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Contracts
Cases, Text, and Problems

with
Selected Provisions of the Arizona Commercial Code (UCC)
Sample Contracts and
Sample Exam Answers

2015 Edition

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SANDRA DAY O’CONNOR COLLEGE OF LAW
ARIZONA STATE UNIVERSITY
Chapters 1–12 and Appendices

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PHOENIX SCHOOL OF LAW
Chapters 13 and 14

CAROLINA ACADEMIC PRESS
Durham, North Carolina
To my dear mother, Emily, for her 93rd birthday on June 3, 2015.
— Charles Calleros

To my “Dodi Li” for her love and support.
— Stephen A. Gerst
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Preface

This book is designed for use in a four-unit course that employs both case analysis and the “problem method.” It combines the following features and approaches:

1. Text

In the practice of law, new attorneys are seldom experts in all the laws that may apply to their clients’ problems. If they immediately waded into the latest judicial decision in the field, they might not completely understand the rulings in the decision or fully appreciate the significance of that decision within the larger field of law. To secure a general familiarity with a relevant field of law, so that they can identify issues and develop an effective research strategy, new attorneys typically turn first to a secondary source, such as a treatise or law review article, which will provide basic background information about a field of law and will refer to the most important statutes and judicial decisions. Armed with this general background knowledge, an attorney can then more effectively research and understand the latest law on point in the relevant jurisdiction and can more easily identify issues raised by the facts of a client’s case.

To mirror this experience in the practice of law, and to save time for problem-solving, this book presents more text and somewhat fewer judicial opinions than most casebooks of its size. On most topics, statutes and judicial opinions are introduced with text that provides background information. At times, this background text consists of the author’s summary of one or more judicial opinions, so that students can spend somewhat less time briefing cases and can spend more time applying the lessons of the cases to new facts. In light of the hundreds of judicial opinions presented in this book and in other courses, students will not suffer for lack of opportunity to engage in case analysis. Finally, on many topics, statutes and judicial opinions are followed by text, often excerpts from books or articles, providing some perspective on the topics. These readings may provide historical background, comparisons to approaches in other legal systems, or ideas for reform or innovation within our own legal system.

2. Casebook

Like traditional casebooks, this one presents many judicial opinions, most of them developing common law and a few interpreting and applying statutory law. These provide
each student with repeated opportunities to (a) learn to read and interpret cases, (b) gain a deep understanding of how judges decide cases and develop the law, and (c) derive legal rules and standards from individual cases and from the student’s synthesis of series of cases. Because most students in my class will practice in Arizona, this book presents more opinions from that state than the typical casebook, but every opinion has been carefully selected for its pedagogic value and has earned its place in the book.

3. Problem Method

Students will fully comprehend the material only if they actively work with the legal principles by applying them to new facts. The exercises and practice exams in the book provide ample opportunity to engage in this analytic process before, during, and after class.

4. Statutory Analysis

This book presents important provisions of Articles 1 and 2 of the Uniform Commercial Code, primarily as enacted by Arizona, as well as brief references to other statutes. Although several judicial interpretations of the UCC are presented, statutory analysis is explored primarily through the problem method, so that students can experience the intellectual challenge of engaging in original interpretation in light of the text and purpose of the statutes.
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