

Book Review

It's All to Their Credit: A Review of *Secured Credit, Louisiana and American Perspectives*

Reviewed by Michael H. Rubin

Passing the Code III section of the Louisiana Bar Exam is a hurdle all Louisiana lawyers have to face and overcome. Working through the complex issues involved in security rights requires knowledge of numerous parts of the Civil Code and its ancillaries.

Although it sounds like a class on how to unlock a door, “Security Devices” is the name that the majority of Louisiana law schools give this course, and it is one that most students take in their third year for it requires a

thorough grounding in areas such as obligations, business entities, movable and immovable property, sales and prescription. Until 2017, no major publisher had a casebook in the area, but now Wolters Kluwer has released one co-written by L. David Cromwell, a Shreveport attorney who serves as the reporter for the Louisiana State Law Institute’s Security Devices Committee, and professors Dian Tooley-Knoblett, John Randall Trahan and Christopher K. Odinet, who teach the Security Devices courses at the law schools of, respectively, Loyola

University, Louisiana State University and Southern University.

This array of legal talent has produced an outstanding volume that not only includes all the key cases but also contains detailed explanatory materials as well as notes and questions for students to ponder.

The book begins with a clearly written overview of secured lending, the right of pursuit of real security, how bankruptcy affects Louisiana security interests, principal and accessory rights, personal and real rights, and consensu-



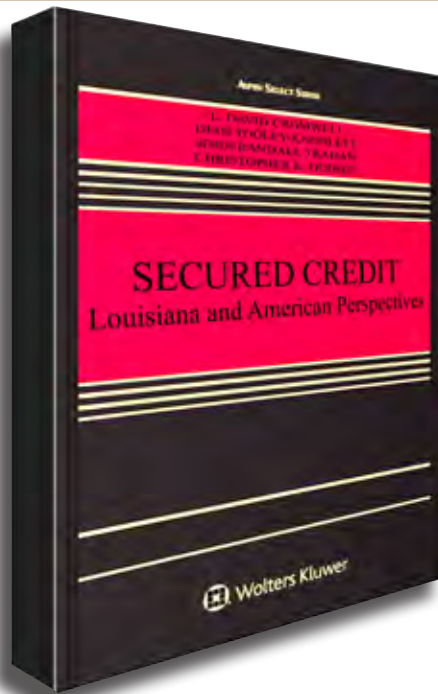
al, non-consensual, possessory and non-possessory security interests.

Following the introduction, the casebook is divided into six main areas covering suretyship, the pledge articles of the Civil Code that became effective in 2015 as well as aspects of the U.C.C. Article 9, mortgages, privileges, ranking of privileges, and the Private Works Act.

Each section of the book leads students through the difficult and sometimes unresolved issues that have resulted from both the text of the Civil Code and the jurisprudence. The scholarship of the authors is beyond reproach, for they both provide background information allowing readers to understand the historical underpinnings of the Civil Code concepts and have materials that require students to carefully contemplate how the courts are approaching each of the issues covered.

For example, in a discussion of mortgages, the book contains a paragraph about Roman law, the law of France before the 1789 Revolution, and the law of 11 Brumaire Year VII promulgated during the Revolution. But the casebook is not a historical treatise, and from there it plunges the students directly into the intricacies of making a conventional mortgage effective between the parties and as to third parties.

In its discussion of the interaction between U.C.C. Article 9 and the Civil Code's pledge provisions, the volume clarifies for students what assets may be subject to a pledge and which may be perfected only through a U.C.C. 9 security interest. Moreover, this section of the book provides numerous examples



for students to work through, including contrasting when a “negative pledge” is permitted and when a contractual clause impermissibly restricts rights in such a way as to be unenforceable.

There are more than 2,500 privileges scattered across the Civil Code and the Revised Statutes. Because the Bar Exam's Code III covers only the Code and its ancillaries, the casebook's section on privileges focuses on those in the Civil Code and R.S. 9. Many of the Code's privileges are derived from French law, and the authors provide extensive quotations from Planiol and others that help students better understand the area.

How privileges rank against each

other and other security interests is dealt with in its own chapter. Privileges on movables are treated separately from privileges on immovables, as is appropriate, and consideration is given to the confusing and still unresolved “vicious circles” that exist, where privilege X can outrank privilege Y, which outranks privilege Z, but privilege Z can outrank privilege X. This section of the book also delves into how privileges rank against other security interests, such as how privileges on movables rank against U.C.C. 9 security interests, and how privileges on immovables rank against mortgages.

The final chapter of the book deals with the intricacies of the Private Works Act and poses insightful questions requiring students to ponder the public policy reasons underlying the PWA's rules and limitations.

All in all, Cromwell, Tooley-Knoblett, Trahan and Odinet have written a first-rate casebook and generations of students will benefit from their work.

Michael H. Rubin is one of the leaders of the McGlinchey Stafford, P.L.L.C., law firm. For four decades, he taught the course in security devices at both Louisiana State University Paul M. Hebert Law Center and Southern University Law Center. His many law review articles have been cited as authoritative by state and federal courts in Louisiana and nationwide. His latest legal treatise is Louisiana Law of Security Devices, A Précis, now in its second edition. (mrubin@mcglinchey.com; 301 Main St., 14th Flr., Baton Rouge, LA 70801)

