

SYLLABUS AND COURSE POLICY STATEMENT

Revised 10 July 2006

I. Objectives

The purpose of this course is to expose the student to the principal doctrines upon which commercial law is based and particularly the mercantile notions embodied in the doctrine of negotiability. Although it focuses on commercial paper, the bank collection process, and funds transfers, related aspects of personal property, secured transactions, letters of credit, and documents of title are incidentally covered. The theme of the course is the process by which sound commercial jurisprudence evolves.

II. Materials

Materials to be used for class are:

(a) Case Materials

The case materials are contained in available in an edited compilation, Byrne, *Negotiability* (2004) supplemented by an Appendix and Virginia Statutory Supplement on CD Rom that is available with the book. From time to time useful supplementary materials will also be placed on reserve as announced.

(b) Statutes

It will be necessary to use the Model UCC on a daily basis as well as a number of commercial statutes. These are available in either the West or Foundation Commercial Statutes. You will need a copy of the current Model Code containing both the 2002 revision and the prior (1990) version. Any edition after 2003 is satisfactory.

(c) Supplementary Materials

There are a number of treatises, study aids, and professional tools available to assist your understanding of UCC Articles 3, 4, 4A, 5, and 7. There is a useful hornbook by Miller and Harrell, *The Law of Modern Payment Systems*. The other principal sources are White & Summers, *Uniform Commercial Code* (5th Ed. 1995), C. Weber & R. Speidel, *Commercial Paper* (latest edition), and B. Stone, *UCC in a Nutshell* (latest edition). A basic introduction is contained in *The ABCs of the UCC: Articles 3 & 4* which the instructor will order for any interested students from the American Bar Association at a group discount.

III. Grades, Examination, & Method of Evaluation

Grades will be based upon a final examination that will contain multiple choice and essay questions. It will be given in two parts. The same examination will be given to the Day and Evening sections which, for that reason, will be synchronized in their coverage of material. Because of the difficulty of the course, every effort will be made to give every student who demonstrates a command of the material the highest possible grade.

The examinations will be given as follows:

Exam 1: Saturday 23 September 2006 from 12:00 noon to 1:30 p.m.

Exam 2: Saturday 21 October 2006 from 12:00 noon to 1:30 p.m.

Note: the times are tentative and subject to confirmation by the Assistant Dean.

The examination will (1) fairly reflect the material treated in the course; (2) test skills of organization of facts, analysis of issues, and their resolution; (3) test theoretical knowledge; practical skills and the ability to address specific problems in a successful manner; and (4) test ability to function under time pressure. It may contain a multiple choice segment but in no event will that segment constitute more than one half of the examination.

Where a problem is given, a superior answer will not only state applicable rules and identify issues but will apply the rules to the issues in the context of the factual problem to obtain a resolution.

The examination will require familiarity with proposed, prior and current Articles 1, 3 and 4 of the Uniform Commercial Code as well as assigned sections of Articles 4A, 5, and 7 and state and federal statutes from the statutory supplements, especially those relating to credit cards. In addition, students will be responsible for material addressed in class, handouts, outside assignments, and casebook assignments, whether or not discussed in class.

Materials Permitted to be Taken into Examination

Only the following materials may be taken into the examination: the published selection of commercial statutes, statutory supplements and other statutory handouts. In order to facilitate consultation to these statutes, a photocopy of the Table of Contents of the statutes may be brought in a form physically separate from the bound book.

These materials may be annotated. "Annotated" means the emphasis of certain portions of the material or its explanation by cross-references to other statutory or regulatory provisions, by a comment or gloss, or by reference to a case or hypothetical. The focus of the annotation should be on the meaning of the particular provision or section being annotated.

The insertion in the statutory material of outlines, extensive lists of questions and answers, or general commentary does not constitute an annotation which may be used on the examination.

No other materials may be used.

Questions Regarding the Examination

Any questions regarding the meaning or interpretation of this policy must be given to the instructor in writing so as to avoid confusion and all answers (as well as questions) will be publicly posted and sent by email to email addresses provided. So as to permit all students to benefit from this process, the deadline for such questions is the end of the day on Thursday 21 September and Thursday 19 October.

