<u>Alternative Perfection Problem</u>

Decor, Inc., a Delaware corporation, operates a retail store in Chicago. Decor sells decorative items for the home.

In August 2011, Decor bought 175 lamps for its inventory on credit from Larry's Lamps. The lamps were retained in Larry's warehouse for later delivery to be directed from time to time by Decor. Decor properly completed and authenticated a sales contract combined with a security agreement, granting Larry's a security interest in the lamps. Larry's, however, neglected to file a financing statement.

In September 2011, Sam bought 75 lamps from Decor to be delivered to Sam directly from Larry's warehouse. The 75 lamps were identified and put in a separate section of the warehouse. Sam paid Decor for the lamps. Decor used the proceeds of the sale to pay some preexisting debts. Decor defaulted on its obligations to Larry's, though, so Larry's refused to deliver the 75 lamps to Sam.

Sam demands that Larry's deliver the 75 lamps to him.

Does Larry's have a valid and perfected UCC-9 security interest enforceable against Sam? Explain fully.