for infancy, insanity and imprisonment (District of Columbia Code, sec. 12–201). The proposed new section would not supplant this existing statute of 3 years, but would be an additional statute designed to eliminate uncertainty by fixing the date of the registration as the time for the starting of the statutory period and by eliminating tolling for any reason.

This proposed new section is applicable to claims which shall accrue prior to (as well as after) the effective date of the UCC in the District of Columbia. The period of 1 year between the enactment date and effective date is believed sufficient to give adequate notice of this aspect of the section and opportunity to take appropriate action.

The proposal is limited to actions brought in the District of Columbia. Corporations doing business in another jurisdiction could be there sued, and would not be entitled to plead in defense this proposed statute of limitations but could plead any statute of limitations enacted in that jurisdiction. However, this inability to give immediate complete relief to some corporations is no reason to deny complete relief to other corporations.

21. In subsection 9–103(2), add the following sentence: "For the purpose of determining the validity and perfection of a security interest in an airplane, the chief place of business of a debtor who is a foreign air carrier under the Federal Aviation Act of 1958, as amended, is the designated office of the agent upon whom service of process may be made on behalf of the debtor."

And add the following additional subsection to section 9–103:

"(5) Notwithstanding subsection (1) and section 9–302, if the office where the assignor of accounts or contract rights keeps his records concerning them is not located in a jurisdiction which is a part of the United States, its territories or possessions, and the accounts or contract rights are within the jurisdiction of this State or the transaction which creates the security interest otherwise bears an appropriate relation to this State, this article governs the validity and perfection of the security interest and the security interest may only be perfected by notification to the account debtor."

Comment of the editorial board

"American banks and other financing institutions have been called upon to make loans on the security of airplanes owned by foreign air carriers making regular flights to the United States and on the security of accounts receivable owed to foreign sellers of goods by account debtors in the United States. In both of these cases an appropriate relation exists to some State of the United States to afford an ample basis for jurisdiction but under the 1958 text of the code no adequate means was provided to achieve perfection.

"Under the Federal Aviation Act of 1958, foreign air carriers are required to designate an agent in the United States upon whom process may be served. The last sentence of subsection (2) provides that the office of the agent so designated for the service of process shall be the chief place of business of the foreign air carrier for the purpose of determining the validity and perfection of a security interest in airplanes. Thus for this limited purpose, a foreign air carrier so designating an agent is brought within the ambit of all the provisions of subsection (2).

"Foreign sellers making sales of goods to buyers in the United States on an open account basis may maintain one or more offices in the United States at which records of the accounts are kept. If so, subsection (1) applies and filing with respect to security interests in accounts of this type should be made in the State or States in which the foreign seller so keeps records. However, if the foreign seller does not maintain any office in the United States where records of accounts of this type are kept, then subsection (5) provides that a security interest in the accounts may only be perfected by notification to the account debtors. Notice of the assignment of an account or of the existence of a security interest or other notices ordinarily given in financing of this type should meet the requirements of notification."

The source of this proposal is New York.

22. In section 9–206, insert after "buyers" the words "or lessees"; after "by a buyer" the words "or lessee"; and after "seller" the words "or lessor".

Comment of the editorial board

"In view of the substantial growth in lease financing and the quite parallel application of problems dealt with by this section to both conditional sale contracts and leases, it is believed this section should be made applicable to leases as well as to more traditional purchase money security interests."