

Payment Systems

Willamette University College of Law
Fall 2021

Welcome to Payment Systems - Payment Systems is generally the study of how payments are negotiated and involves the study of Uniform Commercial Code, the Electronic Fund Transfer Act, and the Expedited Funds Availability Act.

Commercial Paper is tested on numerous bar exams and remains relevant in a broad range of commercial transactions. Electronic transactions, however, are swiftly replacing paper-based payment systems. For that reason, this class will learn the fundamentals of negotiable instruments, then review how those concepts have evolved to form the legal structures governing electronic payments.

Instructor: B. Nichol Casey	Email: ncasey@willamette.edu	Phone: (619) 756-0442
Class Time: T/TH 3:50-5:20pm	Class Location: Online - Zoom	Credit: 3 Hours
Final: December 1 @ 1:30pm		

Texts and Supplements: Additional reading materials may be provided throughout the semester and discussions of pending cases and policy debates will be incorporated into the classroom discussions.

- Required Texts:
 - Whaley & McJohn, Problems & Materials on Payment Law, ISBN: 978-1454863328 (Aspen Publishers, 10th edition).
 - Mann et al., Comprehensive Commercial Law Statutory Supplement, ISBN: 978-1543809435 (Aspen Publishers, 2019 edition).
- Supplements:
 - James Brook, Payment Systems, Examples, & Explanations, ISBN: 978-1454817673 (Aspen Publishers, 5th edition).

Communication Guidelines: I will do my absolute best to respond to email within 24 hours. If you do not receive a response in that time, please feel free to follow-up. With respect to communication, please make an effort to write professionally. Part of your education is to prepare you to succeed in a professional or legal setting. Feedback will be provided to those communications that need it.

Virtual Class: This class will be provided online and you are expected to be present via video and actively participate. Should technical issues arise, please work with WITS to address. Please remember to limit computer use during class to classroom-related activities (note taking, etc.). Messaging your classmates, even on class-related topics, will distract from learning.

Attendance: I will be taking attendance for this course in each meeting. As a baseline, I will count you as attending only if you have signed into the proper link for the course on time, and your video is on. I will use quiz tools to determine who is present so be sure to 'check in'. Attendance will be reported to OSA for each class. If you are late, and unable to check in, it is your responsibility to email me to ensure you are counted present.

Note that while you can change your screen name in virtual settings, I ask that you use your preferred first and last names to help me know who's who.

It is much harder to gauge participation in a remote environment. For that reason, unless you communicate with me in advance or I instruct otherwise, I will only count you as being in attendance if your video is on during the entire class. I know that there will be occasional times when you will need to turn off your video if something is going on in the background, etc. and that's fine (though you really shouldn't worry about your pet or child or spouse introducing themselves remotely). But if you anticipate that you are going to have regular issues with your internet or your web cam working, for instance, please take the time to get that issue addressed. WITS and other resources can help a lot, and we will work to make sure you can participate fully in the course.

If there are technical difficulties, you should actively participate in class by asking questions in the chat. If your video is off and I call on you and you are not present; you will be counted as absent from the class. Ongoing

technical issues and nonparticipation will be grounds for a downgrade in your final grade.

While the American Bar Association has strict standards on attendance, I understand that life happens. You will be allowed up to three (3) absences without any notice or justification to me. However, if you miss additional classes, it may impact your grade, up to and including failing the course. Please remember that it is an Honor Code violation for a student to misrepresent his or her attendance or the attendance of another student.

COVID Absence: Should you need to miss class due to contracting COVID-19, please reach out to me as soon as possible. There are some very limited flexibilities in the absence policy due to the pandemic but you must communicate with me and the law school in order to be eligible for these.

Assessment and Grading: Over the course of the semester, you will be assessed based on your ability to articulate (in class) your analysis of material and completion of any assigned problems.

- 75% of your grade for this course will be determined based upon your performance on a comprehensive final examination.
 - The exam will be 3 hours long and include both short answer and multiple-choice questions.
 - You will be permitted to use your textbook, statutory supplement, and any notes or outlines you have personally made. Copies of other materials are not permitted.
- 25% of your grade will be determined based upon your participation in class and making a good-faith effort to complete any assigned problems.
- Evaluation of questions is important and should not be taken lightly. In order to receive credit for this course, the ABA expects that you conduct at least 2 hours of out-of-class work for every hour of class.

