

Secured Transactions

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Required Texts: Del Duca, Gutman, Miller, Winship, & Henning, *Secured Transactions Under the Uniform Commercial Code* (Anderson 2002)
ISBN: 1-58360-758-7

Selected Commercial Statutes for Secured Transaction Courses (most current edition) (Thomson-West)
ISBN: 978-0-314-18075-9

A Note about Article 9 and the Casebook:

In 1999, the National Commissioners on Uniform State Laws (NCUSL) and the American Law Institute (ALI) promulgated Revised Article 9. They proposed a delayed effective date of July 1, 2001, to allow states time to consider and enact it. In 1999, no one thought all states would enact Revised Article 9 by July 1, 2001. Therefore, the assumption was that some states would have “old Article 9” and some states would have “new Article 9”, and as a consequence, some teachers would want to teach old as well as new Article 9. The result of this assumption is that your casebook throughout references both former and revised Article 9 code sections. Citations to Revised Article 9 (“new article 9”) are in bold print, followed by the analogous section from former Article 9 in brackets. The same approach is utilized for the recently revised Article 1. As is turned out, all states did enact Revised Article 9 by July 1, 2001, but the system of dual citation is still useful when reading cases which predate the enactment of the statutory revision.

Because Revised Article 9 is the law in all states, this course focuses on Revised Article 9. Therefore, unless otherwise noted, syllabus references to Article 9 are to Revised Article 9. Former Article 9 [“pre-revision Article 9”] is no longer included in your code book, but there is a “Table of Disposition” to aid you in correlating the old and the revised provisions.

Evaluation and Grading

Your performance in this class will be graded upon a 3-hour written open book examination.

Course Outline

Chapter I

1. The World Without a System for Recording Personal Property Encumbrances, pp. 1-12
 - A. Limitation of Capital Foundation
 - B. Evolution of Security Devices
2. Introduction to Article 9 of the Uniform Commercial Code, pp. 13-15
3. Generating Working Capital By Creation of an Attached and Enforceable Security Interest, pp. 16-25

Chapter II

1. Setting up a Secured Loan Transaction pp. 29-36
 - A. Documenting a Secured Transaction
 - B. Model Documents: Demand Note, Security Agreements, Financing Statement
2. General Scope of Article 9, pp. 37-64
 - A. Inclusions
 - B. Exclusions
3. Expansion of the Scope of Article 9, Types of Collateral, pp. 65-69
(omit Sec. 4, pp. 69-71)
4. Requirements for Attachment and Enforcement of Security Transactions, pp. 72-75.
Read *Standard Foundry Products* (Supplement)
5. Is a Separate Security Agreement Required?, pp. 76-87
6. Drafting the Security Agreement, pp. 88-95
7. More on Attached and Enforceable Security Interests, pp. 96-103
Read *Graphic Resources* (Supplement)

Chapter III

1. Default – Cumulative and Simultaneous Remedies, pp. 109-116
Read *Sniadach* (Supplement) and *D.H. Overmyers Co.* (Supplement)
2. Repossession - Breach of the Peace and Other Limitations on Self-Help Repossession, pp. 117-126
Read *Ford Motor Credit* (Supplement) and *George Adams* (Supplement)
3. Disposition Following Repossession, pp. 127-138
4. Commercially Reasonable Disposition, pp. 139-148
Read *Beneficial Finances* (Supplement)

Chapter IV

1. Perfection, pp. 152-161
 - A. An Overview
 - B. Methods of Perfection
 - (1) Filing
 - (2) Possession
 - (3) Automatic
 - (4) Control
 - C. Required Filing and Exceptions
2. Priorities
 - A. An Overview, pp. 161-162
 - B. Types of Third Party Claimants, pp. 163-166
 - (1) Unsecured Creditor v. Debtor
 - (2) Judgment Creditor v. Debtor
 - (3) Lien Creditor v. Unperfected Security Interest
 - (4) Trustee in Bankruptcy
 - (5) Lien Creditor by Operation of Law
 - C. First to File or Perfect Rule, pp. 166-174
 - D. Buyer of Collateral Out of Inventory, pp. 174-175
 - E. Consumer Buyer of Consumer Goods, pp. 175-176
 - F. Where to File, pp. 177-180
 - G. What to File-Contents of Financing Statement, pp. 181-182
 - H. Procedure for Continuing Perfected States in Proceeds, pp. 182-183
 - I. Perfecting a Security Interest in Motor Vehicles: Certificates of Title, pp. 183-189
 - J. Fixtures, Accessions, and Commingled Goods, pp. 190-203

Chapter V

1. Bankruptcy, An Overview, pp. 206-207
2. The Automatic Stay, pp. 208-210
Read *Jason Davis* (Supplement) and *Nita Smith* (Supplement)
3. Avoidance Powers – The “Strong-Arm” Clause, pp. 211
4. Avoidance Powers – Preferential Transfers, pp. 212-215
Read *Louis Levit* (Supplement)

5. The Timing of the Transfer, pp. 215-216
6. Exceptions to the Trustee's Power to Avoid Preferences, pp. 217-221