

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0677.01 Josh Schultz x5486

SENATE BILL 26-079

SENATE SPONSORSHIP

Snyder,

HOUSE SPONSORSHIP

Espenoza,

Senate Committees
Business, Labor, & Technology

House Committees

A BILL FOR AN ACT
101 **CONCERNING THE "UNIFORM ASSIGNMENT FOR BENEFIT OF**
102 **CREDITORS ACT".**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Colorado Commission on Uniform State Laws. The bill enacts the "Uniform Assignment for Benefit of Creditors Act". An assignment is a transfer by a person (assignor) of all of the person's assets to another person (assignee) for the benefit of the assignor's creditors (assignment).

The bill prohibits certain persons from serving as an assignee, including creditors, affiliates, or insiders of the assignor, and creates

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

requirements for an assignment agreement.

The bill establishes specific duties for the parties to an assignment, including:

- The assignor must preserve and turn over assets, provide information necessary to administer the assignment estate, and verify a list of all known creditors and assets under penalty of perjury;
- The assignee has a fiduciary duty to the assignment estate and must manage the assignment estate in good faith to maximize distributions and wind up the assignment in a timely manner; and
- The assignee shall notify known creditors of the assignment, maintain a separate deposit account for money, collect on or dispose of assets, and provide financial summaries to creditors at least every 6 months.

The assignee is authorized to perform specific acts in furtherance of the assignee's duties, including operating the assignor's business, incurring debt, settling claims, and avoiding certain transfers that a creditor could have avoided under other law. The assignee may allow or dispute a creditor's claim against the assignment estate as specified in the bill.

The priority of distributions from the assignment estate is specified in the bill. The assignor and assignee are not personally liable for each other's acts. However, an assignee is personally liable for a breach of fiduciary duty. A court may remove an assignee for cause or if removal best serves the interests of the creditors. The assignee is discharged from the assignee's duties upon sending a final accounting and distributing all assets.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** article 22 to title
3 5 as follows:

ARTICLE 22

Uniform Assignment for Benefit of Creditors Act

5-22-101. Short title.

7 THIS ARTICLE 22 MAY BE CITED AS THE "UNIFORM ASSIGNMENT
8 FOR BENEFIT OF CREDITORS ACT".

5-22-102. Definitions.

1 IN THIS ARTICLE 22, UNLESS THE CONTEXT OTHERWISE REQUIRES:

2 (1) "AFFILIATE" MEANS:

3 (A) A PERSON THAT DIRECTLY OR INDIRECTLY OWNS, CONTROLS,
4 OR HOLDS, WITH POWER TO VOTE, TWENTY PERCENT OR MORE OF THE
5 OUTSTANDING VOTING INTERESTS OF ANOTHER PERSON, OTHER THAN A
6 PERSON THAT HOLDS THE INTERESTS:

7 (i) IN A FIDUCIARY OR AGENCY CAPACITY WITHOUT SOLE
8 DISCRETIONARY POWER TO VOTE THE INTERESTS; OR

9 (ii) SOLELY TO SECURE A DEBT, IF THE PERSON HAS NOT IN FACT
10 EXERCISED THE POWER TO VOTE;

11 (B) A PERSON WITH TWENTY PERCENT OR MORE OF THE PERSON'S
12 OUTSTANDING VOTING INTERESTS DIRECTLY OR INDIRECTLY OWNED,
13 CONTROLLED, OR HELD, WITH POWER TO VOTE, BY ANOTHER PERSON;

14 (C) A PERSON WHOSE BUSINESS IS OPERATED UNDER A LEASE OR
15 OPERATING AGREEMENT BY ANOTHER PERSON, OR A PERSON
16 SUBSTANTIALLY ALL OF WHOSE ASSETS ARE CONTROLLED BY THE OTHER
17 PERSON; OR

18 (D) A PERSON THAT OPERATES THE BUSINESS OR SUBSTANTIALLY
19 ALL THE ASSETS OF ANOTHER PERSON UNDER A LEASE OR OPERATING
20 AGREEMENT.

21 (2) (A) "ASSET" MEANS A LEGAL OR EQUITABLE INTEREST IN
22 PROPERTY OF AN ASSIGNOR, REGARDLESS OF THE PERSON HOLDING OR IN
23 POSSESSION, CUSTODY, OR CONTROL OF THE PROPERTY OR WHERE THE
24 PROPERTY IS LOCATED.

25 (B) "ASSET" DOES NOT INCLUDE:

26 (i) A LEGAL OR EQUITABLE INTEREST IN PROPERTY RESTRICTED
27 FROM ASSIGNMENT IF THE RESTRICTION IS EFFECTIVE UNDER OTHER LAW,

1 UNLESS THE OTHER LAW PERMITS ASSIGNMENT WITH THE CONSENT OF
2 ANOTHER PERSON AND THE PERSON CONSENTS TO THE ASSIGNMENT IN A
3 MANNER PERMITTED BY THE OTHER LAW; OR

4 (ii) IF THE ASSIGNOR IS AN INDIVIDUAL, A LEGAL OR EQUITABLE
5 INTEREST IN PROPERTY TO THE EXTENT IT IS EXEMPT FROM LEGAL PROCESS
6 UNDER OTHER LAW.

7 (3) "ASSIGNED ASSET" MEANS AN ASSET TRANSFERRED UNDER AN
8 ASSIGNMENT.

9 (4) "ASSIGNEE" MEANS A PERSON TO WHICH ASSETS ARE
10 TRANSFERRED UNDER AN ASSIGNMENT.

11 (5) "ASSIGNMENT" MEANS A TRANSFER BY A PERSON OF ALL THE
12 PERSON'S ASSETS TO ANOTHER PERSON FOR THE BENEFIT OF THE
13 TRANSFEROR'S CREDITORS.

14 (6) "ASSIGNMENT AGREEMENT" MEANS AN AGREEMENT THAT
15 TRANSFERS OR PROVIDES FOR A TRANSFER OF ALL THE ASSIGNOR'S ASSETS.

16 (7) "ASSIGNMENT ESTATE" MEANS THE ASSETS HELD AT A GIVEN
17 TIME BY THE ASSIGNEE UNDER AN ASSIGNMENT.

18 (8) "ASSIGNOR" MEANS A PERSON WHOSE ASSETS ARE
19 TRANSFERRED UNDER AN ASSIGNMENT.

20 (9) "CLAIM" MEANS A CREDITOR'S RIGHT TO PAYMENT OR TO AN
21 EQUITABLE REMEDY, REGARDLESS OF WHETHER THE RIGHT IS REDUCED TO
22 JUDGMENT, LIQUIDATED, UNLIQUIDATED, FIXED, CONTINGENT, MATURED,
23 UNMATURED, DISPUTED, UNDISPUTED, LEGAL, EQUITABLE, SECURED, OR
24 UNSECURED.

25 (10) "COHABITANT" MEANS EACH OF TWO INDIVIDUALS NOT
26 MARRIED TO EACH OTHER WHO LIVE TOGETHER AS A COUPLE AFTER EACH
27 HAS REACHED THE AGE OF MAJORITY OR BEEN EMANCIPATED.

6 (13) "GOOD FAITH" MEANS HONESTY IN FACT AND THE
7 OBSERVANCE OF REASONABLE COMMERCIAL STANDARDS OF FAIR DEALING.

8 (14) "INSIDER" INCLUDES:

9 (A) IN THE CASE OF AN INDIVIDUAL:

10 (i) A RELATIVE OF THE INDIVIDUAL;

11 (ii) A PARTNERSHIP OR LIMITED LIABILITY COMPANY IN WHICH THE
12 INDIVIDUAL IS A GENERAL PARTNER OR MANAGING MEMBER; OR

13 (iii) AN ORGANIZATION OF WHICH THE INDIVIDUAL IS A DIRECTOR,

OFFICER, OR PERSON IN CONTROL,

19 (ii) A PARTNERSHIP OR LIMITED LIABILITY COMPANY IN WHICH THE
20 ORGANIZATION IS A GENERAL PARTNER OR MANAGING MEMBER:

21 (iii) A GENERAL PARTNER OR MANAGING MEMBER OF THE
22 ORGANIZATION; OR

23 (iv) A RELATIVE OF A GENERAL PARTNER, MANAGING MEMBER,
24 DIRECTOR, OFFICER, MANAGER, OR OTHER PERSON IN CONTROL OF OR WITH
25 CONTROLLING EQUITY INTEREST IN THE ORGANIZATION;

26 (C) AN AFFILIATE; OR

27 (D) A MANAGING AGENT OF AN ORGANIZATION.

3 (16) "ORGANIZATION" MEANS A PERSON OTHER THAN AN
4 INDIVIDUAL.

5 (17) "PERFECTED LIEN" MEANS A LIEN ON:

6 (A) REAL PROPERTY OTHER THAN FIXTURES ON WHICH A BONA
7 FIDE PURCHASER OF THE PROPERTY CANNOT ACQUIRE AN INTEREST
8 SUPERIOR TO THE INTEREST OF THE LIENHOLDER; OR

12 (18) (A) "PERSON" MEANS AN INDIVIDUAL, ESTATE, BUSINESS OR
13 NONPROFIT ENTITY, GOVERNMENT OR GOVERNMENTAL SUBDIVISION,
14 AGENCY, OR INSTRUMENTALITY, OR OTHER LEGAL ENTITY.

