

# Introduction

This book provides a comprehensive introduction to the study of commercial transactions. Our fundamental organizing principle has been that law students learn best if we present the law as one element in a system that includes not only abstract legal rules, but also people who engage in commercial transactions, contracts that are designed to guide those transactions, and physical tools that facilitate these transactions, such as filing systems, corporate records, and check sorters. To understand the significance and effectiveness of the legal rules, it is necessary to study them in the context of the law-related systems of which they are but one part.

Our attention to the systems that underpin commercial law has had a pervasive effect on the texture of the assignments in this book. First, to get a sense for how those rules operate in context, we initially conducted more than forty interviews with business people and lawyers who use the various systems in their daily work. Since then we have continued to talk with such business people and lawyers to update our understanding of the continuously changing systems. Similarly, to help students get a feel for how the systems operate in practice, we include a substantial number of sample documents and forms. Finally, because we organize our presentation by reference to the systems in which commerce operates—rather than the sections into which statutes are divided or the categories of legal doctrine—our presentation frequently cuts across the arbitrary legal standards that divide commercially similar activities. We want our students to see the close relationships between legal rules for the sale of personal property, leases of personal property, and the sale of real property; the deep structural similarities of all the different payment systems in our economy; and the substantively identical concerns raised by security interests in personal property and mortgages on real property. If our students can understand the connections among those different topics, they will be better prepared to grasp the issues raised by the new institutions and systems that will develop during the course of their careers.

Our attention to the non-doctrinal aspects of commercial transactions also expands the range of issues we include in the book. We are firmly committed to the view that the best way for students to understand how the systems operate is through problems that require them to formulate legal strategies. Accordingly, the book is designed for class sessions devoted to discussion of problems the students have attempted to solve before class, with no need to spend time on case dissection and similar exercises. Although some instructors may wish to spend some class time summarizing the more difficult parts of the material, the problems included in the book provide plenty of material to fill all of the class sessions.

Conversely, because our problems are designed to present the students with real controversies that could arise between real people, we felt free to omit

many of the less significant details of the UCC and the other statutory materials we cover: if we could not think of a plausible controversy that would make an issue of concern to practicing lawyers or judges, we saw no need for the students to spend time considering it.

Our philosophy is that learning proceeds best when students are given all of the information they need to solve the problems. The intellectual task is for them to apply the material. Consequently, the text we provide is considerably more extensive than in traditional casebooks, and at the same time excerpts from cases are considerably less extensive. At bottom, the goal is to maximize the value of each page that the student is asked to read and to minimize the time the student spends studying details of cases that do not directly advance the student's understanding of the system at hand. Given the choice between asking a student to read a lengthy or scholarly opinion that sensitively resolves a difficult legal problem and providing a concise summary of the key points of the analysis, we choose the concise summary every time.

The last major feature of the book is the assignment approach. The material is presented in the form of separate, self-contained assignments. Each of the 68 assignments provides adequate reading and problems for one 50-60 minute class session—more than enough for a course that meets five hours a week for 13 weeks. Unlike most law-school textbooks, the assignments include no supplementary notes suggesting that the students might profit by consulting cases, law review articles, or other secondary sources. The only things a student needs besides this book and a current statutory supplement are imagination and a sincere interest in learning how law interacts with businesses and other institutions to foster (or retard) economic activity.

Our goal has been to provide the students two things: the ability to see the grand structure of the existing systems that we cover and the ability to pick up and use new systems that develop in the years to come. We hope that you enjoy studying the materials as much as we have enjoyed preparing them.

We have addressed where relevant the 2022 amendments to the UCC. Those amendments cover emerging technologies, virtual currency, and other technological developments. The 2022 amendments affect almost every article of the UCC in some way and add a new Article 12 that covers digital assets defined as “Controllable Electronic Records” (CERs). As of this writing, those amendments have been adopted in 11 states and have been introduced in 17 other states.

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