

EXERCISE**SECURITY INTERESTS AND PERFECTION***Background*

You represent a bank that's negotiating an all-assets secured loan with a potential borrower. During due diligence, you note that the borrower was incorporated in Delaware but has its headquarters (or principal place of business) in California. You also discover that the borrower's assets include the following:

- Two bank deposit accounts—one held by your client and another held by a third-party bank;
- Intellectual property, including three registered trademarks, several patents, and one unregistered copyright;
- A large computer system that they financed and are still paying off;
- Solar panels that are affixed to the roof of the borrower's headquarters; and
- Inventory.

The partner on the deal has asked you to work with a paralegal to prepare to perfect the bank's security interest as soon as the deal closes. The partner would like to meet with you first to confirm your plans.

Instructions

Come prepared to discuss these questions:

- How will you perfect the bank's all-assets lien?
- Do any items of collateral require additional perfection steps beyond what's required for the all-assets lien?
- To the best of your knowledge, will the bank have a first lien over all of the assets once perfected?
- If you decide to file a financing statement, where should the filing be made?
- What are the most important aspects of the financing statement? How do you plan to make sure they're filled in correctly?