15 (B) "PERSON" INCLUDES A PROTECTED SERIES, HOWEVER
16 DENOMINATED, OF AN ENTITY IF THE PROTECTED SERIES IS ESTABLISHED
17 UNDER LAW THAT LIMITS, OR LIMITS IF CONDITIONS SPECIFIED UNDER LAW
18 ARE SATISFIED, THE ABILITY OF A CREDITOR OF THE ENTITY OR OF ANY
19 OTHER PROTECTED SERIES OF THE ENTITY TO SATISFY A CLAIM FROM
20 ASSETS OF THE PROTECTED SERIES.

21 (19) "PROOF OF CLAIM" MEANS A RECORD A CREDITOR SUBMITS TO
22 AN ASSIGNEE TO EVIDENCE THE CREDITOR'S CLAIM.

23 (20) "RECORD" MEANS INFORMATION:

24 (A) INSCRIBED ON A TANGIBLE MEDIUM; OR

25 (B) STORED IN AN ELECTRONIC OR OTHER MEDIUM AND
26 RETRIEVABLE IN PERCEIVABLE FORM.

27 (21) "RELATIVE" MEANS AN INDIVIDUAL RELATED BY AFFINITY OR

1 CONSANGUINITY WITHIN THE THIRD DEGREE OR A COHABITANT.

2 (22) "SECURITY INTEREST" MEANS A LIEN CREATED BY AN
3 AGREEMENT.

4 (23) "SEND", IN CONNECTION WITH A RECORD OR NOTIFICATION,
5 MEANS:

6 (A) TO DEPOSIT IN THE MAIL, DELIVER FOR TRANSMISSION, OR
7 TRANSMIT BY ANY OTHER USUAL MEANS OF COMMUNICATION, WITH
8 POSTAGE OR COST OF TRANSMISSION PROVIDED FOR, ADDRESSED TO ANY
9 ADDRESS REASONABLE UNDER THE CIRCUMSTANCES; OR

10 (B) TO CAUSE THE RECORD OR NOTIFICATION TO BE RECEIVED
11 WITHIN THE TIME IT WOULD HAVE BEEN RECEIVED IF PROPERLY SENT AS
12 DESCRIBED IN SUBSECTION (23)(A) OF THIS SECTION.

13 (24) "SIGN" MEANS, WITH PRESENT INTENT TO AUTHENTICATE OR
14 ADOPT A RECORD, TO:

15 (A) EXECUTE OR ADOPT A TANGIBLE SYMBOL; OR
16 (B) ATTACH TO OR LOGICALLY ASSOCIATE WITH THE RECORD AN
17 ELECTRONIC SYMBOL, SOUND, OR PROCESS.

18 (25) (A) "STATE" MEANS A STATE OF THE UNITED STATES, THE
19 DISTRICT OF COLUMBIA, PUERTO RICO, THE UNITED STATES VIRGIN
20 ISLANDS, OR ANY OTHER TERRITORY OR POSSESSION SUBJECT TO THE
21 JURISDICTION OF THE UNITED STATES.

22 (B) "STATE" INCLUDES A FEDERALLY RECOGNIZED INDIAN TRIBE.

23 (26) "TRANSFER" MEANS DISPOSING OF OR PARTING WITH AN ASSET
24 OR WITH AN INTEREST IN AN ASSET, REGARDLESS OF WHETHER THE
25 DISPOSITION OR PARTING IS INDIRECT, CONDITIONAL, OR INVOLUNTARY.

26 **5-22-103. Scope.**

27 THIS ARTICLE 22 APPLIES TO AN ASSIGNMENT MADE BY AN

1 ASSIGNOR THAT IS:

2 (1) AN ORGANIZATION WHOSE PRINCIPAL PLACE OF BUSINESS IS IN

3 THIS STATE;

4 (2) AN ORGANIZATION WHOSE INTERNAL AFFAIRS ARE GOVERNED
5 BY OTHER LAW OF THIS STATE;

6 (3) AN INDIVIDUAL WHOSE PRINCIPAL RESIDENCE IS IN THIS STATE;

7 (4) AN ORGANIZATION WHOLLY OWNED, DIRECTLY OR INDIRECTLY,
8 BY AN ASSIGNOR THAT SATISFIES SUBSECTION (1), (2), OR (3) OF THIS
9 SECTION; OR

10 (5) AN ORGANIZATION THAT:

11 (A) IS PARTLY OWNED, DIRECTLY OR INDIRECTLY, AND
12 CONTROLLED BY AN ASSIGNOR THAT SATISFIES SUBSECTION (1), (2), OR (3)
13 OF THIS SECTION;

14 (B) HAS NO PLACE OF BUSINESS OR EMPLOYEES; AND

15 (C) RELIES ON THE SERVICES THE ORGANIZATION RECEIVES FROM
16 AN ASSIGNOR THAT SATISFIES SUBSECTION (1), (2), OR (3) OF THIS
17 SECTION.

18 **5-22-104. Requirements for assignee - assignment agreement.**

19 (a) AN ASSIGNEE MUST BE A PERSON THAT:

20 (1) IS NOT A CREDITOR, AFFILIATE, OR INSIDER OF THE ASSIGNOR;

21 (2) IS NOT AN AFFILIATE OR INSIDER OF A CREDITOR OF THE
22 ASSIGNOR;

23 (3) DOES NOT HAVE A CLAIM AGAINST THE ASSIGNMENT ESTATE,
24 OTHER THAN A CLAIM FOR FEES AND EXPENSES TO BE PAID UNDER THE
25 ASSIGNMENT AGREEMENT;

26 (4) DOES NOT HAVE A MATERIAL FINANCIAL INTEREST IN THE
27 OUTCOME OF THE ASSIGNMENT, OTHER THAN A CLAIM FOR FEES AND

1 EXPENSES TO BE PAID UNDER THE ASSIGNMENT AGREEMENT;

2 (5) DOES NOT HOLD AN EQUITY INTEREST IN THE ASSIGNOR, OTHER
3 THAN A NONCONTROLLING INTEREST IN A PUBLICLY TRADED COMPANY;

4 AND

5 (6) IS NOT AN AFFILIATE OF A PERSON THAT FAILS TO SATISFY
6 SUBSECTION (a)(1), (a)(2), (a)(3), (a)(4), OR (a)(5) OF THIS SECTION.

7 (b) A PERSON THAT SATISFIES SUBSECTION (a) OF THIS SECTION IS
8 NOT PRECLUDED FROM BEING AN ASSIGNEE MERELY BECAUSE THE PERSON
9 PERFORMED SERVICES FOR THE ASSIGNOR BEFORE THE ASSIGNMENT.

10 (c) AN ASSIGNMENT AGREEMENT MUST BE IN A RECORD SIGNED BY
11 THE ASSIGNOR AND THE ASSIGNEE. THE RECORD MUST:

12 (1) STATE THE NAME AND ADDRESS OF THE ASSIGNOR AND OF THE
13 ASSIGNEE;

14 (2) TRANSFER OR PROVIDE FOR A TRANSFER OF ALL THE
15 ASSIGNOR'S ASSETS;

16 (3) DESCRIBE THE ASSIGNED ASSETS IN SUFFICIENT DETAIL TO
17 IDENTIFY THE ASSETS;

18 (4) PROVIDE FOR THE DISTRIBUTION OF THE ASSIGNMENT ESTATE;

19 (5) DESCRIBE THE FEES TO BE CHARGED BY THE ASSIGNEE IN
20 CONNECTION WITH THE ASSIGNMENT, INCLUDING THE BASIS ON WHICH
21 THEY ARE TO BE CALCULATED; AND

22 (6) INCLUDE A REPRESENTATION BY THE ASSIGNOR, UNDER
23 PENALTY OF PERJURY, THAT THE ASSIGNOR IS ASSIGNING ALL THE
24 ASSIGNOR'S ASSETS.

25 (d) IF AN ASSIGNEE RELIES IN GOOD FAITH ON THE ASSIGNOR'S
26 REPRESENTATION MADE UNDER SUBSECTION (c)(6) OF THIS SECTION, ALL
27 THE ASSIGNOR'S ASSETS ARE DEEMED TO BE ASSIGNED, EVEN IF THE

1 REPRESENTATION IS INACCURATE.

2 **5-22-105. Effect of assignment - effective date of assignment
3 agreement.**

4 (a) AN ASSIGNEE OBTAINS THE RIGHTS, TITLE, AND INTERESTS OF
5 THE ASSIGNOR IN THE ASSIGNED ASSETS.

6 (b) IF THE ASSIGNOR IS AN ORGANIZATION, AN ASSIGNEE OBTAINS
7 THE RIGHTS, TITLE, AND INTERESTS OF THE ASSIGNOR IN ASSETS ACQUIRED
8 AFTER THE ASSIGNMENT.

9 (c) EXCEPT AS PROVIDED IN SECTION 5-22-110 (b)(12), AN
10 ASSIGNEE TAKES EACH ASSIGNED ASSET SUBJECT TO AN EXISTING
11 INTEREST IN THE ASSET HELD BY ANOTHER PERSON.

12 (d) AN ASSIGNEE HOLDS THE ASSIGNED ASSETS SUBJECT TO THE
13 ASSIGNEE'S DUTIES UNDER SECTION 5-22-109.

14 (e) AN ASSIGNMENT IS SUBJECT TO OTHER LAW UNDER WHICH THE
15 ASSIGNMENT MAY BE FRAUDULENT OR OTHERWISE VOIDABLE.

16 (f) THE EFFECTIVE DATE OF AN ASSIGNMENT AGREEMENT IS THE
17 DATE THE AGREEMENT IS SIGNED BY THE LAST PARTY TO THE AGREEMENT
18 THAT IS REQUIRED TO SIGN THE AGREEMENT UNLESS A LATER DATE IS
19 IDENTIFIED IN THE AGREEMENT AS THE EFFECTIVE DATE.

