

MEMORANDUM TO: Article 9 Drafting Committee

FROM: Steven L. Harris and Charles W. Mooney, Jr., Reporters

DATE: March 10, 1998

RE: Materials for Drafting Committee Meeting, March 20-22, 1998, Philadelphia, PA

Enclosed is the March, 1998, Draft. With certain exceptions, it has been marked to reflect changes from the January, 1998, Draft. Except as necessary to explain revisions, the Reporters' Comments have been removed from this draft. In many cases, however, we have added Comments explaining changes from the prior draft and framing questions for discussion.

As you will see from the enclosed Tentative Agenda, we have only a few major topics for discussion: the relationship of Article 9 with Article 2 and 2A; the relationship of Article 9 with Article 3; transition rules; consumer provisions; and software financing. The bulk of the meeting will be spent working through the draft and resolving myriad open issues raised in the Reporters' Comments (as changes from the prior draft or as discussion questions) or by bracketed language in the text.

A caveat concerning the consumer compromise approved at the February meeting: Inasmuch as we did not participate in the discussions that culminated in the list of terms from which we worked, the draft and our Comments may not always capture the intended compromise completely and accurately. Although we sought and obtained guidance from the consumer subcommittee and selected officials of NCCUSL, time did not suffice to enable us to incorporate comments from representatives of consumer and creditor interests. We plan to solicit comments from the representatives before the meeting and will present to the Drafting Committee any suggested changes arising from those comments.

Also enclosed is an invitation to a reception in honor of the Drafting Committee to be held Saturday evening, March 21. Please RSVP as soon as possible.

In addition to the Draft, the Tentative Agenda, and the invitation, we have enclosed the following:

1. Memorandum dated March 4, 1998, from the Article 3/9 Task Force re: inclusion of sales of instruments.

Memorandum dated February 24, 1998, from Article 3/9 Task Force re: discharge of obligation.

Draft provisions submitted by Mr. Weise.

We expect to distribute additional revisions, including draft transition rules, at the meeting.

We look forward to seeing you at the meeting.

S.L.H. C.W.M.