Support Services: Please reach out and schedule an appointment to troubleshoot any aspect of the class, including preparation for class, comprehension, or test-taking strategies. I am happy to make myself available.

Accommodations and Non-Discrimination: The University is committed to providing equal access to education for all students. If you have a documented disability or you believe you have a disability and would like information regarding academic accommodations/adjustments in this course please contact Dean Mac Alpine or Sue Minder, Director of Accessible Education Services, at sminder@willamette.edu or 503-370-6737.

Student Learning Outcomes: By the end of this course, students will understand and be able to articulate the underlying laws that impact the infrastructure of payment systems; generally students should:

- Be prepared to analyze applicable problems on the bar exam. Specifically those areas in the Uniform Commercial Code, the Electronic Fund Transfer Act, and the Expedited Funds Availability Act; what triggers these requirements and how to navigate competing expectations.
- Have the tools to responsibly handle relevant issues if they should arise in your legal career. In addition to the skills you need for the bar exam, you also should be able to navigate legally enforceable documents that protect your client's interest and ensuing clients understand their obligations under the requirements to preserve their rights.
- Have demonstrated the following essential legal skills: problem solving; statutory reading and interpretation; legal analysis; and oral and written communication.

Schedule and Readings: The syllabus sets forth the basic reading assignments and additional learning outcomes for class sessions, which may be supplemented each week with additional materials. Exact dates and assignments may change as the semester progresses, and there will likely be occasions where the subject from one class will carry over to the next. More detailed expectations will be provided weekly throughout the semester.

Some section of the class will go quicker than others. To help you gauge what you need to read, you should generally be prepared to discuss the next 50 pages of material from where we left off.

- Week 1: Class Expectation Overview and Chapter 1 - Introduction
 - Discuss class expectations and general questions.
 - Discuss Banking law history and evolution.
 - Review Chapter 1 and discuss class expectations and general questions.
- Week 2: Chapter 2 - Negotiability and Chapter 3 - Negotiation
 - Learn the characteristics of a negotiable instrument.

- Understand and apply the elements of negotiability.
- Week 3 and 4: Chapter 4 - The Holder in Due Course
 - Understand the elements required to become a holder in due course and distinguish between real defenses, personal defenses, claims in recoupment, and claims to an instrument
- Week 5: Chapter 5 - The Nature of Liability
 - Distinguish between suits on the instrument and suits based on other law and liability.
- Week 6: Chapter 6 - Mortgages and Promissory Notes
 - Learn the characteristic of a mortgage and responsibilities on the note.
- Week 7 and 8: Chapter 7 – Banks and Their Customers
 - Understand liability that arises in the course of check negotiation and banking operations.
- Week 9: Chapter 8 - Wrongdoing and Error
 - Explore liability in the event that negotiable instruments are forged or altered.
- Week 10 and 11: Chapter 9 - Electronic Banking and Deeper dive into payment system types
 - Identify and understand the law governing each of the electronic payment systems
- Week 12: Chapter 10 – Investment Securities and Risk Management
- Week 13: Review and Exam Prep

ABA Guideline 310 - Credit-Work Assessment

Task		#	Multiplier (if appropriate); represents approx. hours of work per task, so modify if appropriate.	Total working hours
Hours of In-Class Professor-Led Instructional Time	Hours in class led by instructor (13 wks* 1.5hrs * 2 classes /week)	39	1.2 (set by ABA, please don't modify)	46.8
Reading (casebook; 20 pages per task)	Total # Casebook pp, divided by 20 (540pgs/20)	27	2.5	67.5
Problem (10 pp reading; intensive stat. reading & probl. solving)	# problems (10 chapters - Minimum of 2 problems per chapter)	20	5	100
Regular Final Exam.	# final exams	1	9	9
Exam Prep / outlining each week.	Weeks of preparation required (baseline is 1 per week)	13	.5 (increase to 1 for closed book exam)	6.5
			TOTAL	229.8
ABA 310 req't: Credit Hours (3) * 45 = 135			Requirement MET or NOT?	MET