TABLE OF CONTENTS

CHAPTER 1

Structuring the Lending Relationship: Documentation Issues

§ 1.01	Gene	eral Ov	verview of Treatise	1-2
§ 1.02	Proc	essing	of Loan Applications	1-4
§ 1.03			nts	1-10
Ü	[1]		Promises to Lend	1-10
		[a]	The Conflicting Case Law	1-10
		[b]	Statutory Initiatives	1-16
		[c]		
			Techniques	1-19
	[2]	Writ	ten Commitments	1-19
		[a]	Liability Arising from Proposals	1-19
		[b]	Liability From Modifying a	
			Commitment	1-20.1
		[c]	Liability for Breach of a	
			Commitment	1-21
		[d]	Suggested Documentation	
			Techniques	1-23
§ 1.04	Struc	cturing	the Loan Agreement	1-25
	[1]	Intro	oduction: A Note on the Limits of	
		D	ocumentation	1-25
	[2]	Defi	ning the Parties' Monetary Rights	
			nd Obligations	1-26
		[a]	Right to Payment on Demand	1-26
		[b]	Interest Rate Provisions	1-27
			[i] "Prime Rate" Issues	1-27
			[ii] Issues Arising Under Other	
			Interest Rate Indices	1-30
			[iii] Method of Computing	
			Interest Rate	1-31
		[c]	Discretionary Advances	1-32.1
		[d]	Events of Default	1-35
		[e]	Integration Clause	1-38

	[3]	Dispute Resolution Provisions	1-40
	F- 3	[a] Generally	1-40
		[b] Arbitration	1-41
		[c] Waiver of Jury Trial	1-52
		[d] Choice of Forum	1-60.1
		[e] Choice of Law	1-65
		[e] Choice of Eaw	1 05
		CHAPTER 2	
	-	Loan Administration and Workout	
		of Troubled Credits	
§ 2.01	Gener	rally	2-2
§ 2.02		rolling the Borrower's Business	2-4
	[1]	The Control Issue	2-4
	[2]	Specific Practices	2-4
		[a] Changes in Methods of Doing	
		Business	2-4
		[b] Payment of Bills	2-6
		[c] Personnel Hiring, Firing and	
		Compensation	2-7
		[d] Management Change Clauses	2-8
		[e] Use of Agents and Consultants	2-10
		[f] Use of Stock Pledges	2-11
		[g] Approval of Business Plans	2-13
§ 2.03		ning Additional Security or Enhancing	
		llateral	2-15
	[1]	Generally	2-15
	[2]	Claims by Borrowers	2-15
	[3]	Control and Third Parties	2-16
§ 2.04		ination of Credit	2-21
	[1]	Generally	2-21
	[2]	Notice to Borrower	2-21
	[3]	Nonpayment Defaults	2-22
	[4]	Waiver and Estoppel Considerations	2-22
	[5]	Foreclosure	2-24
		[a] Generally	2-24
		[b] "Hot Goods"	2-25
0.205	D 1	[c] Environmental Concerns	2-25
§ 2.05		ruptcy Issues	2-27
	[1]	Advantages and Disadvantages of the	2 27
		Bankruptcy Forum for the Lender	2-27
		[a] Advantages	2-27
	[2]	[b] Disadvantages	2-28
	[2]	Specific Bankruptcy Issues	2-29
		[a] Control and Related Issues	2-29
		[i] Insider Liability	2-29

		TABLE OF CONTENTS	ix
	[b]	[ii] Equitable Subordination[iii] Debt RecharacterizationPreferences	2-30 2-31 2-31
		[i] The Statutory Test [ii] Application to Lenders	2-32 2-32
	[c]	[iii] Statutory Exceptions Fraudulent Transfers	2-33 2-36
	[0]	[i] Generally	2-36
		Bankruptcy Code [iii] Standards Under the Uniform Fraudulent	2-38
		Conveyance and Uniform Voidable Transactions	
		(Fraudulent Transfer) Act	2-42
	[d]	[iv] Application to Lenders Deepening Insolvency	2-43 2-46
		CHAPTER 3	
		ud, Breach of Fiduciary Duty Negligent Misrepresentation	
§ 3.01		on	3-2
§ 3.02			3-3
		oduction	3-3
	[2] Eler	nents of Liability	3-6 3-12
	[a] [b]	False Representation	3-12
	[0]	Scienter	3-29
	[d]	Intent to Induce Action	3-31
	[e]	Reliance	3-33
	[f]	Damages	3-43
		den of Proof Requirements	3-47
		es of Fraud in Addition to	
		raudulent Misrepresentation	3-48
	[a]	Fraudulent Omission, Concealment, or	
		Nondisclosure	3-48
	[b]	Fraudulent Inducement	3-52
	[5] Affi	rmative Defenses to Fraud	3-54
	[a]	Statute of Frauds	3-54
	[b]	"Gist of the Action" Doctrine	3-57
§ 3.03		Fiduciary Duty	3-59
		oduction	3-59
	[2] Fidu	iciary Disclosure Requirements	3-68

