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Informational UCC filings for the lease transaction. (Or, "Maybe I should file a UCC financing statement just in case...")

A. A suggestion for some detailed language:

"All equipment leased, or to be leased, to the Debtor by the Secured Party, under the terms of the Lease Agreement #____, and including any equipment identified in schedules attached thereto, including without limitation, the equipment described below and all equipment, products, proceeds, accessions, renewals, revisions, and substitutions of the foregoing. The equipment described herein is owned by and is the property of the Secured Party and is leased to the Debtor in a transaction which does not constitute a financing transaction. It is the intent of the parties for all purposes that the Lease Agreement, together with all schedules related thereto, regardless of when executed, constitute a "true" lease. This filing is made for informational purposes."

B. Or another shorter version:

"This is a lease transaction. The parties do not believe that this transaction is subject to the provisions of the uniform commercial code governing secured financing transactions. This filing is done for informational purposes."

C. The correct name of the debtor is crucial. ("...a financing statement that fails sufficiently to provide the name of the debtor in accordance with [the statute] is seriously misleading." If seriously misleading, then the filing is not effective. See Section 409.506 Wis. Stats

D. The specific equipment need only "reasonably identify what is described." See Section 409.108 Wis. Stats.

E. The lease language can cover the "what if" scenario.

**I. Does it matter when I make my UCC filings for a lease or purchase transaction?
(Or, “Maybe I should file a UCC financing statement timely just in case....”)**

- A. You can file “...before or within 20 days after the debtor receives delivery of the collateral....” See Section 409.317 Wis. Stats. (Also referred to as when receives possession of the equipment.)
- B. What if there are multiple delivery dates? Always use the earliest date.
- C. A filed UCC financing statement is good for a period of 5 years after the date of filing. See Section 409.515 Wis. Stats.
- D. A filed UCC financing statement can be renewed “...within 6 months before the expiration of the 5-year period...” See Section 409.515 Wis. Stats. (**WARNING: Do not file the renewal early.**)

**II. Does it matter if anyone else has made any UCC filings for a lease or purchase transaction?
(Or, “Maybe I should make sure there are no sharks in the water before I jump, just in case....”)**

- A. What happens if you are leasing or otherwise financing equipment to be newly acquired similar to that already on site?
(Identify and label all your equipment, but still file timely.)
- B. What happens if you are leasing or otherwise financing equipment which will be delivered over an extended period of time?
(A subordination agreement from other creditors might be important, but still identify and label all your equipment and file timely as to each delivery.)
- C. What happens if the debtor/lessee wants to finance or lease equipment it already owns?
(You need to know what is on file before undertaking this transaction. If your contemplated transaction is to be a lease, you need to get any filed UCC interest released so you can get title. If your contemplated transaction is to be an equipment financing agreement, you need to get any filed UCC interest released so you can get a first lien perfected security position.)

III. Does it matter if the debtor/lessee changes its name after I made my UCC filings for a lease or purchase transaction?

(Or, "Maybe I should just tell the debtor/lessee to contact me in the future just in case....")

- A. Debtors/lessees will change their names for any number of reasons - some are done for reasons other than to vex you.
- B. A filed financing statement will be effective for equipment the debtor acquired before or within four months of the name change. See Section 409.507 Wis. Stats. (You must file an amendment within four months after a change in name for it to protect you with respect to equipment received by the debtor/lessor later than four months after the name change.)

IV. Does any of this really matter for a lease or purchase transaction?

(Or, "Maybe I don't have to worry about a UCC financing statement because my debtors/lessees always will pay me, but just in case....")

- A. All of this only matters when the deal goes bad:
 - i. The lease is not really a lease;
 - ii. The recovery of the equipment is important because the debtor/lessee has no money, or there is no guarantor.
 - iii. The debtor/lessee has decided to sell or otherwise transfer your equipment.
 - iv. The debtor/lessee files a bankruptcy petition or is subject to a receivership proceeding.

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