

JGO
RD

A BILL FOR AN ACT

To further amend title 21 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 3-15, 3-27, and 4-45, by adding a new section 231 to establish procedures for securing and perfecting liens on assets of the Corporation, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1 Section 1. Title 21 of the Code of the Federated States of Micro-
2 nesia is hereby further amended by the addition of a new section 231 to
3 read as follows:

4 "Section 231. Liens.

5 (1) The Board of Directors is hereby empowered to secure
6 its debts by the granting of a first lien on specified assets
7 of the Corporation. A first lien shall have priority over
8 all other liens against such assets whether derived by
9 contract, statute, common law or custom.

10 (2) A first lien shall be perfected by the filing of
11 the lien documentation with the Clerk of the Supreme Court
12 of the Federated States of Micronesia in the State in which
13 the asset is located.

14 (3) All subsequent creditors and lien holders shall be
15 conclusively deemed to have constructive notice of such lien
16 upon filing as set forth in subsection (2) of this section.

17 (4) The assets which may be pledged to secure debts of
18 the Corporation include all revenue of the Corporation, all
19 personal property and fixtures and real property to the
20 extent permitted by the laws of the Federated States of
21 Micronesia and the State in which the real property is
22 located."

23

24

25

JGO
RD

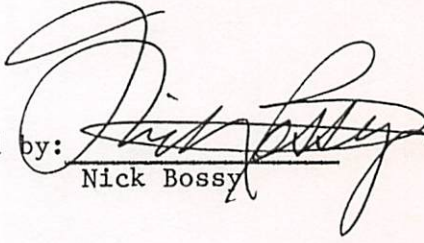
C.B. NO. 5-35

1 Section 2. This act shall become law upon approval by the
2 President of the Federated States of Micronesia or upon its becoming
3 law without such approval.

4

5 Date: 6/1/87

Introduced by:


Nick Bossy

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25