

355.9-706 When initial financing statement suffices to continue effectiveness of financing statement -- Minor errors or omissions.

- (1) The filing of an initial financing statement in the office specified in KRS 355.9-501, continues the effectiveness of a financing statement filed before July 1, 2001, if:
 - (a) The filing of an initial financing statement in that office would be effective to perfect a security interest under the revision of Article 9 in 2000 Ky. Acts ch. 408;
 - (b) The pre-effective-date financing statement was filed in an office in another state or another office in this Commonwealth; and
 - (c) The initial financing statement satisfies subsection (3) of this section.
- (2) The filing of an initial financing statement under subsection (1) of this section continues the effectiveness of the pre-effective-date financing statement:
 - (a) If the initial financing statement is filed before July 1, 2001, for the period provided in the former KRS 355.9-403 with respect to a financing statement; and
 - (b) If the initial financing statement is filed on or after July 1, 2001, for the period provided in KRS 355.9-515 with respect to an initial financing statement.
- (3) To be effective for purposes of subsection (1) of this section, an initial financing statement must:
 - (a) Satisfy the requirements of Part 5 of this article for an initial financing statement;
 - (b) Identify the pre-effective-date financing statement by indicating the office in which the financing statement was filed and providing the dates of filing and file numbers, if any, of the financing statement and of the most recent continuation statement filed with respect to the financing statement; and
 - (c) Indicate that the pre-effective-date financing statement remains effective.
- (4) When a secured party files an initial financing statement with the Secretary of State under subsection (1) of this section or under KRS 355.9-707, the secured party may send a copy of the initial financing statement to the county clerk of the county in which the pre-effective-date financing statement was filed, and, additionally, may send to the county clerk copies of any continuation statement subsequently filed with the Secretary of State that relates to an initial financing statement filed under subsection (1) of this section or under KRS 355.9-707. The secured party's election not to send a copy of an initial financing statement or a continuation statement to the county clerk does not affect in any way the perfection of the secured party's security interest. The county clerk shall append to the pre-effective-date financing statement the copy of any initial financing statement or continuation statement received from a secured party and shall retain the entire file as required by KRS 355.9-710.
- (5) KRS 355.9-506 shall apply to determine whether a financing statement filed under subsection (1) of this section satisfies the requirements of subsection (3)(a) of this section. A financing statement filed under subsection (1) of this section

substantially satisfying the requirements of subsection (3)(b) and (c) of this section is effective even if it has minor errors or omissions, unless the errors or omissions make the financing statement seriously misleading.

Effective: July 12, 2006

History: Amended 2006 Ky. Acts ch. 242, sec. 61, effective July 12, 2006. -- Created 2000 Ky. Acts ch. 408, sec. 152, effective July 1, 2001.