		[a]	Relationship to Fraud	3-68
		[b]	Factors Affecting Disclosure	3-68.2
			Obligation	3-08.2
			[i] Nature of Relationship and	
			Relative Sophistication	2 (0.2
			of the Parties	3-68.2
			[ii] Financial Advice	3-72
			[iii] Profiting at the Borrower's	2.76
	F0.7	E: 1	Expense	3-76
	[3]		ciary Standards Other Than	2 =0
			isclosure	3-78
§ 3.04			Misrepresentation	3-86
	[1]		oduction	3-86
	[2]	Elen	nents of Liability	3-90
		[a]	Misrepresentation and Omission	
			of Facts	3-95
		[b]	Intent to Induce Action	3-100
		[c]	Duty of Care	3-101
		[d]	Reasonable Reliance	3-105
	[3]	Lim	itations on Damage Recoveries	3-109
§ 3.05			to Avoid Liability	3-110
			CHAPTER 4	
			RICO	
§ 4.01	An A		is of the Statute	4-3
	[1]	Legi	slative History and Purpose	4-3
	[2]	Key	Statutory Terms	4-5
		[a]	Person	4-5
		[b]	Enterprise	4-5
		[c]	Racketeering Activity	4-6
		[d]	Pattern	4-9
	[3]		ion 1962	4-9
	F- 1	[a]	Acquisition of Interest in an	
		F3	Enterprise With Tainted	
			Income	4-9
		[b]		. ,
		[o]	in an Enterprise Through a	
			Pattern of Racketeering	
				4-10
		[6]	Activity	4-10
		[c]	Conducting an Enterprise	
			Through a Pattern of	4 10
		F.31	Racketeering Activity	4-10
		[d]	Conspiracy and Aiding and	4 1 1
	F 4 3	C	Abetting Liability	4-11
	[4]	Spec	cial Provisions	4-14

		TABLE OF CONTENTS	X
	[a]	Treble Damages and Attorney's	
			4-14
	[b]		4-15
	[c]		4-15
	[d]	Liberal Construction and	
			4-16
	[e]		4-16
	[f]		4-17
[5]			
	U	nder RICO	4-19
[6]	State	RICO Statutes	4-20
RIC	O Acti	ons Involving Banks and Bank	
O	fficers		4-22
[1]	In G	eneral	4-22
[2]	Acti	ons by Borrowers	4-22
	[a]	Prime Rate Overcharge Actions	4-22
	[b]	Other Borrower Actions	4-23
[3]	Acti	ons by Third Parties	4-24
[4]	Acti	ons by Governmental Agencies	4-25
[5]			4-26
The			4-28
			4-28
	[a]		4-28
		Section 1962(b)	4-31
		Section 1962(c)	4-32
[2]			4-33
			4-33
			4-33
			4-33
			4-35
			4-37
			4-41
	[c]		4-47
[3]			4-48
			4-48
	=. =	Post Sedima Pattern Cases	4-49
	F. J	[i] Two Related Acts	
		5.3	4-49
		* *	,
			4-50
			4-53
	[c]		4-55
			4-57
	[۵]		4-57
		[ii] Third Party Litigation	4-63
	[6] RICC O [1] [2] [3] [4] [5]	[b] [c] [d] [e] [f] [5] Fede U [6] State RICO Action Officers [1] In G [2] Action [a] [b] [3] Action [4] Action [5] Bank The Elemen [1] In G [a] [b] [c] [2] "Pern [a] [b] [c] [c] [c]	[a] Treble Damages and Attorney's Fees. [b] Venue and Service of Process. [c] Equitable Relief [d] Liberal Construction and Non-Supercession Provisions. [e] Criminal Penalties [f] Forfeitures. [5] Federal and State Court Jurisdiction Under RICO. [6] State RICO Statutes RICO Actions Involving Banks and Bank Officers. [1] In General. [2] Actions by Borrowers [a] Prime Rate Overcharge Actions. [b] Other Borrower Actions. [3] Actions by Third Parties [4] Actions by Governmental Agencies [5] Banks as RICO Plaintiffs The Elements of RICO Liability [1] In General. [a] Section 1962(a). [b] Section 1962(c). [c] Section 1962(c). [ii] Separate Entities Required. [iii] Affiliated Corporations. [iiii] Vicarious Liability. [iv] Associations in Fact. [c] Sections 1962(a) and (b). [3] "Pattern" of Racketeering Activity. [a] The Impact of Sedima [b] Post Sedima Pattern Cases. [ii] Two Related Acts Approach [iii] Separate Criminal Episodes Approach [iii] Continuity and Relationship Approach [c] The H.J. Decision [d] Post H.J. Cases. [ii] Borrower Litigation.

