

SECURED TRANSACTIONS

Laws 615

PROFESSOR JONES HAVARD

FALL 2024

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Class Schedule:

Tuesday and Thursdays, 2:30 pm – 4:05 pm

Room 389

Office Hours

Wednesdays, 11:00 a.m. – 12:30 p.m.

Thursdays, 10:45 a.m.-12:00 p.m.

SYLLABUS

Required Texts:

- JAMES BROOK; KEITH ROWLEY. *PROBLEMS AND CASES ON SECURED TRANSACTIONS*. (4th Edition 2024).
- COMMERCIAL LAW STATUTORY SUPPLEMENT containing UCC Article 9 and its official comments. You may use any version of a commercial statutory supplement that contains the 2010 amendments to UCC Article 9 as well as the Bankruptcy Code.
- SECURED TRANSACTIONS (LAWS 615) COURSE MATERIALS, available on TWEN at Secured Transactions, Spring 2022 ("Course Materials").

Assigned cases and supplemental readings posted on webpage. **You will need your textbook and a copy of the UCC readily accessible during each class.**

Recommended Supplemental Text

James Brook, *Secured Transactions: Examples & Explanations* (6th ed. 2014).

Course Description: An analysis of secured transactions under Article 9 of the Uniform Commercial Code. Topics to be considered include creation, perfection and priority of security interests; the impact of bankruptcy on secured transactions; and default foreclosure.

Scope of Course: Secured Transactions is a statutory course. In dealing with any statute, it is very important to understand the statute's scope or coverage. This course surveys the law applicable to secured transactions in personal property. This body of law includes primarily Article 9 of the Uniform Commercial Code ("UCC"), the Federal Bankruptcy Code, and miscellaneous state laws. The main goal of the course is to acquaint students with the fundamentals of Article 9 of the UCC. The major subjects that will be explored in this course include: the scope of Article 9, the creation of security interests (attachment), the perfection of security interests, the priority of security interests, default and the foreclosure process, and the treatment of security interests in bankruptcy. In a few instances, the law will vary by jurisdiction. When that happens, I will highlight how South Carolina law differs.

Student Learning Outcomes: At the end of the course, successful students will understand:

- Distinguish which body of substantive law applies to secured transactions.
- Critically read and apply commercial law statutes.
- Understand how to create a legally enforceable security interest.
- Understand how to perfect a security interest.
- Understand how to analyze the priority of a security interest.
- Understand how to enforce a security interest.
- Understand the commercial and policy justifications for rules in UCC Article 9.
- Understand how security interests are treated in bankruptcy.
- Acquire knowledge and skills necessary for law practice in commercial financing.

Course Materials: The primary reading materials for this course are the Brook and Rowley textbook, UCC Article 9 and its official comments and the Bankruptcy Code. Additional handouts and supplemental course materials will also be on the course website.

Course Web Site: You must register as course participants on our web site, which is listed under my name on The West Education Network <http://lawschool.westlaw.com/twen> (no password required). On the TWEN page there

are links to this syllabus, the Reading Assignments, and other class materials. This is where the course “lives.” You are responsible for self-enrolling on the TWEN page and for checking it regularly for course information.

Class Attendance: Class attendance is a primary obligation of each student. The right to continued enrollment in the course and to take the examination is conditioned upon a record of satisfactory attendance. You are expected to be on time, and you will be required to sign an attendance sheet for every class. If you do not sign the attendance sheet, you will be counted as absent. If you arrive to class more than 10 minutes late, you may **not** sign the attendance sheet. In that case, you will be counted as absent (though you may, and should, stay for class). You may not sign the attendance sheet for anyone else. You are entitled to 6 absences per semester. Your grade may be lowered based on excessive class absences.

Preparation and Participation: This class relies on everyone “arriving” fully prepared to participate in the day’s discussion and exercises. Getting answers wrong is entirely forgivable. Failing to read and prepare the day’s assignment is not. “Prepared” means you have read the work assigned, briefed the relevant cases, carefully analyzed the rules mentioned in the readings, and looked up any words or terms in the readings that you did not understand. You must read the statutory provisions. Skimming a statutory provision to “get the gist of it” will not work. You will need to read and think about every word, because that’s what lawyers have to do to be successful. On average, you should spend two hours preparing for each class.

