Course: Commercial Law 742/511

Instructor: Frederic N. Smalkin fsmalkin@ubalt.edu LC 1004

Days/Time: Fridays, 1030-1220 & 1300-1450

Location: LC 603

Course Description:

This course will introduce students to the creation, transfer, and enforcement of negotiable instruments (e.g., checks and promissory notes) and the creation, priority and enforcement of security interests in personal property. This course will therefore cover Articles 3, 4 & 9 of the Uniform Commercial Code, as well as relevant Common Law and certain provisions of the United States Bankruptcy Code.


N.B.: These books are expensive, and some students decide to download and print Maryland’s UCC from internet sources. There are problems with doing this that might result in your having difficulty following along as sections are discussed and interwoven during classroom lectures and, of even more importance, in your glossing the statutory text with cross references to related parts of the statute. The final decision is up to you, but you are expected to have the text of the UCC in hard copy during all classes.

2. Examples & Explanations, Payment Systems and Examples & Explanations, Secured Transactions (BOTH) (Available from many sources: ISBNs: ISBN:9781454817673 and ISBN:9781454817680.) These books are relatively inexpensive as law books go, and they are written to simplify and help you remember and apply the basic UCC rules you will be learning in class. Virtually every student taking this course praised these books in evaluating course materials as among the best they have ever been assigned in law school.
**Course Objectives and Outcomes:** To give the student a basic working knowledge of transactional law governing customary non-cash payment media and the law’s approach to unsecured and secured credit.

**Grades:** Grading will be based upon one final examination, multiple-choice, 50 questions, normatively-graded.

**Assignments/Participation:** Students will be expected to have read the assigned materials.

**Attendance:** Class attendance is a primary obligation of each student whose right to continued enrollment in the course and to take the examination is conditioned upon a record of satisfactory attendance (five and you’re out). [Attendance Policy http://law.ubalt.edu/template.cfm?page=267]. A student who exceeds the maximum allowable absences may be compelled to withdraw from the course, or may be barred from sitting for the final exam. A student who is compelled to withdraw or is barred from sitting for the final exam may receive an "F" in the course. Attendance will be taken at the beginning of each class. A student who is present but unprepared for class may be treated as absent. You are expected to bring your UCC statutes in hard copy with you to each class. Some classes will require both volumes, but most will require only one.

**Computers:** Students may NOT use computers or similar electronic devices in class. I regret having to have such a policy, but this policy results from two causes: (1) An abuse of trust on the part of a few students who, despite knowing they are prohibited from doing so, persist in using their computers as entertainment devices/toys in class, distracting those around them; and (2) Scientifically validated studies that have demonstrated that students retain more information longer and understand it better when taking notes by hand. Rather than simply transcribing information from ear to keyboard to oblivion – as is the case with computer note taking – taking notes by hand involves sophisticated processing of information and synthesis from the ear, through the brain, to fine muscle movements of the hand, thus enhancing mental retention of what has been heard. Although student opinions on this issue are divided, the majority report being well-satisfied with the result and feel it helped them better to learn the material.

**Class Cancellation:** If the instructor must cancel a class, notices will be sent to students via email and posted on the classroom door. If there is inclement weather, students should visit the University of Baltimore web page or call the University's Snow Closing Line at (410) 837-4201. If the University is not closed, students should presume that classes are running on the normal schedule.

**TOPICS & ASSIGNMENT INFORMATION**

The first assignment, which should be done before the first class, is to read what is commonly called ARTICLE I (sections 1-101 through 1-208) of the UCC, but which in your Maryland Code will be SUBTITLE 1 of TITLE 1 of the COMMERCIAL LAW CODE ANN., found in vol. I of the MD
COMMERICAL LAW CODE ANN. There is no need to read anything in the E&E books until I tell you when to start reading. THE PRIMARY MODE OF LEARNING IS BY CLASSROOM ATTENDANCE AND CLOSE LISTENING TO THE LECTURES, and the E&E books will help you by reinforcing the classroom lectures and letting you apply them to problems similar to what you will find on law school and bar exams. I will tell you, in class, what you need to do to prepare for the next class.

1. Definitions of Arts. 3 & 4 significance in 1-201
2. The nature of negotiability (E&E Payment Systems, Chaps. 1& 2)
3. The elements of negotiability (same)
4. Holdership and the Holder in Due Course (Chaps. 7-9)
5. Liability on the instrument (Signature Liability) (Chaps. 3-5)
6. Check collection and payment (Chap. 10-15)
7. Liability off the Instrument (Presentment and Transfer Warranties) (Chaps. 17-19)
8. Misfeasance and nonfeasance of Drawer (same)
9. Introduction to Art. 9 (Unsecured vs. Secured Credit) (E&E Secured Transactions, Chap. 1)
10. Definitions of At. 9 significance in 1-201 (same)
11. Creation of the SI (Attachment and Enforceability) (E&E, Chaps. 3 & 4)
12. The “Golden Rules of Art. 9” (9-201 and 9-317) (E&E, Chap. 5)
13. Priority according to 9-317 (E&E Chaps. 13-19)
14. Special situations of priority (PMSIs, etc.) (same)
15. Perfection (Filing and other modes) (E&E Chaps. 6-12)
16. Mechanics of Perfection (UCC-1) (same)
17. Default (E&E Chaps. 20-22)
18. Bankruptcy

Academic Integrity: Students are obligated to refrain from acts that they know or, under the circumstances, have reason to know will impair the academic integrity of the University and/or the School of Law. Violations of academic integrity include, but are not limited to: cheating; plagiarism; misuse of library materials; use of another’s book or study materials without consent; unapproved multiple submissions; material misrepresentation of one’s academic history or standing; misrepresentation of any academic matter; intentionally giving another student false or inaccurate information about class requirements; inappropriate discussion of exams; and misrepresenting or falsifying class attendance reports. [Reference to School of Law Honor Code http://law.ubalt.edu/template.cfm?page=477 ]

Disability Policy
If you are a student with a documented disability who requires an academic accommodation, please contact Leslie Metzger, Director for Student Support in the Office of Academic Affairs at 410-516-5623 or via email at lmetzger@ubalt.edu.