20 **5-22-106. Filing - recording - title transfer - definition.**

21 (a) IN THIS SECTION, "FINANCING STATEMENT" HAS THE MEANING
22 SET FORTH IN SECTION 4-9-102 (a)(39).

23 (b) AN ASSIGNEE OF A LEGAL OR EQUITABLE INTEREST IN
24 PERSONAL PROPERTY MAY FILE A FINANCING STATEMENT IN THE FILING
25 OFFICE OF:

26 (1) THIS STATE, ESTABLISHED FOR PURPOSES OF SECTION 4-9-501
27 (a)(2);

(2) ANY OTHER STATE IN WHICH:

(A) THE ASSIGNEE WOULD BE LOCATED UNDER SECTION 4-9-307

IF THE ASSIGNOR WERE A DEBTOR FOR THE PURPOSE OF THAT SECTION; OR

(B) AN ASSET OF THE ASSIGNMENT ESTATE MAY BE LOCATED.

(c) A FINANCING STATEMENT FILED UNDER SUBSECTION (b)(2)(B)

OF THIS SECTION MUST INDICATE THAT IT IS FILED IN CONNECTION WITH AN

ASSIGNMENT.

(d) WHEN FILING A FINANCING STATEMENT UNDER SUBSECTION (b)

OF THIS SECTION, THE ASSIGNEE MUST:

(1) ATTACH A COPY OF THE ASSIGNMENT AGREEMENT TO THE

FINANCING STATEMENT; OR

(2) STATE ON THE FINANCING STATEMENT THAT A COPY OF THE

ASSIGNMENT AGREEMENT IS AVAILABLE ON REQUEST TO THE ASSIGNEE.

(e) A FINAN

SECTION MAY:

(1) DESIGNATE

RED PARTY"; OR

(2) USE T

AR IMPORT.

(f) THE FILING OF A FINANCING STATEMENT UNDER SUBSECTION (b)

OF THIS SECTION IS NOT ITSELF A FACTOR IN DETERMINING WHETHER AN

ASSET SECURES AN OBLIGATION. THE RIGHTS OF THE ASSIGNEE UNDER THE

ASSIGNMENT ARE NOT AFFECTED IF THE ASSIGNEE DOES NOT

CING STATEMENT UNDER SUBSECTION (b) OF THIS SECTION.

(g) AN ASSIGNEE OF A LEGAL OR EQUITABLE INTEREST IN REAL

PROPERTY SHALL RECORD THE ASSIGNMENT OF THE INTEREST OR NOTICE

1 JURISDICTION WHERE THE PROPERTY IS LOCATED.

2 (h) AN ASSIGNEE SHALL COMPLY WITH OTHER LAW GOVERNING
3 THE TRANSFER OF TITLE TO AN ASSET.

4 (i) BY SIGNING AN ASSIGNMENT AGREEMENT, THE ASSIGNOR
5 AUTHORIZES THE ASSIGNEE TO TAKE THE ACTIONS REQUIRED BY THIS
6 SECTION.

7 **5-22-107. Notification to creditors.**

8 (a) UNLESS A CREDITOR WAIVES IN A SIGNED RECORD THE RIGHT
9 TO NOTIFICATION, AN ASSIGNEE SHALL SEND A NOTIFICATION OF THE
10 ASSIGNMENT TO EACH CREDITOR KNOWN TO THE ASSIGNEE WITHIN A
11 REASONABLE TIME NOT TO EXCEED THIRTY DAYS AFTER THE EFFECTIVE
12 DATE OF THE ASSIGNMENT AGREEMENT.

13 (b) THE NOTIFICATION MUST:

14 (1) BE IN A RECORD SIGNED BY THE ASSIGNEE;

15 (2) INCLUDE THE ASSIGNEE'S NAME, ADDRESS, AND OTHER
16 CONTACT INFORMATION REASONABLY NECESSARY TO COMMUNICATE WITH
17 THE ASSIGNEE;

18 (3) PROVIDE REASONABLE INSTRUCTIONS FOR SUBMITTING A
19 PROOF OF CLAIM USING THE METHOD ESTABLISHED BY THE ASSIGNEE
20 UNDER SECTION 5-22-109 (b)(5); AND

21 (4) IDENTIFY THE DATE ESTABLISHED UNDER SECTION 5-22-109
22 (b)(6) BY WHICH EACH CREDITOR WHOSE CLAIM IS NOT OTHERWISE
23 ALLOWED WITHOUT A TIMELY PROOF OF CLAIM UNDER THIS ARTICLE 22
24 MUST SUBMIT A PROOF OF CLAIM.

25 (c) AN ASSIGNEE SHALL USE REASONABLE MEANS TO PROVIDE THE
26 INFORMATION IN SUBSECTION (b) OF THIS SECTION TO UNKNOWN
27 CREDITORS, INCLUDING BY ANY MEANS THE ASSIGNOR REGULARLY USED

1 TO:

2 (1) PROVIDE INFORMATION TO THE ASSIGNOR'S CREDITORS; OR
3 (2) COMMUNICATE INFORMATION ABOUT THE ASSIGNOR, OTHER
4 THAN ADVERTISING, TO THE PUBLIC.

5 **5-22-108. Duties of assignor.**

6 (a) SUBJECT TO SECTION 5-22-123, AN ASSIGNOR HAS A DUTY TO
7 TAKE ALL REASONABLE ACTIONS NECESSARY FOR THE ASSIGNEE TO
8 ADMINISTER THE ASSIGNMENT, THE ASSIGNED ASSETS, AND THE
9 ASSIGNMENT ESTATE.

10 (b) IN FURTHERANCE OF THE DUTY UNDER SUBSECTION (a) OF THIS
11 SECTION, THE ASSIGNOR SHALL:

12 (1) PRESERVE AND TURN OVER TO THE ASSIGNEE THE ASSIGNED
13 ASSETS IN THE ASSIGNOR'S POSSESSION OR CONTROL;

14 (2) PROVIDE TO THE ASSIGNEE INFORMATION REASONABLY
15 NECESSARY TO ADMINISTER THE ASSIGNMENT, THE ASSIGNED ASSETS, AND
16 THE ASSIGNMENT ESTATE;

17 (3) SIGN ANY RECORD REASONABLY NECESSARY TO TRANSFER AN
18 ASSIGNED ASSET AND COMPLY WITH ANY NOTARIZATION REQUIRED UNDER
19 OTHER LAW;

20 (4) DESIGNATE, AND PROVIDE THE ASSIGNEE WITH THE NAME,
21 ADDRESS, AND OTHER CONTACT INFORMATION REASONABLY NECESSARY
22 TO COMMUNICATE WITH, AN APPROPRIATE PERSON WILLING AND ABLE TO
23 ACT AS A REPRESENTATIVE ON BEHALF OF THE ASSIGNOR AS MAY BE
24 REASONABLY NECESSARY TO ADMINISTER THE ASSIGNMENT, THE
25 ASSIGNED ASSETS, AND THE ASSIGNMENT ESTATE;

26 (5) IF THE ASSIGNMENT INCLUDES A LEGAL OR EQUITABLE
27 INTEREST IN REAL PROPERTY OR TITLED PERSONAL PROPERTY, COOPERATE

1 WITH THE ASSIGNEE IN TAKING ACTIONS UNDER SECTION 5-22-106;

2 (6) ON OR AS SOON AS PRACTICABLE AFTER THE EFFECTIVE DATE

3 OF THE ASSIGNMENT AGREEMENT, PROVIDE THE ASSIGNEE:

4 (A) A LIST OF ALL ASSETS;

5 (B) A LIST OF ALL THE ASSIGNOR'S EMPLOYEES, INCLUDING THOSE
6 WHOSE EMPLOYMENT IS TERMINATED IN CONNECTION WITH THE
7 ASSIGNMENT; AND

8 (C) A LIST OF ALL THE ASSIGNOR'S KNOWN CREDITORS, INCLUDING,
9 FOR EACH CREDITOR, THE CREDITOR'S ADDRESS AND OTHER CONTACT
10 INFORMATION REASONABLY NECESSARY TO COMMUNICATE WITH THE
11 CREDITOR;

12 (7) VERIFY UNDER PENALTY OF PERJURY THE ACCURACY OF THE
13 LISTS REQUIRED UNDER SUBSECTION (b)(6) OF THIS SECTION;

14 (8) WITH RESPECT TO A LEGAL OR EQUITABLE INTEREST IN
15 PROPERTY RESTRICTED FROM ASSIGNMENT, COOPERATE WITH THE
16 ASSIGNEE TO OBTAIN CONSENT FROM A PERSON WHOSE CONSENT TO
17 ASSIGN THE INTEREST IS NECESSARY UNDER OTHER LAW; AND

18 (9) PROVIDE ASSISTANCE TO THE ASSIGNEE AS REQUIRED BY THE
19 ASSIGNMENT AGREEMENT.

20 (c) THE DUTIES IN THIS SECTION ALSO APPLY TO A
21 REPRESENTATIVE DESIGNATED UNDER SUBSECTION (b)(4) OF THIS
22 SECTION.

23 **5-22-109. Duties of assignee.**

24 (a) SUBJECT TO SECTION 5-22-123, AN ASSIGNEE HAS A FIDUCIARY
25 DUTY TO THE ASSIGNMENT ESTATE FOR THE BENEFIT OF CREDITORS:

26 (1) OF LOYALTY, INCLUDING THE DUTY TO MANAGE THE
27 ASSIGNMENT IN GOOD FAITH;

3 (3) TO WIND UP THE ASSIGNMENT UNDER SECTION 5-22-119 IN A
4 MANNER COMPATIBLE WITH THE BEST INTERESTS OF THE ASSIGNMENT
5 ESTATE AND CREDITORS.

