SECURED TRANSACTIONS
Spring 2016 - Wednesday 8:10 - 10:00 am
Hofstra Law School • Kushner Hall Rm. 243
Adjunct Professor Marc L. Hamroff

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1 Coursebook: Problems and Materials on Secured Transactions, 3rd Ed. Rusch & Sepinuck (West Press)
2 Selected Commercial Statutes For Secured Transactions 2016
3 Agreement Binder (To be supplied at first class)

Syllabus as of December 2015
Updates will be posted on the Website

Goal of the Problem-Solving Method

The course will address a wide variety of commercial transactions essential to a student contemplating a career in commercial law including creditors rights, bankruptcy, securities, commercial and real estate lending, finance and business litigation. A primary focus of the course will be UCC Article 9 but will also include the interplay between Article 9 and the bankruptcy laws, other state and federal created liens (both statutory and judicial) and other types of financing structures. The nature of these topics will expose students to real life commercial transactions including problem solving and strategy decision practitioners must make in litigating and structuring these business arrangements.

This course is designed for you to learn a statutory scheme that regulates security interests in personal property (Article 9 of the Uniform Commercial Code (UCC)). The legal rules are not a mystery, they are printed right in the statute book. The critical learning is to understand how the statutory provisions apply to particular factual scenarios, the alternative arguments that can be made about how they apply, and the consequences of the various arguments. We do this through evaluation of the problems in the course book and related hypothetical scenarios that will be developed as a result of class discussion.

In addition, because the UCC is part of a comprehensive scheme of rules regarding particular transactions, it is important to understand how the provisions of the UCC work together. In that respect, the course is a building block course. What we learn each day will be relevant to what we learn in every other day.

This problem-solving method replicates in significant part the work of practicing lawyers. Lawyers are confronted with factual scenarios and must identify and investigate the legal rules relevant to those scenarios. Lawyers then consider how the relevant legal rules may be applied to that factual scenario. In doing so, lawyers must be able to deal with a great deal of uncertainty and creativity, that is, a lawyer must have the ability to imagine new arguments regarding how to
apply legal principles to typical scenarios and innovative applications of settled law to new types of scenarios.

The following requirements for class preparation and attendance are designed to help achieve the goals related to this style of learning.

**Class Preparation**

I expect students to be prepared for class. Adequate preparation requires reading and analyzing all relevant statutory sections and comments as well as the material in the textbook. We will focus on the problems during class discussion.

To use the textbook most effectively: (i) read the textual material; (ii) read the cited statutory sections and the official comments, and (iii) analyze the problems. You will find that as you analyze the problems, you will have to go back through the textual material, cases, statutes, and official comments repeatedly in order to identify the relevant issues and construct your analysis.

**Final Examination**

The final examination for this course will be given during the exam period at the end of the semester and will be open book. You will be allowed to bring into the examination the casebook, the statute book, and your own notes/outlines. You will be allowed to use the approved software for typing your examination answers if available at Hofstra. Other than as allowed by the approved software for typing your examination answers, you will not be allowed access to any other electronic device.

**Grading**

Subject to rules imposed for blind grading and/or curves, the final examination will be worth 80% of the final grade for the course. Class participation will be worth 20%.

**Assignments**

The following is the tentative schedule of assignments for the class; page numbers refer to the textbook. We may move faster or slower than these specific assignments.
Read any referenced statutes and commentary from the Selected Commercial Statutes book as necessary to provide a thorough analysis of the assigned problems.

<table>
<thead>
<tr>
<th>Date</th>
<th>Class No.</th>
<th>Topics/Issues</th>
<th>Required Reading Material Pages/ Problems</th>
<th>Statutes</th>
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</thead>
<tbody>
<tr>
<td>W 1/13</td>
<td>1</td>
<td>Overview: (1) the context in which debtor-creditor relationships arise, (2) the difference between secured and unsecured creditors, (3) the reality that some creditors are not timely paid what they are owed, (4) the basic creditor collection remedy which is known as &quot;execution&quot; and the rights of &quot;statutory liens&quot;, (5) the difficulties facing creditors when debtors do not voluntarily pay their debts, (6) fraudulent transfers, and (7) pre-judgment remedies.</td>
<td>Pgs. 1-43; Problem 1-3</td>
<td>NY Lien Law §§80, 151, 160, 180, 184; CPLR §§5201, 5202, 5203, Articles 62-65, 270 et. seq. and Bky Cod 548.</td>
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<tr>
<td>W 1/20</td>
<td>2</td>
<td>Nature of Security Interest: What is a Security Interest? Focus on the conflicting rights of secured and unsecured creditors, equitable remedies and protection of credit; introduction to basic working definitions.</td>
<td>Pgs. 45-64; Problem 2-1; Chart Appendix annexed.</td>
<td>1-201(b)(35); 9-102(a)</td>
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<tr>
<td>W 1/20</td>
<td>2</td>
<td>Attachment: Authenticated Security Agreement. We will look at creating a security agreement, discuss authentication and granting of collateral interests.</td>
<td>Pgs. 65-67; Problems 2-4; 2-6</td>
<td>9-203(a)(b); 9-203(b)(3)</td>
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<td>W 1/27</td>
<td>3</td>
<td>Attachment: Description Requirement. How collateral interests are adequately described and introduce the concept of After Acquired property (a key provision in major financing deals) and Proceeds; we also touch Value and Rights in the Collateral although most information can be obtained from the written materials.</td>
<td>Pgs. 75-80; 89-102; Problems 2-11; illustration p. 93; 2-19</td>
<td>9-203(b)(1); 9-203(b)(3)(A); 9-504(2); 9-102(a)(28); 9-108(b)</td>
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<tr>
<td>W 1/27</td>
<td>3</td>
<td>Equipment Leases and Other Forms of Personal Property Financing. We focus on the differences between leasing personal property assets and taking a security interest in those assets. Understanding the inter-play of the Continued - bankruptcy trustee as hypothetical lien creditor.</td>
<td>Pgs. 107-122; Problems 2-22; 2-25</td>
<td>In re Lee H. Purdy, US App Lexis 15586 (6th Cir. 8/14/2014) 9-109(a)(1); 1-201(37); 2A-103(j); 1-203(b); 2A-214</td>
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<tr>
<td>W 2/3</td>
<td>4</td>
<td>Equipment Leasing and Consignments; three party finance leases, purchase options and the impact on the distinction between leases and secured loans.</td>
<td></td>
<td>9-505; 2A-2-103(1)(g); 1-201(b)(35); 9310(a)</td>
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<tr>
<td>W 2/3</td>
<td>4</td>
<td>Perfection: The bedrock of Article 9. We will look at the financing statement; authorization; collateral description; secured creditor's names; impact of perfection on bankruptcy trustees and judgment creditors; perfection by filing.</td>
<td>Pgs. 223-236; 241-247 Problems 4-3; 4-7</td>
<td>In re Motors Liquidation, 2014 Del. Lexis 491 (Sup. Ct., 10/17/2014) 9-308, 9-310, 9-502, 9-503, 9-102(a)(39); 9-521; 9-506</td>
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<tr>
<td>W 2/3</td>
<td>cont'd 4</td>
<td>Alternative Methods of Perfection; Perfection by possession or control; title certificates.</td>
<td>Pgs. 248-260 Problems 4-10; 4-11; 4-14</td>
<td>9-312(b); 9-301-306, 307</td>
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