	[4]	"Conduct" of an "Enterprise" Through	
		a "Pattern of Racketeering Activity"	4-64
		[a] In General	4-64
		[b] Case Law	4-65
		[i] Management Approach	4-65
		[ii] Nexus Approach	4-67
		[c] Reves v. Ernst & Young	4-68
	[5]	Injury to Business or Property	4-72
		[a] "Racketeering Injury"	
		Requirement	4-73
		[i] Early Case Law	4-73
		[ii] Rejection in Sedima	4-73
		[b] Proximate Cause Requirement	4-74
		[c] Standing	4-77
		[d] Recoverable Damages	4-79
		[e] "Domestic Injury" Requirement	4-81
§ 4.04	Affir	rmative Defenses to RICO Actions	4-82
	[1]	In General	4-82
	[2]	Failure to Plead Fraud with	
		Particularity	4-82
		[a] Underlying Predicate Acts	4-82
		[b] "Conduct" Element	4-86
	[3]	Statute of Limitations	4-87
	[4]	Release, Waiver and Estoppel	4-91
	[5]	Arbitration Clauses	4-92
	[6]	Miscellaneous Affirmative Defenses	4-93
	[7]	Special Defenses for Mail and Wire	
		Fraud Claims	4-95
§ 4.05	Disc	overy Issues	4-97
	[1]	In General	4-97
	[2]	Seeking Discovery from the Plaintiff	4-98
		[a] Plaintiff's Knowledge,	
		Sophistication and Bad Acts	4-98
		[b] Contentions, Witnesses and	
		Documents	4-99
		[c] Injury and Damages	4-99
	[3]	Seeking Discovery from	
		the Defendant	4-100
		[a] Other Predicate Acts	4-100
		[i] Impact of Federal Rule of	4 400
		Civil Procedure 9(b)	4-100
		[ii] Relationship Test	4-101
		[b] Person, Enterprise, and Conduct	4 101
0.406	C1	Issues	4-101
§ 4.06		s Actions.	4-102
	[1]	In General	4-102 4-102
	[2]	LISE OF LISSS ACTIONS IN KILLI 1 3000	4-111

			TABL	E OF CONTENTS	xiii
§ 4.07	Tryir [1] [2] [3] [4]	Deali Relat Co Treb	ing wittionship ounts of ling Iss	ase th the "Racketeer" Issue p of RICO Claims to Other of Complaint sue ctions	4-105 4-105 4-107 4-107 4-108
			C	CHAPTER 5	
	Du			aith, the Interference Torts er Bases of Liability	
§ 5.01 § 5.02		ss Scop Appl	e of the	ne Duress Doctrine	5-2 5-5 5-5
§ 5.03	Unco [1] [2]	nscion Scop Appl	ability e of U ication	Inconscionability Doctrine a of Unconscionability	5-10 5-14 5-14
§ 5.04	Bad [1] [2]	Faith Intro Appl	duction	n of Bad Faith Doctrine to	5-21 5-28 5-28
		Pr [a]	Cases Ine	n	5-29 5-29 5-29
		[b]	[i] [ii] Cases	Generally Ineffective The Demand Note Exception	5-34
				Override	5-35 5-35
	[3]	Contain [a]	Gene	Note Exception Bad Faith rally ific Applications of	5-37 5-39 5-39
				Poetrine	5-40.2
			[ii] [iii]	Advances	5-40.2 5-43
			[iv]	of Collateral	5-47 5-50
				i aginonio	3 30

