

355.9-601 Rights after default -- Judicial enforcement -- Consignor or buyer of accounts, chattel paper, payment intangibles, or promissory notes.

- (1) After default, a secured party has the rights provided in this part of this article and, except as otherwise provided in KRS 355.9-602, those provided by agreement of the parties. A secured party:
 - (a) May reduce a claim to judgment, foreclose, or otherwise enforce the claim, security interest, or agricultural lien by any available judicial procedure; and
 - (b) If the collateral is documents, may proceed either as to the documents or as to the goods they cover.
- (2) A secured party in possession of collateral or control of collateral under KRS 355.7-106, 355.9-104, 355.9-105, 355.9-106, or 355.9-107 has the rights and duties provided in KRS 355.9-207.
- (3) The rights under subsections (1) and (2) of this section are cumulative and may be exercised simultaneously.
- (4) Except as otherwise provided in subsection (7) of this section and KRS 355.9-605, after default, a debtor and an obligor have the rights provided in this part of this article and by agreement of the parties.
- (5) If a secured party has reduced its claim to judgment, the lien of any levy that may be made upon the collateral by virtue of an execution based upon the judgment relates back to the earliest of:
 - (a) The date of perfection of the security interest or agricultural lien in the collateral;
 - (b) The date of filing a financing statement covering the collateral; or
 - (c) Any date specified in a statute under which the agricultural lien was created.
- (6) A sale pursuant to an execution is a foreclosure of the security interest or agricultural lien by judicial procedure within the meaning of this section. A secured party may purchase at the sale and thereafter hold the collateral free of any other requirements of this article.
- (7) Except as otherwise provided in KRS 355.9-607(3), this part of this article imposes no duties upon a secured party that is a consignor or is a buyer of accounts, chattel paper, payment intangibles, or promissory notes.

Effective: July 1, 2013

History: Amended 2012 Ky. Acts ch. 132, sec. 89, effective July 1, 2013. -- Created 2000 Ky. Acts ch. 408, sec. 119, effective July 1, 2001.

Legislative Research Commission Note (3/14/2013). 2013 Ky. Acts ch. 10, secs. 2 and 3 provide that the statutes in Article 9 of the Uniform Commercial Code that were amended or created in 2012 Ky. Acts ch. 132, secs. 60 to 99, are effective July 1, 2013. This statute was one of those sections. Since only the effective date of a prior Act was altered, and not the text of the affected statutes, reference to 2013 Ky. Acts ch. 10 does not appear in the history for this statute.

Legislative Research Commission Note (7/12/2012). In 2010, the National Conference of Commissioners on Uniform State Laws and the American Law Institute proposed a Uniform Act for adoption by the states that contained revisions to Article 9 of the Uniform Commercial Code. The effective date for all proposed Article 9 revisions

was to be July 1, 2013. Those revisions were enacted in 2012 Ky. Acts Chapter 132, Sections 60 to 99. Sections 60 to 90 contained the substantive Article 9 revisions, and Sections 91 to 99 contained the transitional Article 9 revisions created to handle secured transactions made prior to July 1, 2013. Section 91 of that Act (codified as KRS 355.9-801) and Section 102 of that Act (a noncodified effective date provision) both stated, "Sections 91 to 99 of this Act take effect July 1, 2013." The normal effective date for legislation enacted at the 2012 Regular Session of the General Assembly is July 12, 2012. In Opinion of the Attorney General 12-010, issued July 3, 2012, Section 91 (codified as KRS 355.9-801) was determined to have contained a manifest clerical error, and should have instead read, "Sections 60 to 90 of this Act take effect July 1, 2013," thereby making the substantive Article 9 revisions effective on the same date as the transitional Article 9 provisions in conformity with the 2010 Uniform Act proposal and 2012 Ky. Acts Chapter 132, Section 102. This statute was one of the substantive provisions of Article 9 contained in 2012 Ky. Acts Chapter 132, Sections 60 to 90.