6 (b) WITHOUT LIMITATION ON THE DUTIES UNDER SUBSECTION (a)
7 OF THIS SECTION, AND SUBJECT TO SECTION 5-22-123, THE ASSIGNEE ALSO
8 HAS A DUTY TO:

17 (4) PAY ADMINISTRATIVE EXPENSES OF THE ASSIGNMENT ESTATE,
18 TO THE EXTENT THE ASSIGNMENT ESTATE HAS SUFFICIENT
19 UNENCUMBERED ASSETS:

20 (5) ESTABLISH A METHOD THAT IS REASONABLY DESIGNED TO
21 PERMIT A CREDITOR TO SUBMIT A PROOF OF CLAIM:

22 (6) ESTABLISH A SINGLE DATE BY WHICH CREDITORS WHOSE
23 CLAIMS ARE NOT OTHERWISE ALLOWED WITHOUT TIMELY PROOFS OF
24 CLAIM UNDER THIS ARTICLE 22 MUST SUBMIT PROOFS OF CLAIM, WHICH
25 MUST BE ONE HUNDRED TWENTY DAYS AFTER THE EFFECTIVE DATE OF THE
26 ASSIGNMENT AGREEMENT;

27 (7) UNLESS A CLAIM WOULD RECEIVE MINIMAL OR NO

1 DISTRIBUTION WITHOUT REGARD TO THE CLAIM'S VALIDITY OR ASSERTED
2 PRIORITY, EXAMINE THE VALIDITY AND PRIORITY OF CLAIMS AGAINST THE
3 ASSIGNMENT ESTATE AND, IF NECESSARY, CONSULT WITH THE
4 REPRESENTATIVE DESIGNATED BY THE ASSIGNOR UNDER SECTION
5 5-22-108 (b)(4);

6 (8) AT LEAST EVERY SIX MONTHS, PROVIDE TO EACH CREDITOR A
7 SUMMARY OF THE ASSETS, LIABILITIES, AND EXPENSES OF THE
8 ASSIGNMENT ESTATE;

9 (9) COMPLY WITH ALL REQUIREMENTS OF THE FEDERAL INTERNAL
10 REVENUE SERVICE AND STATE AND LOCAL TAXING AUTHORITIES;

11 (10) SEND A NOTIFICATION TO EACH CREDITOR OF THE ASSIGNEE'S
12 COMPENSATION AND ANY CHANGE IN THE METHOD OF DETERMINING THE
13 ASSIGNEE'S COMPENSATION FROM THE METHOD PROVIDED IN THE
14 ASSIGNMENT AGREEMENT;

15 (11) SEND A FINAL ACCOUNTING UNDER SECTION 5-22-119 (a);
16 AND

17 (12) COMPLY WITH THE OTHER REQUIREMENTS IMPOSED ON THE
18 ASSIGNEE UNDER THIS ARTICLE 22.

19 **5-22-110. Powers of assignee.**

20 (a) AN ASSIGNEE HAS THE POWERS NECESSARY OR APPROPRIATE
21 TO PERFORM THE ASSIGNEE'S DUTIES.

22 (b) UNLESS THE ASSIGNMENT AGREEMENT EXPRESSLY PROVIDES
23 OTHERWISE, THE ASSIGNEE HAS POWER TO:

24 (1) OPERATE AN EXISTING BUSINESS THAT USES AN ASSIGNED
25 ASSET, INCLUDING PRESERVATION OF THE ASSET AND COLLECTION ON, OR
26 THE SALE, LEASE, LICENSE, OR OTHER DISPOSITION OF, THE ASSET;

27 (2) INCUR SECURED OR UNSECURED DEBT AND PAY EXPENSES

1 INCIDENTAL TO THE EXERCISE OF THE POWER UNDER SUBSECTION (b)(1)
2 OF THIS SECTION;

3 (3) ASSERT A RIGHT, CLAIM, CAUSE OF ACTION, OR DEFENSE THE
4 ASSIGNOR COULD HAVE ASSERTED THAT RELATES TO THE ASSIGNMENT
5 ESTATE;

6 (4) ENGAGE PROFESSIONALS, INCLUDING A PROFESSIONAL
7 PREVIOUSLY ENGAGED BY THE ASSIGNOR, TO GIVE ADVICE, TO PROSECUTE
8 OR DEFEND LITIGATION, OR FOR OTHER PURPOSES AS THE ASSIGNEE
9 CONSIDERS APPROPRIATE, AND PAY PROFESSIONALS REASONABLE FEES FOR
10 SERVICES FROM THE ASSIGNMENT ESTATE;

11 (5) COLLECT ON, OR SELL, LEASE, LICENSE, OR OTHERWISE DISPOSE
12 OF, AN ASSET OF THE ASSIGNMENT ESTATE REGARDLESS OF WHETHER THE
13 ASSET IS SUBJECT TO A LIEN OR OTHER ENCUMBRANCE;

14 (6) EXERCISE A RIGHT TO REDEEM AN ASSET OF THE ASSIGNMENT
15 ESTATE THAT IS SUBJECT TO A MORTGAGE, DEED OF TRUST, SECURITY
16 INTEREST, OR OTHER ENCUMBRANCE;

17 (7) SETTLE A MATTER INVOLVING A DEBTOR OF THE ASSIGNOR;

18 (8) PROSECUTE OR DEFEND LITIGATION PENDING ON THE EFFECTIVE
19 DATE OF THE ASSIGNMENT AGREEMENT IN FAVOR OF OR AGAINST THE
20 ASSIGNOR IN THE MANNER AND WITH THE SAME EFFECT AS THE ASSIGNOR
21 COULD HAVE DONE IF THE ASSIGNMENT HAD NOT BEEN MADE;

22 (9) RECOVER AN ASSET IN THE MANNER AND WITH THE SAME
23 EFFECT AS THE ASSIGNOR COULD HAVE DONE IF THE ASSIGNMENT HAD NOT
24 BEEN MADE;

25 (10) SETTLE CLAIMS AGAINST THE ASSIGNMENT ESTATE;

26 (11) ABANDON AN ASSIGNED ASSET;

27 (12) SUBJECT TO SUBSECTIONS (c) AND (e) OF THIS SECTION,

1 AVOID A TRANSFER OR THE INCURRENCE OF AN OBLIGATION WHICH A
2 CREDITOR THAT HAS FILED A PROOF OF CLAIM COULD HAVE AVOIDED
3 UNDER OTHER LAW IF THE ASSIGNMENT HAD NOT BEEN MADE; AND

4 (13) INVEST FUNDS, SUBJECT TO APPLICABLE PRUDENT INVESTOR
5 STANDARDS UNDER OTHER LAW.

6 (c) THE POWER UNDER SUBSECTION (b)(12) OF THIS SECTION IS
7 EXCLUSIVE TO THE ASSIGNEE WITH RESPECT TO A CREDITOR THAT SUBMITS
8 A PROOF OF CLAIM. A RECOVERY BY THE ASSIGNEE IN THE EXERCISE OF
9 THIS POWER MUST BE FOR THE BENEFIT OF THE ASSIGNMENT ESTATE BUT
10 MAY NOT EXCEED THE AMOUNT, ASSET, OR OTHER VALUE THE CREDITOR
11 COULD HAVE OBTAINED BY THE AVOIDANCE.

12 (d) FOR THE PURPOSE OF EXERCISING THE ASSIGNEE'S POWER
13 UNDER SUBSECTION (b)(12) OF THIS SECTION, EXERCISING A
14 VOIDABLE-TRANSACTION REMEDY, OR OTHERWISE ESTABLISHING THE
15 PRIORITY OF THE ASSIGNEE'S INTEREST, AN ASSIGNEE HAS A LIEN ON THE
16 ASSIGNMENT ESTATE AND THE STATUS OF:

17 (1) A LIEN CREDITOR UNDER SECTION 4-9-102 (a)(52)(B) AS TO AN
18 ASSET THAT IS A LEGAL OR EQUITABLE INTEREST IN PERSONAL PROPERTY
19 OR FIXTURES;

20 (2) A BONA FIDE PURCHASER UNDER SECTION 38-35-109 AS TO AN
21 ASSET THAT IS A LEGAL OR EQUITABLE INTEREST IN REAL PROPERTY,
22 OTHER THAN FIXTURES, LOCATED IN THIS STATE; AND

23 (3) A BONA FIDE PURCHASER UNDER THE LAW OF ANOTHER STATE
24 AS TO AN ASSET THAT IS A LEGAL OR EQUITABLE INTEREST IN REAL
25 PROPERTY, OTHER THAN FIXTURES, LOCATED IN THE OTHER STATE.

26 (e) AN ASSIGNEE'S POWER UNDER SUBSECTION (b)(12) OF THIS
27 SECTION TO AVOID A TRANSFER MADE BEFORE THE EFFECTIVE DATE OF THE

1 ASSIGNMENT AGREEMENT, UNDER OR IN CONNECTION WITH A SWAP
2 AGREEMENT, SECURITIES CONTRACT, COMMODITY CONTRACT, FORWARD
3 CONTRACT, REPURCHASE AGREEMENT, OR MASTER NETTING AGREEMENT,
4 IS LIMITED TO THE EXTENT A TRUSTEE WOULD NOT HAVE THE POWER TO
5 AVOID THE TRANSFER UNDER THE FEDERAL BANKRUPTCY CODE OF 1978,
6 TITLE 11 OF THE UNITED STATES CODE, AS AMENDED.

