II Corpus

A Real security

1 Volitional real security

2 Legal real security

a Introduction

b Corpus

1) Classification

a) General privileges

b) Special privileges

2) Priority

a) Basis

b) Ranking rules

1) Privileges on movables

a) Non-farm product movables

1) Privileges v. UCC SIs

a) General rule: UCC SI prevails

b) Exceptions

1/ Possessory privilege in favor of provider of services / materials

a/ Artisan’s / repairperson’s privileges

b/ Carrier’s privileges

2/ Legislation creating privilege gives it priority

1) Privileges inter se

a) Lessor’s privilege v. vendor’s privilege: lessor wins

b) Vendor’s privilege v. artisan’s / repairperson’s privilege: vendor wins

c) General privileges v. special privileges

1/ General rule: special primes general

2/ Exception: funeral privilege beats lessor’s privilege

b) Farm product movables

1) Where the crop privileges and UCC SIs have been properly perfected

2) Where the crop privilege has not been properly perfected

2) Privileges & mortgages on immovables
a] Privileges inter se
   1) Vendor’s privilege
      a} If promptly recorded, it primes all else
      b} If not, it ranks from the date of recording
   2) General privileges: first, funeral; then, law; then, last illness; then, wages of servants; then, supplies; then, salaries of clerks; then, widow and child

b] Privileges v. mortgages
   1) General rule: mortgages rank last
   2) Exception: against a late-filed vendor’s privilege, mortgages rank by time of filing/recordation

3) Extinction
   a) Destruction of collateral
   b) Confusion
   c) Extinction of secured debt
   d) Prescription of secured debt

B Personal security (suretyship)

Assignment:
   (1) On the “Private Works Act” in general, read Assignment 33, Part C (5th ed., pp. 525-28; 4th ed., pp. 541-44); CC art. 3249(2) & (3); R.S. 9:4801-4802(F), 4806-4808(A)
   (2) On “avoiding privileges and claims” under the PWA, read R.S. 9:4802(C), 4811(A) - (C), 4812(A) - (C), 4831, 4834
   (3) On “erasing” PWA privileges, read R.S. 9:4832-4833(E), 4835, 4841(A) - (E)