Anonymous	Exam No	

FINAL EXAMINATION SECURED TRANSACTIONS § O Professor John D. Wladis December 8, 2005

GENERAL INSTRUCTIONS: READ CAREFULLY!!!!!

- 1. Write your <u>anonymous number</u> in the place provided at the <u>top of this page</u>.
- 2. If you are a Graduating Senior write "GRADUATING SENIOR" on the cover of your essay answer booklets.
- 3. Please make sure that your <u>Cell Phone is turned off</u> during the exam.
- 4. <u>This is a limited open book examination</u>. During the examination you may consult only your <u>Selected Commercial Statutes</u> books.
- 5. <u>If you wish to leave the room during the examination</u>, you must give your test questions, bluebooks, and answer sheet to the proctor before leaving. You may not speak with any member of the class while outside the room.
- Assume that all relevant jurisdictions have enacted U.C.C. **REVISED ARTICLE 9** (this is the version we used during the course). Assume that the brackets in 9-501(a)(2) refer to the *secretary of state*. You may use whichever version of **ARTICLE 1** you choose.
- 7. You have three (3) hours in which to complete the examination.
- 8. <u>Turn in your copy of this examination</u> with your examination papers at the end of the examination.

ESSAY I 33 Points

(Suggested Time: One hour)

Barney Gumble and Groundskeeper Willie decided to quit their jobs and go into the hair salon and spa business. Accordingly they formed a general partnership named "Willie Gumble's Beauty Spa" and acquired space in the Franklin Grimes Building located in the Springfield business district. They decided to call the spa *The Bonnie Lassie* and had that name prominently displayed on the building's façade above the shop.

The spa leased a Golden Glow 2000 tanning bed from Rainer Wolfcastle. On April 1, 2004, the spa signed a five year lease describing the tanning bed by make, model and serial number with a monthly rent of \$1500. At the end of the lease the spa had the right to acquire the bed for \$65, which was less than the cost of shipping the bed back to Wolfcastle.

Also on April 1, Wolfcastle filed a financing statement in the Secretary of State's office in the state in which Springfield is located. The financing statement named the debtor as "the Bonnie Lassie", gave the correct Grimes Building address and correctly indicated that the debtor was a general partnership. It also gave Wolfcastle's name and address and described the bed as "one Golden Glow 2000 tanning bed leased to debtor".

The spa did not prosper. Springfield women weren't interested in patronizing a spa operated by a well-known excessive imbiber and an eccentric Scotsman. After eight months, Barney and Willie threw in the towel. On December 15 both they and the spa filed for bankruptcy. Lionel Hutz was appointed bankruptcy trustee.

Hutz and Wolfcastle claim the tanning bed. Who wins? Explain.

ESSAY II 32 Points

(Suggested Time: One hour)

Ned Flanders owned *The Leftorium*, a Springfield Mall shop specializing in items for the left-handed lady and gentleman. On October 1, 2004, Ned signed an agreement with the Duff Beer Company consigning to him \$25,000 of left-handed Duff Beer merchandise described in the agreement, including several expensive limited edition Duff Beer stein collections.

According to the agreement Ned would pay for the consigned merchandise by January 5, 2005 regardless of whether he was able to sell it.

On November 1, Ned hired Homer Simpson to work part-time in the evenings so Homer could earn extra money for Christmas. Homer's job was to sell merchandise; he did not know anything about Ned's arrangements with *The Leftorium*'s suppliers.

Disaster struck *The Leftorium* on December 7. The *Try-N-Save* next door to *The Leftorium* had a Sock Riot – stockings at 80% off the retail price. Many more customers descended on the store than could be accommodated. The disappointed shoppers began rioting. The disturbance quickly spilled over into adjacent shops, including *The Leftorium*. Ned's shop was thoroughly wrecked.

As a result Ned couldn't pay Homer the \$3,000 he owed him for working at the shop. He did, however, work out a deal with Homer. Homer had admired one of the limited edition Duff Beer stein collections featuring the seven Duff Dwarves. The collection retailed for \$3500, but Ned let Homer have it for \$500 cash in lieu of Homer's unpaid wages. Homer paid the money and took home the collection.

In January, Ned informed Duff Beer that he could not pay for the consigned merchandise.

Ned also revealed to Duff Beer that he had sold the consigned Duff Dwarves beer stein collection to Homer at a discount.

Duff Beer has sued Homer to recover the Duff Dwarves beer stein collection. Who wins? Explain.

END OF EXAM

Happy Holidays!

N.C.
Essay I 33 Ms. Hotz v WoHcastle - Tanning bed
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(6) 1. Collat = Tanning Bed = Equipt 9-102(a)(33) D = Spa (6) 2. Id. Wolfcastle SI - LIAS - Opt topor for nominal Consid/Useful (1) inperfSC Cv 9-203 - hease Agrif = Working, signed by D, Collaboration of the consideration of the consideration of the constant of th
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(6) hame 503(a)(4)(A) not trade
Id. Hutz - Bankr Tee + L/C a/15
3. Wolf castle v Hutz wins imperfsc Tee
(7) a. Hypoxic status 7er= L/c Bankrc 544a+9-102(a)(52(c) Ter wins 317(b)(2) vs uspert SC
(3) b. Other Tee Avoiding pairs - Clardefol D, Pret, Traud Ter Subroce
Essay IT 32 Pts Duff Beer v Homer - Dwarves Beer Steins
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Sec Trans - Dec 8, 2003