7 (f) AN ASSIGNEE SHALL EXERCISE THE POWERS UNDER THIS
8 SECTION CONSISTENT WITH THE ASSIGNEE'S FIDUCIARY DUTY UNDER
9 SECTION 5-22-109 (a).

10 **5-22-111. Allowed claim.**

11 (a) AN ASSIGNEE SHALL ALLOW A CREDITOR'S CLAIM IF:

12 (1) THE CREDITOR SUBMITS A PROOF OF CLAIM IN COMPLIANCE
13 WITH SECTION 5-22-113; AND
14 (2) THE ASSIGNEE DOES NOT DISPUTE THE CLAIM UNDER SECTION
15 5-22-112 BEFORE FINAL DISTRIBUTION.

16 (b) AN ASSIGNEE MAY:

17 (1) ALLOW A CLAIM, PAY A KNOWN LIQUIDATED CLAIM, OR ACCEPT
18 A NOTICE TO THE ASSIGNEE OF A CLAIM RECEIVED BY THE DATE
19 ESTABLISHED BY THE ASSIGNEE UNDER SECTION 5-22-109 (b)(6) EVEN IF
20 THE CREDITOR DOES NOT SUBMIT A PROOF OF CLAIM; OR

21 (2) ALLOW AND PAY A CLAIM EVIDENCED BY A LATE-FILED PROOF
22 OF CLAIM IF THE ASSIGNEE DETERMINES THERE IS A REASONABLE BASIS
23 FOR EXCUSING THE LATE FILING.

24 (c) ANY UNSECURED PORTION OF AN ALLOWED CLAIM SHALL BE
25 VALUED AS OF THE EFFECTIVE DATE OF THE ASSIGNMENT AGREEMENT.

26 (d) A CREDITOR'S CLAIM IS ALLOWED IF THE CREDITOR SUCCEEDS
27 IN A DISPUTE UNDER SECTION 5-22-112 (b).

6 (1) THE AMOUNT OF THE CLAIM, IF THE AMOUNT IS KNOWN TO THE
7 ASSIGNEE; AND

8 (2) WHETHER THE CLAIM IS SECURED OR UNSECURED AND, IF
9 SECURED, DESCRIBE THE COLLATERAL FOR THE CLAIM.

10 (f) IF A CLASS OF CREDITORS WILL RECEIVE NO DISTRIBUTION ON
11 ACCOUNT OF ALLOWED CLAIMS, THE ASSIGNEE SHALL SEND A NOTICE IN A
12 RECORD TO EACH CREDITOR IN THAT CLASS THAT THE CREDITOR WILL
13 RECEIVE NO DISTRIBUTION INSTEAD OF THE LIST REQUIRED IN SUBSECTION
14 (e) OF THIS SECTION.

15 (g) IF REQUESTED BY A CREDITOR OR OTHER PARTY WITH AN
16 INTEREST IN THE ASSIGNMENT ESTATE, THE ASSIGNEE SHALL PROVIDE THE
17 LIST CREATED UNDER SUBSECTION (e) OF THIS SECTION TO THE PERSON
18 MAKING THE REQUEST TO THE EXTENT PERMITTED BY PRIVACY LAWS AND
19 SUBJECT TO ANY PRIVACY SAFEGUARDS THE ASSIGNEE DETERMINES IN THE
20 ASSIGNEE'S BUSINESS JUDGMENT ARE REASONABLY NECESSARY.

21 5-22-112. Disputed claims - disallowed claims.

22 (a) AN ASSIGNEE MAY DISPUTE A CREDITOR'S CLAIM BEFORE FINAL
23 DISTRIBUTION BY SENDING NOTIFICATION IN A RECORD STATING THE
24 NATURE OF THE ASSIGNEE'S DISPUTE TO THE CREDITOR.

25 (b) IF A DISPUTE CANNOT BE RESOLVED CONSENSUALLY, THE
26 ASSIGNEE MAY COMMENCE A PROCEEDING UNDER SECTION 5-22-121 TO
27 DISALLOW THE CLAIM. THE ASSIGNEE MUST COMMENCE THE PROCEEDING

1 BEFORE FINAL DISTRIBUTION UNDER SECTION 5-22-115. IF THE
2 PROCEEDING IS NOT FILED BEFORE FINAL DISTRIBUTION, THE ASSIGNEE
3 SHALL ALLOW THE CLAIM UNDER SECTION 5-22-111.

4 (c) AN ASSIGNEE SHALL CREATE A DOLLAR-FOR-DOLLAR RESERVE
5 FOR THE ESTIMATED AMOUNT OF THE POTENTIAL DISTRIBUTION ON A
6 DISPUTED CLAIM.

7 (d) SUBJECT TO SUBSECTION (b) OF THIS SECTION, AN ASSIGNEE
8 SHALL DISALLOW A CLAIM FOR REIMBURSEMENT OR CONTRIBUTION OF A
9 PERSON THAT IS LIABLE WITH THE ASSIGNOR ON, OR THAT HAS SECURED,
10 THE CLAIM, TO THE EXTENT:

11 (1) THE CLAIM AGAINST THE ASSIGNMENT ESTATE IS DISALLOWED;
12 (2) THE CLAIM FOR REIMBURSEMENT OR CONTRIBUTION IS
13 CONTINGENT AS OF THE TIME OF ALLOWANCE OR DISALLOWANCE; OR
14 (3) THE PERSON ASSERTS A RIGHT OF SUBROGATION TO THE RIGHTS
15 OF A CREDITOR.

16 (e) A CLAIM FOR REIMBURSEMENT OR CONTRIBUTION OF A PERSON
17 LIABLE WITH THE ASSIGNOR ON, OR THAT HAS SECURED, THE CLAIM THAT
18 BECOMES FIXED AFTER THE EFFECTIVE DATE OF THE ASSIGNMENT
19 AGREEMENT SHALL BE DETERMINED, AND SHALL BE ALLOWED OR
20 DISALLOWED, SUBJECT TO SUBSECTION (b) OF THIS SECTION, AS IF THE
21 CLAIM HAD BECOME FIXED BEFORE THE EFFECTIVE DATE OF THE
22 ASSIGNMENT AGREEMENT.

23 (f) AN ASSIGNEE MAY RECONSIDER THE ASSIGNEE'S DECISION TO
24 ALLOW OR DISALLOW A CLAIM FOR CAUSE. IF A RECONSIDERED CLAIM IS
25 ALLOWED UNDER SECTION 5-22-111, BEFORE THE ASSIGNEE MAKES
26 ADDITIONAL PAYMENTS OR TRANSFERS TO OTHER CREDITORS THAT ARE
27 EQUAL OR JUNIOR IN PRIORITY UNDER SECTION 5-22-115 TO THE

1 RECONSIDERED CLAIM, THE CREDITOR WITH THE RECONSIDERED CLAIM
2 SHALL RECEIVE A PAYMENT OR TRANSFER IN AN AMOUNT PROPORTIONATE
3 IN VALUE TO THE PAYMENTS OR TRANSFERS ALREADY RECEIVED BY THE
4 OTHER CREDITORS. THIS SUBSECTION (f) DOES NOT MODIFY THE
5 ASSIGNEE'S RIGHT UNDER OTHER LAW TO RECOVER FROM A CREDITOR AN
6 EXCESS PAYMENT OR TRANSFER MADE TO THE CREDITOR. IF A
7 RECONSIDERED CLAIM IS DISALLOWED, THE ASSIGNEE SHALL COMPLY WITH
8 SUBSECTIONS (b) AND (c) OF THIS SECTION.

9 **5-22-113. Proof of claim.**

10 (a) A PROOF OF CLAIM MUST:
11 (1) STATE THE NAME, ADDRESS, AND OTHER CONTACT
12 INFORMATION REASONABLY NECESSARY TO COMMUNICATE WITH THE
13 CREDITOR;
14 (2) STATE THE AMOUNT OF THE CLAIM;
15 (3) BRIEFLY STATE THE NATURE OF THE CLAIM;
16 (4) IDENTIFY ANY ASSET OF THE ASSIGNMENT ESTATE SECURING
17 THE CLAIM;
18 (5) BE SIGNED BY THE CREDITOR UNDER PENALTY OF PERJURY;
19 (6) INCLUDE A COPY OF A RECORD, IF ANY, ON WHICH THE CLAIM
20 IS BASED;
21 (7) BE SUBMITTED USING THE METHOD ESTABLISHED UNDER
22 SECTION 5-22-109 (b)(5); AND
23 (8) BE SUBMITTED BY THE DATE ESTABLISHED BY THE ASSIGNEE
24 UNDER SECTION 5-22-109 (b)(6).
25 (b) A PROOF OF CLAIM SUBMITTED IN COMPLIANCE WITH THIS
26 SECTION IS PRIMA FACIE EVIDENCE OF THE VALIDITY AND AMOUNT OF THE
27 CLAIM.

1 (c) THE SUBMISSION BY A CREDITOR OF A PROOF OF CLAIM IN
2 COMPLIANCE WITH THIS SECTION CONSTITUTES THE CREDITOR'S:

3 (1) CONSENT TO THE JURISDICTION OF THE COURT UNDER SECTION
4 5-22-121; AND

5 (2) ASSIGNMENT TO THE ASSIGNEE OF ANY RIGHT OF THE CREDITOR
6 TO BRING A VOIDABLE TRANSACTION ACTION RELATING TO THE
7 CREDITOR'S CLAIM.

