

Secured Sales

Sellers of products, such as inventory for resale or expensive and high-end machinery and equipment, can often improve their position with respect to both the customer and other creditors of the customer by obtaining a security interest in the products from customers, and following the necessary steps for the seller's protection. Because the legal requirements and corresponding documentation can be specific and complex, there are traps for the unwary that can result in potentially significant and costly ramifications for the seller. As a result, businesses require competent and proven legal counsel with extensive experience in this highly specialized area of practice.

For decades, Masuda Funai has been involved in the creation and enforcement of secured transactions under Article 9 of the Uniform Commercial Code in support of distribution and commercial agreements. Our firm has successfully executed a multitude of these transactions, across numerous industries. We can assist in straightforward secured sales and in more complicated and structured credit sales.

Even though security agreements can mitigate the risk of default — unfortunately, default continues to remain a part of doing business. In the event a customer does not perform on an agreement, our attorneys work quickly with clients advising them of their potential options, such as voluntary or involuntary recovery of the collateral. We are also involved in other enforcement efforts such as confirming our client's priority in the collateral, preparing demand letters, commencing or defending litigation, and, in the event of customer insolvency, representing the creditor in the customer's bankruptcy proceedings.