

**QUESTION 14 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK V
OR IN SOFTEST ANSWER SCREEN 14**

Over the past several years, Jane Dexter has purchased an exorbitant amount of computer and electronic equipment for her own personal use. On February 1, 2013, she purchased a Sharp 70 inch Smart HDTV from TV, Inc. to use in her home. Her mother, Sally Dexter, specifically lent Jane money for the purchase of the television. To evidence this loan, Jane signed a security agreement which stated:

Security Agreement

Sally Dexter loans \$2,500 to Jane Dexter for the purpose of purchasing a Sharp 70 inch Smart HDTV.

Jane Dexter agrees to make monthly payments of \$100 for the next 25 months.

Jane Dexter grants Sally Dexter a secured interest in the television.

If Jane Dexter fails to make payments, Sally Dexter has the right to take possession of the television.

Date: 2/1/13 Signed: Jane Dexter

Sally Dexter did not file a financing statement. Jane failed to make the February and March 2014 payments on the television.

On April 3, 2014, Neighborhood Bank took a valid security interest in all of Jane Dexter's computer equipment pursuant to a written security agreement, signed by Jane, and loaned her \$50,000.

Unrelated to the above transactions, on April 10, 2014, a judgment lien creditor had the sheriff levy on all of Jane's computer equipment and the television.

On April 18, 2014, Neighborhood Bank filed a financing statement pertaining to its interest in the computer equipment in the appropriate government office.

Sally Dexter and Neighborhood Bank dispute the right of the judgment lien creditor to take possession of the television and the computer equipment claiming that their security interests had priority.

1. Did Sally Dexter have a security interest in the television and, if so, was it perfected? Explain your answer.

2. Did Neighborhood Bank have a security interest in the computer equipment and, if so, was it perfected? Explain your answer.

3. As between the parties, who has the superior claim with regard to the television and the computer equipment? Explain your answer.

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