9 (a) AN ASSIGNEE'S DISPOSITION OF AN ASSET:

10 (1) TRANSFERS TO A TRANSFEREE FOR VALUE ALL OF THE
11 ASSIGNEE'S RIGHTS IN THE ASSET;

12 (2) DISCHARGES THE ASSIGNEE'S LIEN AND, TO THE EXTENT THE
13 ASSIGNMENT CREATES A SECURITY INTEREST IN FAVOR OF THE ASSIGNEE,
14 THE ASSIGNEE'S SECURITY INTEREST; AND

15 (3) DISCHARGES ANY SUBORDINATE SECURITY INTEREST OR OTHER
16 LIEN SUBORDINATE TO THE ASSIGNEE'S LIEN.

21 (c) IF A TRANSFeree DOES NOT TAKE FREE OF THE RIGHTS AND
22 INTERESTS DESCRIBED IN SUBSECTION (a) OF THIS SECTION, THE
23 TRANSFeree TAKES THE ASSET SUBJECT TO:

24 (1) THE ASSIGNEE'S RIGHTS IN THE ASSETS OF THE ASSIGNMENT
25 ESTATE:

26 (2) THE ASSIGNEE'S LIEN AND, IF APPLICABLE, SECURITY INTEREST;

27 AND

1 (3) ANY OTHER SECURITY INTEREST OR OTHER LIEN.

2 (d) UNLESS OTHERWISE PROVIDED IN A RECORD, ANY WARRANTY
3 ARISING BY OPERATION OF OTHER LAW IS DISCLAIMED TO THE EXTENT
4 PERMITTED BY OTHER LAW.

5 (e) IF A SUBORDINATE SECURITY INTEREST OR OTHER LIEN IS
6 DISCHARGED UNDER THIS SECTION, THE ASSIGNEE MAY FILE A RECORD
7 WITH THE OFFICIAL OR OFFICE RESPONSIBLE FOR MAINTAINING AN OFFICIAL
8 FILING, RECORDING, REGISTRATION, OR CERTIFICATE-OF-TITLE SYSTEM
9 COVERING THE ASSET SECURED BY THE SECURITY INTEREST OR OTHER
10 LIEN. THE RECORD MUST STATE THAT THE SECURITY INTEREST OR OTHER
11 LIEN IS DISCHARGED AS A SUBORDINATE SECURITY INTEREST OR OTHER
12 LIEN IN CONNECTION WITH A DISPOSITION UNDER AN ASSIGNMENT FOR THE
13 BENEFIT OF CREDITORS OF THE ASSIGNOR WHOSE ASSET IS SUBJECT TO THE
14 SECURITY INTEREST OR OTHER LIEN.

5-22-115. Distributions - definition.

16 (a) IN THIS SECTION, "PROTECTED SECURED CREDITOR" MEANS A
17 SECURED CREDITOR WHOSE LIEN:

18 (1) IS A PERFECTED LIEN;

19 (2) CANNOT BE AVOIDED BY THE ASSIGNEE UNDER SECTION
20 5-22-110 (b)(12); AND

21 (3) IS NOT SUBORDINATE TO THE ASSIGNEE'S LIEN.

22 (b) EXCEPT AS PROVIDED IN SECTION 5-22-116, THE ASSIGNEE
23 SHALL PAY CLAIMS FROM THE ASSIGNMENT ESTATE ALLOWED UNDER
24 SECTION 5-22-111 IN THE ORDER OF PRIORITY STATED IN THIS SECTION.

25 (c) UNLESS OTHERWISE AGREED BETWEEN THE ASSIGNEE AND A
26 PROTECTED SECURED CREDITOR, BEFORE DISTRIBUTIONS UNDER
27 SUBSECTIONS (d), (e), (f), AND (g) OF THIS SECTION, AND IN ACCORDANCE

1 WITH THE PRIORITIES OF CREDITORS WITH LIENS UNDER OTHER LAW, THE
2 PROTECTED SECURED CREDITOR SHALL RECEIVE THE ASSET OR THE
3 PROCEEDS FROM THE COLLECTION ON OR DISPOSITION OF THE ASSET TO
4 THE EXTENT OF THE VALUE OF THE PROTECTED SECURED CREDITOR'S
5 INTEREST IN THE ASSET, LESS THE ASSIGNEE'S REASONABLE AND
6 NECESSARY EXPENSES OF PRESERVING OR DISPOSING OF THE ASSET TO THE
7 EXTENT THE EXPENSES BENEFIT THE PROTECTED SECURED CREDITOR AND
8 ARE INCURRED WITH THE PROTECTED SECURED CREDITOR'S CONSENT OR
9 ACQUIESCE. THE PROTECTED SECURED CREDITOR HAS AN UNSECURED
10 CLAIM UNDER SUBSECTION (g)(2) OF THIS SECTION FOR THE AMOUNT OF
11 THE CLAIM THAT REMAINS AFTER DEDUCTING THE AMOUNT OR VALUE OF
12 AN ASSET THE PROTECTED SECURED CREDITOR RECEIVES UNDER THIS
13 SUBSECTION (c). TO THE EXTENT A CLAIM IS SECURED BY AN ASSET THE
14 VALUE OF WHICH, AFTER THE DEDUCTIONS PROVIDED UNDER THIS
15 SUBSECTION (c), IS GREATER THAN THE AMOUNT OF THE CLAIM, THE
16 PROTECTED SECURED CREDITOR MAY RECEIVE INTEREST ON THE CLAIM
17 AND ANY REASONABLE FEES, COSTS, OR CHARGES PROVIDED FOR UNDER
18 THE AGREEMENT OR OTHER LAW UNDER WHICH THE CLAIM AROSE.

19 (d) AFTER THE DISTRIBUTIONS UNDER SUBSECTION (c) OF THIS
20 SECTION, THE ASSIGNEE SHALL PAY THE NECESSARY COSTS OF THE
21 ADMINISTRATION OF THE ASSIGNMENT ESTATE. THE COSTS INCLUDE:

22 (1) FEES AND REIMBURSEMENTS OF THE EXPENSES OF THE
23 ASSIGNEE AND ANY PROFESSIONALS ENGAGED BY THE ASSIGNEE;
24 (2) POST-ASSIGNMENT TAXES INCURRED BY THE ASSIGNEE;
25 (3) POST-ASSIGNMENT RENT INCURRED BY THE ASSIGNEE IN
26 OCCUPYING PREMISES ON WHICH ASSETS OF THE ASSIGNMENT ESTATE ARE
27 LOCATED OR THE BUSINESS OF THE ASSIGNOR IS CONDUCTED;

4 (5) AMOUNTS REQUIRED TO BE PAID UNDER THE ASSIGNMENT
5 AGREEMENT FOR EXPENSES OF WINDING UP THE ASSIGNMENT UNDER
6 SECTION 5-22-119.

7 (e) AFTER THE DISTRIBUTIONS UNDER SUBSECTIONS (c) AND (d) OF
8 THIS SECTION, THE ASSIGNEE SHALL PAY CLAIMS ENTITLED TO PRIORITY
9 UNDER FEDERAL LAW, INCLUDING UNDER 31 U.S.C. SEC. 3713, AS
10 AMENDED, FROM THE ASSIGNMENT ESTATE.

18 (1) THE AMOUNT OF THE CLAIM ALLOWED AS A PRIORITY CLAIM
19 AHEAD OF CLAIMS OF OTHER UNSECURED CREDITORS UNDER THE FEDERAL
20 BANKRUPTCY CODE OF 1978, TITLE 11 OF THE UNITED STATES CODE, AS
21 AMENDED; OR

22 (2) THE AMOUNT ALLOWED AS A PRIORITY CLAIM AHEAD OF
23 CLAIMS OF OTHER UNSECURED CREDITORS UNDER APPLICABLE
24 NON-BANKRUPTCY LAW.

25 (g) AFTER THE DISTRIBUTIONS UNDER SUBSECTIONS (c), (d), (e),
26 AND (f) OF THIS SECTION, EACH CREDITOR SHALL RECEIVE A DISTRIBUTION
27 OF THE ASSETS OF THE ASSIGNMENT ESTATE IN THE FOLLOWING ORDER OF

1 PRIORITY:

2 (1) UNSECURED CLAIMS ENTITLED TO PRIORITY AHEAD OF CLAIMS
3 OF OTHER UNSECURED CREDITORS UNDER OTHER LAW; AND

4 (2) UNSECURED CLAIMS NOT ENTITLED TO PRIORITY.

5 (h) IF THE ASSETS AVAILABLE FOR DISTRIBUTION TO CLAIMS WITH
6 EQUAL PRIORITY UNDER SUBSECTION (g) OF THIS SECTION ARE
7 INSUFFICIENT TO PAY THE TOTAL AMOUNT OF THE CLAIMS WITH THAT
8 PRIORITY, EACH CREDITOR WITH A CLAIM WITH THAT PRIORITY SHALL
9 RECEIVE A PRO RATA DISTRIBUTION OF THE AVAILABLE ASSETS BASED ON
10 THE PROPORTION THE AMOUNT OF THE CREDITOR'S CLAIM BEARS TO THE
11 TOTAL AMOUNT OF THE CLAIMS WITH THAT PRIORITY.

12 (i) IF THE CLAIMS ENTITLED TO THE DISTRIBUTION UNDER
13 SUBSECTIONS (c), (d), (e), (f), AND (g) OF THIS SECTION ARE PAID IN FULL,
14 THE RESIDUE SHALL BE DISTRIBUTED TO ALLOWED CLAIMS EVIDENCED BY
15 A LATE-FILED PROOF OF CLAIM, OTHER THAN A LATE-FILED CLAIM
16 ALLOWED BY THE ASSIGNEE UNDER SECTION 5-22-111 (b)(2), AND, AFTER
17 THE ALLOWED CLAIMS EVIDENCED BY A LATE-FILED PROOF OF CLAIM HAVE
18 BEEN PAID IN FULL, AS PROVIDED IN THE ASSIGNMENT AGREEMENT.