IV. Class Schedule, Participation, Cancellations & Outside Assignments

To provide students with an opportunity for intense focus on each of the two units of the course, the classes will be scheduled in two intense units followed by an examination. BEFORE ENROLLING, STUDENTS SHOULD REVIEW THE SCHEDULE. The effect of the schedule is to front load the course and to hold the last class by 18 October, permitting students to focus on other courses and papers.

In the event of unanticipated class cancellations, the accelerated schedule may require that make-up classes be held. If so, they will be scheduled on Saturdays at 9:30 a.m.

It is expected that students will be regularly prepared for class as part of the attendance requirements. Preparation includes the completion of any class assignments.

V. Notices

All notices will be sent to students by email via TWEN. The course will be registered on TWEN. All students are required to register on TWEN and provide a current and accurate email address. If a student is unable to access email, special arrangements for notices must be made directly with Professor Byrne.

VI. Attendance

A seating chart will be circulated at the first class. Please select a seat. Attendance will be taken at the beginning of each class based on this chart. Any student not seated in the seat selected will be marked absent. Anyone coming to class after attendance has been taken is responsible after class for advising the instructor of his or her presence by email. At the discretion of the instructor, an attendance sheet may be circulated for signature in which case only the student named may indicate his or her presence by signing. Signing for another student who is not present may constitute a violation of the Honor Code.

The maximum number of absences permitted under applicable Law School rules will be allowed for this course. There is no need to advise the Instructor of an absence.

Students may attend either the day or evening session of the class, but are responsible for having their attendance noted if they attend a session other than the one for which they are enrolled.

Where Law School rules permit an alternative assignment in lieu of attendance for a percentage of classes, a student seeking such an alternative must apply to the Instructor in writing, setting forth the reason for the request. Agreement to such an alternative assignment will only be made in writing by the Instructor.

VII. Office Hours and Individual Appointments

Professor Byrne warmly welcomes any questions relating to the course or otherwise. He will be available regularly for office hours during the following times:
20 minutes before and after class.

If these times are inconvenient, he is available by appointment. His email address is jbyrne@iiblp.org.

VIII. Topics to be Studied

Transfer and Assignment under Contract law
Historical Evolution of Negotiability
Formalities: What constitutes a negotiable instrument
Holder
In Due Course
Defenses
Shelter
Consumer Law
Agency Principles
Obligations of issuer, maker, indorser, drawee, acceptor
Notice and Dishonor and Protest
Suretyship in Commercial Paper
Warranty
Conversion
The Bank-Customer Relationship
Wrongful Dishonor
Fraud and Imposters
Termination of Authority
The Collection and Return Process
Final Payment and Accountability
The Return Collection Process
Documentary Drafts
Funds Transfers

Negotiability in Sales/Leases, Documents of Title, Letters of Credit, and Bankers' Acceptances

IX. Pace of Class Assignments

The class will be conducted with a view toward mastery of the concepts and techniques of personal property secured finance rather than coverage of preset materials at a preordained pace. Nonetheless, to assist students in preparing, a tentative schedule will be circulated at the beginning of each unit of the course and posted on TWEN and the Law School site.

X. Methods of Instruction

1. Case Analysis

Students will be expected to answer questions about assigned cases.

2. Hypothetical Problems

Students will be expected to find principled resolutions to hypothetical questions, drawing on their mastery of the course content.

3. Drafting Exercises

Drafting exercises will be assigned to enable students to draft notes and related pleadings and other legal documents.

4. Guest Speakers

Attorneys experienced in the field will be invited to appear so that students may practice eliciting information from them.

5. Simulated Trial Experience

One simulated trial exercise will be conducted.

6. Writing Exercises.

From time to time, students will be required to engage in writing exercises.

XI. Class Notes

The class motto will be:

Revocate animos, maestumque timorem mittite; forsan et haec olim meminisse IUVABIT.

Aeneid, Book I Lines 202-203