Professionalism also requires that you engage in respectful and civil dialogue in writing, in discussions during class, and in debates and conversations. These are professional norms as well. A lawyer who fails to show up in court or who shows up unprepared, can not only lose the case, but may also be fined, disciplined, or sued. I retain the discretion to reward strong class participation by raising your grade one-half step; or to penalize weak class participation by reducing your grade by one-half step.

READ THE STATUTE. In preparing for class, you should read the statutory provisions and official comments carefully. Do not rely upon descriptions of the statute in the casebook.

This is a problem-based course that will require you to apply the UCC. Your preparation and participation are essential to your success in the course. You are responsible for reading the assigned materials and analyzing the assigned problems. You will need a UCC with comments. During class, your textbook, notes and the Code should be readily accessible. I suggest you have a hard copy of the statute so that you can underline, circle, write comments in it as we progress through the materials because as noted above, the UCC is the only item you are allowed to bring into the final exam.

After the first class, I will assign students to be "on call" to present material, analyze hypotheticals and discuss cases. Although some students may be designated as "on call," I expect all students to come to class prepared to participate in the discussion or activities taking place.

Final Exam and Grades: The final exam will be three hours in length. It is closed book, but you may bring a copy of the UCC, which may have any markings that are in your handwriting. The exam will have both multiple choice and essay style questions. Your final grade will be based on a midterm take home problem (10%), a final exam, which is closed book, except you are permitted to bring in the UCC, (90%). Other learning activities may be available for extra credit up to (10%). Both the midterm and final examinations will test your knowledge of the subjects covered in this course, by requiring you to identify, interpret and apply relevant sections of Articles 9, and the Bankruptcy Code to factual scenarios and to reach conclusions or make predictions.

Course Expectations: American Bar Association Accreditation Standards establish guidelines for work students should expect to complete for each credit earned. Students should expect approximately one hour of classroom instruction and two hours of out-of-class work per week for each credit earned in a class, or an equivalent amount of work for other academic activities, such as simulations, externships, clinical supervision, co-curricular activities, and other academic work leading to the award of credit hours.

Enrichment Sessions: Secured Transactions is a course that requires you to build on the knowledge that you learn. To encourage ongoing review and assist you with organizing your study materials, I will post additional optional, review problems on the TWEN site for each module. I will hold study sessions, which are also optional, to discuss the problems. These sessions are elective, and you will not be tested specifically on the optional problems.

Use of the Internet during Class: You are about to become part of a profession and need to understand the importance of discretion and self-discipline. For this reason, I will not prohibit the use of laptops in the classroom. I will admonish you that your '*focused self*' will be pretty upset with your '*distracted self*' if you choose to split the screen between class and Netflix because your final grade will reflect that choice. I'm just saying...

Class Cancellation: If I must cancel a class, you will receive an email notice.

Academic Integrity: You are expected to practice the highest possible standards of academic integrity. Any deviation from this expectation will result in a minimum academic penalty of your failing the assignment and will result in additional disciplinary measures. This includes improper citation of sources, using another student's work, and any other form of academic misrepresentation.

The first tenet of the Carolinian Creed is, "I will practice personal and academic integrity."

Below are some websites for you to visit to learn more about University policies:

[Carolinian Creed \(http://www.sa.sc.edu/creed\)](http://www.sa.sc.edu/creed)

[Academic Responsibility \(http://www.sc.edu/policies/staf625.pdf\)](http://www.sc.edu/policies/staf625.pdf)

[Office of Student Conduct and Academic Integrity](https://www.sa.sc.edu/academicintegrity/)

[\(https://www.sa.sc.edu/academicintegrity/\)](https://www.sa.sc.edu/academicintegrity/)

[Information Security Policy and Standards](https://sc.edu/about/offices_and_divisions/division_of_information_technology/security/policy/universitypolicy/)

[\(https://sc.edu/about/offices_and_divisions/division_of_information_technology/security/policy/universitypolicy/\)](https://sc.edu/about/offices_and_divisions/division_of_information_technology/security/policy/universitypolicy/)

Plagiarism: Using the words or ideas of another as if they were one's own is a serious form of academic dishonesty. If another person's complete sentence, syntax, key words, or the specific or unique ideas and information are used, one must give that person credit through proper citation.