19 (j) AN ASSIGNEE MAY MAKE INTERIM DISTRIBUTIONS AFTER
20 CONSIDERING FUTURE EXPENSES AND THE RESERVES FOR DISPUTED CLAIMS
21 ESTABLISHED UNDER SECTION 5-22-112 (c).

22 **5-22-116. Claim subordination.**

23 (a) A SUBORDINATION AGREEMENT IS ENFORCEABLE UNDER THIS
24 ARTICLE 22 TO THE SAME EXTENT THE AGREEMENT IS ENFORCEABLE
25 UNDER OTHER LAW.

26 (b) SUBJECT TO SUBSECTION (c) OF THIS SECTION, THE FOLLOWING
27 CLAIMS ARE SUBORDINATE TO A CLAIM OR INTEREST THAT IS SENIOR OR

1 EQUAL IN PRIORITY TO A CLAIM OR INTEREST REPRESENTED BY A SECURITY
2 OR OTHER EQUITY INTEREST IN THE ASSIGNOR OR AN AFFILIATE OF THE
3 ASSIGNOR:

4 (1) A CLAIM ARISING FROM RESCISSION OF A PURCHASE OR SALE OF
5 THE SECURITY OR OTHER EQUITY INTEREST;

6 (2) A CLAIM FOR DAMAGES ARISING FROM THE PURCHASE OR SALE
7 OF THE SECURITY OR OTHER EQUITY INTEREST; AND

8 (3) A CLAIM FOR REIMBURSEMENT OR CONTRIBUTION ALLOWED ON
9 ACCOUNT OF THE RESCISSION OR DAMAGE CLAIM.

10 (c) IF THE SECURITY IS COMMON STOCK OR ANOTHER COMMON
11 EQUITY INTEREST, A CLAIM SUBJECT TO SUBORDINATION UNDER
12 SUBSECTION (b) OF THIS SECTION HAS THE SAME PRIORITY AS COMMON
13 STOCK OR ANOTHER COMMON EQUITY INTEREST.

14 **5-22-117. Liability.**

15 (a) AN ASSIGNOR IS NOT PERSONALLY LIABLE FOR AN ACT OR
16 OMISSION BY THE ASSIGNEE.

17 (b) AN ASSIGNEE IS NOT PERSONALLY LIABLE FOR AN ACT OR
18 OMISSION BY THE ASSIGNOR.

19 (c) A REPRESENTATIVE DESIGNATED BY AN ASSIGNOR UNDER
20 SECTION 5-22-108 (b)(4) IS EXCULPATED TO THE SAME EXTENT AS A
21 PERSON ACTING ON BEHALF OF THE ASSIGNOR UNDER OTHER LAW HAD
22 THERE BEEN NO ASSIGNMENT, EXCEPT FOR AN ACT OR OMISSION
23 RESULTING FROM THE REPRESENTATIVE'S GROSS NEGLIGENCE OR WILLFUL
24 MISCONDUCT.

25 (d) A TERM OF AN ASSIGNMENT AGREEMENT RELIEVING THE
26 ASSIGNEE OF LIABILITY IS UNENFORCEABLE TO THE EXTENT THE
27 AGREEMENT RELIEVES THE ASSIGNEE OF LIABILITY FOR AN ACT OR

1 OMISSION COMMITTED IN BAD FAITH OR WITH RECKLESS INDIFFERENCE TO
2 THE PURPOSES OF THE ASSIGNMENT OR THE INTERESTS OF THE CREDITORS
3 OF THE ASSIGNMENT ESTATE.

4 (e) SUBJECT TO SUBSECTION (f) OF THIS SECTION, AN ASSIGNEE IS
5 PERSONALLY LIABLE FOR BREACH OF A FIDUCIARY DUTY UNDER SECTION
6 5-22-109 (a). IF THE ASSIGNEE IS LIABLE:

7 (1) THE ASSIGNEE IS PERSONALLY LIABLE TO A CREDITOR FOR AN
8 INDIVIDUALIZED HARM TO THE CREDITOR IF THE HARM IS NOT SHARED BY
9 ALL CREDITORS OR A CLASS OF CREDITORS; AND

10 (2) THE ASSIGNEE IS PERSONALLY LIABLE TO THE ASSIGNMENT
11 ESTATE FOR A HARM SHARED BY ALL CREDITORS OR A CLASS OF
12 CREDITORS.

13 (f) AN ASSIGNEE IS NOT LIABLE IF, IN THE PERFORMANCE OF THE
14 ASSIGNEE'S DUTIES AND EXERCISE OF THE ASSIGNEE'S POWERS, THE
15 ASSIGNEE RELIES IN GOOD FAITH ON:

16 (1) A RECORD OF THE ASSIGNOR;

17 (2) INFORMATION, AN OPINION, A REPORT, OR A STATEMENT
18 PRESENTED TO THE ASSIGNEE BY THE ASSIGNOR'S OFFICER OR EMPLOYEE,
19 A COMMITTEE OF THE ASSIGNOR'S BOARD OF DIRECTORS, AN INDEPENDENT
20 DIRECTOR OR MANAGER OF THE ASSIGNOR, OR ANOTHER REPRESENTATIVE
21 OF THE ASSIGNOR; OR

22 (3) INFORMATION, AN OPINION, A REPORT, OR A STATEMENT
23 PRESENTED TO THE ASSIGNEE BY ANOTHER PERSON THAT HAS BEEN
24 SELECTED WITH REASONABLE CARE BY OR ON BEHALF OF THE ASSIGNEE AS
25 TO A MATTER THE ASSIGNEE REASONABLY BELIEVES IS WITHIN THE OTHER
26 PERSON'S PROFESSIONAL OR EXPERT COMPETENCE.

27 **5-22-118. Assignee removal - successor assignee.**

5 (b) AFTER A REQUEST UNDER SUBSECTION (a) OF THIS SECTION OR
6 ON THE COURT'S INITIATIVE IN AN ACTION PENDING BEFORE THE COURT
7 UNDER SECTION 5-22-121, THE COURT MAY REMOVE AN ASSIGNEE:

13 (c) AFTER AN ASSIGNEE RESIGNS, OR IS REMOVED, DIES, OR
14 BECOMES INCAPACITATED, A SUCCESSOR ASSIGNEE PROVIDED FOR IN THE
15 ASSIGNMENT AGREEMENT BECOMES THE ASSIGNEE, UNLESS THE
16 SUCCESSOR ASSIGNEE IS NOT ELIGIBLE TO BE AN ASSIGNEE UNDER SECTION
17 5-22-104 (a) OR IS SUBJECT TO REMOVAL UNDER SUBSECTION (b) OF THIS
18 SECTION. A COURT SHALL APPOINT A SUCCESSOR ASSIGNEE IF:

19 (1) THE ASSIGNMENT AGREEMENT DOES NOT PROVIDE FOR A
20 SUCCESSOR ASSIGNEE; OR

21 (2) THE SUCCESSOR ASSIGNEE PROVIDED FOR IN THE ASSIGNMENT
22 AGREEMENT IS INELIGIBLE TO BE AN ASSIGNEE UNDER SECTION 5-22-104
23 (a) OR IS SUBJECT TO REMOVAL UNDER SUBSECTION (b) OF THIS SECTION.

24 (d) SUBJECT TO SECTION 5-22-117, AN ASSIGNEE THAT RESIGNS, OR
25 IS REMOVED, DIES, OR BECOMES INCAPACITATED, IS DISCHARGED FROM
26 THE ASSIGNEE'S DUTIES UNDER THIS ARTICLE 22 WHEN THE ASSIGNEE, OR
27 A REPRESENTATIVE OF A DECEASED OR INCAPACITATED ASSIGNEE:

1 (1) ACCOUNTS FOR AND TURNS OVER TO THE SUCCESSOR ASSIGNEE
2 ALL ASSETS OF THE ASSIGNMENT ESTATE; AND

3 (2) SUBMITS TO CREDITORS A REPORT SUMMARIZING THE RECEIPTS
4 AND DISBURSEMENTS MADE DURING THE SERVICE OF THE ASSIGNEE.

5 (e) SUBJECT TO AN APPLICABLE PRIVILEGE, A COURT MAY ORDER
6 AN ATTORNEY, ACCOUNTANT, OR OTHER PERSON THAT HAS INFORMATION
7 IN A RECORD RELATING TO THE ASSIGNMENT ESTATE OR THE ASSIGNOR'S
8 FINANCIAL AFFAIRS TO TURN OVER OR DISCLOSE THE RECORD TO THE
9 SUCCESSOR ASSIGNEE.

