search reports on or after July 1, 2001, that are searching for financing statements which include such a secured party name.

- For example:  
An initial financing statement filed on December 30, 1999, names General Bank the secured party. On March 30, 2000, a UCC3 is filed assigning the interests of General Bank to General Trust Company. A search on August 10, 2001, for all financing statements listing General Bank as a secured party **would not** include the financing statement.

An initial financing statement filed on December 30, 1999, names General Bank as the secured party. On July 30, 2001, a UCC3 amendment is filed assigning the interests of General Bank to General Trust Company. A search on August 10, 2001, for all financing statements listing General Bank as a secured party **would** include the financing statement.

## **GLOSSARY**

**ACTIVE FINANCING STATEMENT** – The status of any initial financing statement accepted for filing by the filing office, until one year after the financing statement lapses, or, in the case of a transmitting utility, until one year after the financing statement is terminated with respect to all secured parties of record.

**ARCHIVED RECORD** – Documents and data relating to a financing statement that is no longer active (see ACTIVE FINANCING STATEMENT)

**AS-EXTRACTED COLLATERAL** – Oil, gas, or other minerals that are subject to a security interest that: (a) is created by a debtor having an interest in the minerals before extraction; and (b) attaches to the minerals as extracted. As-extracted collateral also means accounts arising out of the sale at the wellhead or minehead of oil, gas, or other minerals in which the debtor had an interest before extraction.

**ASSIGNMENT** – An amendment that purports to reflect an assignment of all or a part of a secured party's power to authorize an amendment to a financing statement.

**COLLATERAL** – The property subject to a security interest or agricultural lien. The term includes: (a) proceeds to which a security interest attaches; (b) accounts,

chattel paper, payment intangibles, and promissory notes that have been sold; and (c) goods that are the subject of a consignment.

**CONTINUATION** – An amendment that purports to continue the effectiveness of a financing statement.

**CORRECTION STATEMENT** – A UCC document that purports to indicate that a financing statement is inaccurate or wrongfully filed.

**DEBTOR** – A person having an interest, other than a security interest or other lien, in the collateral, whether or not the person is an obligor; a seller of accounts, chattel paper, payment intangibles, or promissory notes; or a consignee.

**DIVISION OF BUSINESS SERVICES** - The division of the Tennessee Department of State that is responsible for executing the duties and functions of the Secretary of State relative to the filing of Uniform Commercial Code financing statements.

**FILING OFFICE** – The Tennessee Secretary of State, Division of Business Services.

**FINANCING STATEMENT** – An initial financing statement and all UCC documents that relate to the initial financing statement.

**FINANCING STATEMENT AMENDMENT** – A UCC document that purports to amend the information contained in a financing statement. Amendments include assignments, continuations and terminations.

**FIXTURE FILING** – The filing of a financing statement covering goods that are or are to become fixtures and satisfying T.C.A. §47-9-502(a)&(b). The term includes the filing of a financing statement covering goods of a transmitting utility which are or are to become fixtures.

**FIXTURES** – Goods that have become so related to particular real property that an interest in them arises under real property law.

**INITIAL FINANCING STATEMENT** – A UCC document containing the information required to be in an initial financing statement pursuant to UCC Rules, Chapter 1360-8-2, which, when filed, causes the filing office to establish the initial record of the existence of a financing statement in the filing office's UCC information management system.

**MANUFACTURED-HOME TRANSACTION** – A secured transaction: (a) that creates a purchase-money security interest in a manufactured home, other than a manufactured home held as inventory; or (b) in which a manufactured home, other than a manufactured home held as inventory, is the primary collateral.

**PUBLIC-FINANCE TRANSACTION** – A secured transaction in connection with which: (a) debt securities are issued; (b) all or a portion of the securities have an initial stated maturity of at least 20 years; and (c) the debtor, obligor, secured party, account debtor or other person obligated on collateral, assignor or assignee of a secured obligation, or assignor or assignee of a security interest is a state or a governmental unit of a state.

**SECURED PARTY** – A person in whose favor a security interest is created or provided for.

**TERMINATION** – An amendment intended to indicate that the related financing statement has ceased to be effective with respect to the secured party authorizing the termination.

**TRANSMITTING UTILITY** – A person primarily engaged in the business of: (a) operating a railroad, subway, street railway, or trolley bus; (b) transmitting communications electrically, electromagnetically, or by light; (c) transmitting goods by pipeline or sewer; or (d) transmitting or producing and transmitting electricity, steam, gas or water.

**UCC** – Revised Article 9 of the Uniform Commercial Code as enacted in Tennessee at T.C.A. §47-9-101 through §47-9-709.

**UCC DOCUMENT** – An initial financing statement, an amendment, an assignment, a continuation, a termination or a correction statement. The word “document” in this term includes paper or paper-based writings as well as documents expressed or transmitted electronically or through media other than writings.