

Debtor Location Problems: Legrasse and Miskatonic

Legrasse Co. is a corporation organized and existing under the laws of France. Its chief executive office is located in Paris. Legrasse Co. has three wholly-owned corporate subsidiaries--Puck Company, Uncle Sammy and RanaVision. Puck Company is organized and existing under the laws of Ontario, Canada. It is headquartered and conducts business in Toronto. Uncle Sammy is organized and existing under the laws of France, but its chief executive office is located in Miami Beach, Florida, USA. RanaVision is organized and existing under the laws of France. It does business with US companies but it has no United States based offices. RanaVision is headquartered in Montreal, Quebec, Canada.

Legrasse Co. and Miskatonic Inc., a Puerto Rican corporation, have formed a Massachusetts general partnership named Dunwich Partners. Miskatonic is the managing general partner. Dunwich Partners registered to do business in Florida under the name "Dunwich Products." The chief executive office of the partnership is located in Coral Gables, Florida, USA. Miskatonic Inc. has its main manufacturing plant in Innsmouth, Rhode Island, USA, and its main offices in the Village of Exham Priory, Massachusetts, USA.

Assume Ontario has laws similiar to the UCC but that Quebec and France do not.

1. Why is the location of the Debtor important under Revised Article 9 to a Secured Creditor?
 - a. The location of collateral, not the location of the Debtor, is of central importance because while collateral is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in that collateral.
 - b. The Secured Creditor must know the location of the Debtor in order to enforce remedies against the Debtor in an *in personam* action.
 - c. The general rule is that perfection, the effect of perfection or nonperfection, and the priority of a security interest achieved by filing a financing statement all are determined by the law of the jurisdiction where the debtor is located.
 - d. The Secured Party must know the location of the Debtor so that a financing statement can properly be completed providing the address of the Debtor's location.

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2. Under revised Article 9 of the Uniform Commercial Code, which statements correctly identify a rule to locate a Debtor?

a. A debtor that is an organization and has only one place of business is located at its place of business, subject to certain exceptions.

b. A debtor that is an organization and has more than one place of business is located at its chief executive office, unless another rule specifies an alternate location.

c. A registered organization that is organized under the law of a State is located in that State without regard to the location of its chief executive office.

d. A debtor who is an individual (i.e. a natural person) is located at the individual's residence, unless the laws of that jurisdiction of residence do not provide for the filing of a public record of security interests as a condition to defeating the interest of a lien creditor.

e. All statements are correct.

3. Describe the circumstances in which the Uniform Commercial Code might require the filing of a financing statement in the United States to perfect a security interest in property owned by Legrasse Co.

a. Under the UCC, Legrasse Co. is a registered organization deemed located in France. Thus, any security interest filings must be made in France, not the United States.

b. Financing statements may be filed against Legrasse Co. in Florida, the only state in which it is deemed located by virtue of its subsidiary's office in Miami Beach, Florida.

c. Financing statements may be filed against Legrasse Co. in Florida, the only state in which it is deemed located by virtue of the offices of its joint venture with Miskatonic Inc. in Coral Gables, Florida.

d. Financing statements may be filed against Legrasse Co. in the District of Columbia.

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4. Describe the Uniform Commercial Code choice of law rule for the filing of a financing statement to perfect a security interest in ordinary personal property owned by Puck Company.

a. Financing statements must be filed against Puck Company in the District of Columbia.

b. Financing statements must be filed against Puck Company in the capital city of Canada, namely, Ontario.

c. Financing statements may be filed against Puck Company in the Province of Ontario, Canada. Toronto is located in Ontario and Puck Company is deemed located there by virtue of Puck Company's chief executive office.

d. Under the UCC, Puck Company is a registered organization deemed located in Canada. Thus, any security interest filings must be made in Canada, not the United States, in the jurisdiction where Puck Company was organized.

5. Describe the Uniform Commercial Code choice of law rule for the filing of a financing statement to perfect a security interest in ordinary personal property owned by Uncle Sammy.

a. Financing statements must be filed against Uncle Sammy in the applicable jurisdiction in France.

b. Under the UCC, Uncle Sammy is a registered organization deemed located in France. Thus, any security interest filings must be made in France, not the United States.

c. Financing statements may be filed against Uncle Sammy in Florida. Uncle Sammy is deemed located in Florida because its chief executive office is located in Miami Beach.

d. Financing statements must be filed against Uncle Sammy in the District of Columbia.

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6. Describe the Uniform Commercial Code choice of law rule for the filing of a financing statement to perfect a security interest in ordinary personal property owned by RanaVision.

- a. Financing statements may be filed against RanaVision in Florida, the location where its parent company has its greatest presence by virtue of the subsidiary and joint venture offices.
- b. Financing statements must be filed against RanaVision in the District of Columbia.
- c. Under the UCC, RanaVision is an organization deemed located in France. Thus, any security interest filings must be made in France, not the United States.
- d. Financing statements must be filed against RanaVision in the province of Quebec, Canada, where Montreal is located.

7. Describe the Uniform Commercial Code choice of law rule for the filing of a financing statement to perfect a security interest in tangible personal property owned by Miskatonic Inc.

- a. Financing statements must be filed against Miskatonic in Massachusetts, the location of its chief executive office.
- b. Financing statements must be filed against Miskatonic in the District of Columbia because filing in Puerto Rico, a civil law jurisdiction like France and Quebec, is not possible.
- c. Financing statements must be filed against Miskatonic in Rhode Island, the location of its main manufacturing operations (and thus most personal property) located in the United States.
- d. Under the UCC, Miskatonic Inc. is an organization deemed located in Puerto Rico. Thus, any security interest filings against tangible personal property must be made in Puerto Rico, not the United States.

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8. Which statement best describes the filing location for a UCC-1 financing statement appropriate to perfect a security interest in ordinary personal property owned by the Dunwich partnership?

- a. The filing should be made in the locations where each of the general partners are located, in this case, Puerto Rico for Miskatonic and the District of Columbia for Legrasse Co., listing the names of both partners on each financing statement.
- b. The filing should be made in Florida because that is where the chief executive office of Dunwich partnership is located.
- c. The filing should be made in Florida because that is where Dunwich registered to do business and obtained a fictitious name certificate.
- d. The filing should be made in Massachusetts, the location of the chief executive office of the managing general partner of the partnership using the registered name "Dunwich Products."

9. If Troglodyte A.G., a German company, loans money to Legrasse Co. to finance the expansion of a factory on the outskirts of Paris, Troglodyte may perfect a security interest in ordinary personal property of Legrasse Co. as follows:

- a. Troglodyte may not file a financing statement in the United States (District of Columbia or otherwise) unless the transaction has some connection to the United States (which it appears it does not).
- b. Troglodyte may file a financing statement in the District of Columbia.
- c. Troglodyte may not file a financing statement in the United States because Troglodyte is not a United States creditor.
- d. Troglodyte may not file a financing statement in the United States because Legrasse Co. does not have any United States offices.