10 **5-22-119. Winding up.**

11 (a) ON COMPLETION OF AN ASSIGNEE'S DUTIES, THE ASSIGNEE
12 SHALL SEND A CREDITOR WHOSE CLAIM IS ALLOWED UNDER SECTION
13 5-22-111, AND NOT SATISFIED IN FULL, A FINAL ACCOUNTING SUFFICIENT
14 TO INFORM THE CREDITOR OF ALL MATERIAL ASPECTS OF THE ASSIGNMENT,
15 INCLUDING:

16 (1) A DESCRIPTION OF THE ACTIONS TAKEN BY THE ASSIGNEE
17 UNDER THE ASSIGNMENT;

18 (2) A SUMMARY OF THE ASSETS RECEIVED BY THE ASSIGNEE AT
19 THE COMMENCEMENT OF THE ASSIGNMENT AND THE ASSETS RECEIVED BY
20 THE ASSIGNEE DURING THE ASSIGNMENT;

21 (3) A SUMMARY OF DISBURSEMENTS MADE BY THE ASSIGNEE
22 DURING THE ASSIGNMENT FOR THE PURPOSE OF ADMINISTERING THE
23 ASSIGNMENT ESTATE, INCLUDING THE FEES CHARGED BY THE ASSIGNEE,
24 AND PAYMENTS TO PROFESSIONALS, FOR RENT, AND FOR BUSINESS
25 PURCHASES;

26 (4) A SUMMARY OF COLLECTIONS AND DISPOSITIONS OF ASSETS BY
27 THE ASSIGNEE;

3 (6) A DESCRIPTION OF ADDITIONAL WORK TO BE DONE BY THE
4 ASSIGNEE TO COMPLETE THE ADMINISTRATION OF THE ASSIGNMENT
5 ESTATE AND THE DISTRIBUTIONS UNDER SECTION 5-22-115; AND

6 (7) OTHER INFORMATION CONSIDERED REASONABLY NECESSARY
7 BY THE ASSIGNEE.

14 (c) IF THE FINAL ACCOUNTING DESCRIBES ADDITIONAL WORK
15 UNDER SUBSECTION (a)(6) OF THIS SECTION, THE ASSIGNEE SHALL
16 EXERCISE THE POWERS APPROPRIATE TO COMPLETE THE WORK.

5-22-120. Interstate matters.

18 (a) SUBJECT TO SUBSECTION (b) OF THIS SECTION, AN ASSIGNMENT
19 MADE UNDER THE LAW OF ANOTHER STATE MUST BE RECOGNIZED AND
20 ENFORCED ON AN ISSUE IF THE RESULT FOR THE ISSUE WOULD BE
21 SUBSTANTIALLY SIMILAR TO THE RESULT FOR THE ISSUE IF THE
22 ASSIGNMENT HAD BEEN MADE UNDER THIS ARTICLE 22.

23 (b) IF A CLAIM FOR WAGES, SALARIES, OR COMMISSIONS OR A
24 CLAIM OF A GOVERNMENTAL UNIT EXISTS IN ANOTHER STATE, FOR THE
25 PURPOSE OF DETERMINING THE PRIORITY OF THE CLAIM UNDER SECTION
26 5-22-115 (f)(2), THE ASSIGNEE SHALL USE THE AMOUNT ASSERTED OR
27 DETERMINED UNDER THE LAW OF THE OTHER STATE.

6 5-22-121. Court action.

12 (b) WITHOUT LIMITING THE RIGHTS OF THE ASSIGNEE OR A
13 CREDITOR OR OTHER INTERESTED PERSON TO REQUEST THE COURT TO
14 HEAR OR RESOLVE A MATTER UNDER SUBSECTION (a) OF THIS SECTION, ON
15 REQUEST OF THE ASSIGNEE, THE COURT MAY ISSUE AN ORDER RELATING
16 TO THE ADMINISTRATION OF THE ASSIGNMENT OR THE EXERCISE OF THE
17 ASSIGNEE'S POWERS AND DUTIES, INCLUDING AN ORDER FOR DISPOSITION
18 OF AN ASSET OR THE INCURRENCE OF AN OBLIGATION.

19 (c) ACCEPTANCE OF THE ASSIGNMENT BY THE ASSIGNEE
20 CONSTITUTES THE ASSIGNEE'S CONSENT TO THE JURISDICTION OF THE
21 COURT.

22 5-22-122. Ancillary assignee.

23 (a) SUBJECT TO OTHER LAW OF THIS STATE GOVERNING A PERSON
24 FROM ANOTHER STATE SERVING AS A FIDUCIARY IN THIS STATE, A COURT
25 OF COMPETENT JURISDICTION IN THIS STATE MAY APPOINT A PERSON
26 SERVING AS AN ASSIGNEE IN AN ASSIGNMENT IN ANOTHER STATE, OR THE
27 PERSON'S NOMINEE, AS AN ANCILLARY ASSIGNEE RELATING TO ASSIGNED

1 ASSETS LOCATED IN THIS STATE OR SUBJECT TO THE JURISDICTION OF A
2 COURT IN THIS STATE IF:

3 (1) THE PERSON OR NOMINEE WOULD BE ELIGIBLE TO SERVE AS AN
4 ASSIGNEE UNDER SECTION 5-22-104; AND

5 (2) THE APPOINTMENT FURTHERS THE PERSON'S POSSESSION,
6 CUSTODY, CONTROL, OR DISPOSITION OF AN ASSIGNED ASSET UNDER THE
7 ASSIGNMENT IN THE OTHER STATE.

8 (b) THE COURT MAY ISSUE AN ORDER THAT IMPLEMENTS AN ORDER
9 ENTERED IN ANOTHER STATE APPOINTING OR DIRECTING AN ASSIGNEE OR
10 OTHERWISE CONCERNING AN ASSIGNMENT IN THE OTHER STATE.

11 (c) UNLESS THE COURT ORDERS OTHERWISE, AN ANCILLARY
12 ASSIGNEE APPOINTED UNDER SUBSECTION (a) OF THIS SECTION HAS THE
13 RIGHTS, POWERS, AND DUTIES OF AN ASSIGNEE APPOINTED UNDER THIS
14 ARTICLE 22.

15 (d) A PERSON IN POSSESSION, CUSTODY, OR CONTROL OF AN
16 ASSIGNED ASSET IN THIS STATE, OTHER THAN A CREDITOR HOLDING A LIEN
17 OR A RIGHT OF SETOFF OR RECOUPMENT RELATING TO THE ASSET, SHALL,
18 ON NOTIFICATION IN A RECORD BY AN ANCILLARY ASSIGNEE APPOINTED
19 UNDER SUBSECTION (a) OF THIS SECTION, TURN OVER THE ASSET TO THE
20 ANCILLARY ASSIGNEE.

21 **5-22-123. Provisions variable by agreement.**

22 (a) EXCEPT AS PROVIDED IN THIS SECTION AND SECTION 5-22-110
23 (b), THE PROVISIONS OF THIS ARTICLE 22 MAY NOT BE VARIED BY
24 AGREEMENT.

25 (b) THE DUTIES UNDER SECTIONS 5-22-108 (a) AND 5-22-109 (a)
26 MAY NOT BE DISCLAIMED BY AGREEMENT. AN ASSIGNOR AND THE
27 ASSIGNEE MAY DETERMINE BY AGREEMENT THE STANDARDS MEASURING

1 THE FULFILLMENT OF THE DUTIES OF THE ASSIGNOR UNDER SECTION
2 5-22-108 AND THE ASSIGNEE UNDER SECTION 5-22-109 IF THE STANDARDS
3 ARE NOT MANIFESTLY UNREASONABLE.

4 (c) EXCEPT AS PROVIDED IN SECTION 5-22-117 (d), THE
5 ASSIGNMENT AGREEMENT MAY LIMIT THE ASSIGNEE'S LIABILITY UNDER
6 SECTION 5-22-117 AND MAY REQUIRE THE ASSIGNEE BE INDEMNIFIED BY
7 THE ASSIGNMENT ESTATE.

8 (d) EXCEPT AS PROVIDED UNDER SECTION 5-22-107 (a),
9 WHENEVER THIS ARTICLE 22 REQUIRES AN ACTION TO BE TAKEN WITHIN A
10 REASONABLE TIME, A TIME NOT MANIFESTLY UNREASONABLE MAY BE
11 FIXED BY AGREEMENT.

12 (e) THE ASSIGNMENT AGREEMENT MAY PROVIDE FOR DUTIES OF
13 THE ASSIGNEE IN ADDITION TO THOSE IN THIS ARTICLE 22.

14 **5-22-124. Uniformity of application and construction.**

15 IN APPLYING AND CONSTRUING THIS UNIFORM ACT, A COURT SHALL
16 CONSIDER THE PROMOTION OF UNIFORMITY OF THE LAW AMONG STATES
17 THAT ENACT IT.

18 **5-22-125. Relation to "Electronic Signatures in Global and**
19 **National Commerce Act".**

20 THIS ARTICLE 22 MODIFIES, LIMITS, AND SUPERSEDES THE FEDERAL
21 "ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT",
22 15 U.S.C. SEC. 7001 ET SEQ., BUT DOES NOT MODIFY, LIMIT, OR SUPERSEDE
23 SECTION 101 (c) OF THAT ACT, 15 U.S.C. SEC. 7001 (c), OR AUTHORIZE
24 ELECTRONIC DELIVERY OF ANY OF THE NOTICES DESCRIBED IN SECTION 103
25 (b) OF THAT ACT, 15 U.S.C. SEC. 7003 (b).

26 **5-22-126. Transitional provision.**

27 THIS ARTICLE 22 APPLIES TO AN ASSIGNMENT MADE ON OR AFTER

1 THE EFFECTIVE DATE OF THIS ARTICLE 22.

2 **SECTION 2. Act subject to petition - effective date.** This act
3 takes effect at 12:01 a.m. on the day following the expiration of the
4 ninety-day period after final adjournment of the general assembly (August
5 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
6 referendum petition is filed pursuant to section 1 (3) of article V of the
7 state constitution against this act or an item, section, or part of this act
8 within such period, then the act, item, section, or part will not take effect
9 unless approved by the people at the general election to be held in
10 November 2026 and, in such case, will take effect on the date of the
11 official declaration of the vote thereon by the governor.