Class Conduct: Professionalism will be expected at all times. Because the university classroom is a place designed for the free exchange of ideas, we must show respect for one another in all circumstances. We will show respect for one another by exhibiting patience and courtesy in our exchanges. Appropriate language and restraint from verbal attacks upon those whose perspectives differ from your own is a minimum requirement. Courtesy and kindness is the norm for those who participate in my class.

Diversity and Inclusion: The University of South Carolina is committed to a campus environment that is inclusive, safe, and respectful for all persons, and one that fully embraces the Carolinian Creed. To that end, all course activities will be conducted in an atmosphere of friendly participation and interaction among colleagues, recognizing and appreciating the unique experiences, background, and point of view each student brings. You are expected at all times to apply the highest academic standards to this course and to treat others with dignity and respect. This course works to foster a climate free of harassment and discrimination, and it values the contributions of all forms of diversity.

Title IX Sexual Misconduct and Nondiscrimination Policy: The University of South Carolina's Sexual Misconduct and Nondiscrimination policy is compliant with Federal laws prohibiting discrimination. Title IX requires that faculty, student employees and staff members report to the university any known, learned or rumored

incidents of sex discrimination, including sexual harassment, sexual misconduct, stalking on the basis of sex, dating/intimate partner violence or sexual exploitation and/or related experiences or incidents. Policies and procedures related to Title IX and the university's nondiscrimination policies can be found at:

https://sc.edu/about/offices_and_divisions/civil_rights_title_ix/policies_and_procedures

Disability Services: The Student Disability Resource Center (SDRC) empowers students to manage challenges and limitations imposed by disabilities. If you are a student with a documented disability who requires an academic accommodation, please provide [SDRC Student Disability Resource Center \(http://www.sa.sc.edu/sds/\)](http://www.sa.sc.edu/sds/): with the documentation requesting accommodation. Students with must register with the Student Disability Resource Center (1705 College Street, Close-Hipp Suite 102, Columbia, SC 29208, 803-777-6142).

Copyright/Fair Use Statement: I will cite and/or reference any materials that I use in this course that I do not create. You, as students, are expected to not distribute any of these materials, resources, quizzes, tests, homework assignments, etc. (whether graded or ungraded).

Advice for Studying: Many lawyers and some academics think of UCC Articles 2 and 2A as advanced contracts. While that is an appropriate moniker, there are substantial differences between the two, which is why there is a separate course devoted to the subject. The UCC is both user-friendly and complicated at the same time because there are inter-related concepts and inter-locking doctrines. Keeping current with the reading and regular review of the material is critical. If you wait until the exam to learn the material, you will struggle. Moreover, you will not have a working knowledge of how to apply the rules in a particular situation. The problems are designed to help you master the rules in a real-life context. My job is to help you learn; I will not "hide the ball." However, you will not learn Sales and Leases simply by listening to me or reading the casebook. You must interact with the materials -- the problems, the casebook, the CALI exercises, the statute, and the comments -- and build your understanding section by section.

Law School In-House Wellness Appointments: Law school is a challenging endeavor. Undoubtedly, in our current environment, social and public health concerns may cause further stress. You should not feel like you must navigate these life challenges alone. As a U of SC Law student, you have access to the *Wellness & Counseling* Program, which provides a licensed professional in-house counselor, Abbe DeBorde, Room 126A, 777-5926, DEBORDAK@mailbox.sc.edu.

Gamecock Pantry: No member of the U of SC community should experience hunger. The University of South Carolina Gamecock Pantry provides members of the Carolina community with access to food and toiletries in a free and confidential way while creating awareness about

food insecurity at Carolina. Any student in need, with a valid Carolina Card, can receive food by filling out a confidential registration form at the pantry located at McBryde Quadrangle A, 1309 Blossom Street.

READING ASSIGNMENTS— posted on TWEN.

Disability Services: The Student Disability Resource Center (SDRC) empowers students to manage challenges and limitations imposed by disabilities. If you are a student with a documented disability who requires an academic accommodation, please provide [SDRC Student Disability Resource Center \(http://www.sa.sc.edu/sds/\)](http://www.sa.sc.edu/sds/): with the documentation requesting accommodation. Students with must register with the Student Disability Resource Center (1705 College Street, Close-Hipp Suite 102, Columbia, SC 29208, 803-777-6142).

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READING ASSIGNMENTS— posted on TWEN.