

FERRAIUOLI LLC

COMMERCIAL LENDING PRACTICE GROUP
CORPORATE DEPARTMENT

June 10, 2014

NOTICE TO CLIENTS AND FRIENDS

Puerto Rico State Department's Revised Commercial Transactions Forms

On May 31, 2014, the Puerto Rico Department of State (hereinafter, the "PRDOS") issued Administrative Order 2014-06 (hereinafter, the "Order") pursuant to Section 38 of Regulation Number 8474 governing secured transactions under Chapter 9 of the Puerto Rico Commercial Transactions Act (hereinafter, the "Regulation"). The purpose of the Order was the immediate adoption of the following revised or new forms in connection with the filing of financing statements before the Registry of Commercial Transactions of the PRDOS (hereinafter, the "Registry"):

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|----|----------|---|--|
| 1. | UCC1PR | - | Financing Statement |
| 2. | UCC1AdPR | - | Addendum to the Financing Statement |
| 3. | UCC1APPR | - | Additional Party to the Financing Statement |
| 4. | UCC3PR | - | Amendment to a Financing Statement |
| 5. | UCC3AdPR | - | Addendum to the Amendment to the Financing Statement |
| 6. | UCC3APPR | - | Additional Party to the Amendment to the Financing Statement |
| 7. | UCC5PR | - | Informative Statement |
| 8. | UCC11 | - | Request for Information |

The revised UCC1PR Financing Statement form requires the disclosure of additional information, thus, providing more specificity in connection with the commercial transaction that is being registered. For example, the same allows the parties to provide the following information: (i) that the filing is in connection with a public-finance transaction; (ii) that the filing is in connection with a manufactured-home transaction; (iii) that the filing is in connection with an agricultural lien; (iv) that the filing is a non-ucc filing; (v) that the collateral is in the possession of a trust; and (vi) that the collateral is held by the decedent's representative.

Furthermore, the Order also introduced a new UCC5PR Informative Statement form that may be used: (i) by the debtor of record, to correct inaccuracies of the records at the Registry; (ii) by the debtor of record, to allege that a UCC1PR Financing Statement has been filed incorrectly; or (iii) by the secured creditor of record, to allege that the person that filed the UCC1PR Financing Statement was not authorized to do so.

The prior forms may be used and filed at the Registry without penalty until June 30, 2014, after which date, the use and filing of the same shall incur an additional charge of Twenty Five Dollars (\$25.00) per filing.

This document has been prepared for information purposes only and is not intended, and should not be relied upon, as legal advice. If you have any questions or comments about the Order and/or the Regulation, wish to obtain more information related thereto, or about its possible effect(s) on secured transactions, please contact us.

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