

Annex G – Use of UCC-1 and Non-UCC Filings as Public and Private Notice

Methodology

1. Purpose

This annex explains the lawful and educational use of UCC-1 financing statements and private Non-UCC filings. It provides clarity on how these two forms of recordkeeping operate within their respective jurisdictions—public and private—so students understand the difference between lawful notice and private documentation.

2. UCC-1 Financing Statements – Public Notice

A UCC-1 financing statement is governed by Article 9 of the Uniform Commercial Code (UCC). It provides public notice that a secured party claims a security interest in specific property of a debtor. The filing does not itself create debt or liability; it merely publicizes an existing agreement or judgment.

Key Points:

- Filed with the Secretary of State in the appropriate jurisdiction.
- Carries public and legal effect as notice to other creditors.
- Must be supported by a valid underlying agreement or legally recognized obligation.
- Misuse can result in administrative rejection or penalties for fraudulent filing.

3. Non-UCC Filings – Private Record

A Non-UCC filing is a private record maintained within a trust, ledger, or fiduciary system. It is not filed with the Secretary of State and has no statutory or public effect. Its purpose is to document fiduciary activity, acknowledgment of claim, or internal trust accounting.

Key Points:

- Filed within private records or trust archives.
- Serves as an acknowledgment or private memorialization of a transaction.
- Holds no enforceable legal power against third parties.
- Can demonstrate diligence and good-faith recordkeeping when used appropriately.

4. Comparison Table

Type	Filing Location	Legal Effect	Educational Description
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UCC-1	Secretary of State	Public notice of security interest	Statutory notice; requires valid basis.
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Non-UCC	Private ledger / trust record	Private acknowledgment of claim	Educational or symbolic recordkeeping only.
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5. Complementary Use of Public and Private Records

In some educational or fiduciary contexts, both may be used to illustrate the mirror between

public and private notice systems:

- The Non-UCC filing documents internal fiduciary accountability.
- The UCC-1 gives public transparency of that accountability.

However, students must understand that only the UCC-1 has public effect; the Non-UCC record remains private evidence of diligence.

6. Lawful Caution

Filing liens or financing statements against individuals or officials without a valid judgment or contract is unlawful. Students should always verify the existence of a legitimate, enforceable obligation before any public notice filing. Private records, when kept honorably, are tools of transparency, not instruments of enforcement.

7. Educational Reflection

“A private record keeps the conscience clean; a public record keeps the world informed. One speaks to honor, the other to procedure. Both have meaning when truth sits between them.”

The goal is not to impose, but to document with integrity. True recordkeeping balances transparency with respect for law, ensuring every action remains in peace and compliance.