	[v] Refusal to Continue Practice of Honoring	
	Overdrafts	5-50
	[vi] Calculating a "Prime Rate"	3-30
	and Discretionary	
	Actions	5-52
	[vii] Failure to Conclude a Loan	3-32
	Commitment	5-53
	[viii] Failure to Consider	3-33
	Restructuring or	
	Continuing a Line	
	of Credit	5-54
	[4] Bad Faith Tort	5-55
	[a] Generally	5-55
	[b] California "Special Relationship"	
	Doctrine	5-57
	[c] Montana	5-60
	[d] Availability of Punitive Damages	5-63
	[5] Strategies to Avoid Bad Faith Liability	5-64
§ 5.05	The Interference Torts	5-67
0	[1] Interference with Contract	5-67
	[2] Interference with Prospective	
	Economic Relations	5-73
§ 5.06	Invasion of Privacy, Infliction of Emotional	
	Distress, and Defamation	5-80
§ 5.07	Unreasonable Debt Collection Under	
	Common Law	5-86.1
§ 5.08	Wrongful Foreclosure	5-90
§ 5.09	Negligence	5-95
§ 5.10	Breach of Contract	5-103
§ 5.11	Conversion	5-107
	CHAPTER 6	
	Control Liability	
§ 6.01	Introduction	6-2
§ 6.02	The Instrumentality Doctrine	6-4
	[1] Elements of Liability	6-4
	[2] Nature of Control Required	6-6
	[3] Application of Doctrine to Banks	6-8
	[a] Subsidiary Corporations	6-8
	[b] Debtors	6-9
	[i] Permissible Activities	6-10
0.600	[ii] Impermissible Activities	6-11
§ 6.03	Equitable Subordination	6-13
	[1] Origins and Outlines of Doctrine	6-13
	[2] Relationship to Instrumentality	C 1 C
	Doctrine	6-16

		TABLE OF CONTENTS	XV
	[3] [4]	Elements of Liability Generally Elements of Liability as Applied to	6-16
		Bank Creditors	6-21
	[5]	Application of Doctrine to Banks	6-25
		[a] Permissible Activities	6-25
		[b] Impermissible Activities	6-28
		[i] Control Cases	6-28
		[ii] Fraud Cases	6-29
§ 6.04	Debt 1	Recharacterization	6-32
§ 6.05	Contro	olling Person Liability Under the	
	Fed	eral Securities Laws	6-39
	[1]	Elements of Liability	6-39
	[2]	Application of the Control Doctrine to	
		Banks and Other Lenders	6-45
§ 6.06	Liabil	ity Under CERCLA	6-47
	[1]	Introduction	6-47
	[2]	An Overview of CERCLA	6-47
	[3]	Control Liability	6-49
	[4]	Liability Arising Out of Foreclosure	6-56
	[5]	Liability of Bank Fiduciaries	6-59
	[6]	Affirmative Defenses Available to a	
		Lender Under CERCLA	6-59
	[7]	EPA CERCLA Lender Liability Rule	6-60
		[a] Participation in Management	6-61
		[b] Foreclosure	6-62
		[c] Invalidation and Subsequent	
		Codification of the EPA Rule	6-63
	[8]	Asset Conservation, Lender Liability	
	F.1	and Deposit Insurance Protection	
		Act of 1996	6-64
§ 6.07	Liabil	ity for Unpaid Federal Withholding	
3 0.07		ies	6-68
	[1]	Introduction	6-68
	[2]	Lender Liability Based on Direct	
	[-]	Payment of Wages	6-68
	[3]	Lender Liability Based on	0 00
	[2]	Knowledge of a Borrower's	
		Inability to Pay Withholding Taxes	6-68
	[4]	Lender Liability Based on Willful	0 00
	F.1	Evasion of Taxes by a Responsible	
		Person	6-70
		[a] Lenders as Responsible Persons	6-71
		[b] The Willfulness Requirement	6-72
§ 6.08	Strate	gies to Avoid Control Liabilities	6-73
5 0.00	[1]	Generally	6-73
	[2]	Additional Steps to Avoid Liability for	0 /2
	[~]	Environmental Hazards	6-73
		Entitolinicium mazulus	0-75

CHAPTER 7

Aiding and Abetting Liability

	, , , , , , , , , , , , , , , , , , ,	
§ 7.01	Overview	7-2
	[1] The Elements of Aiding and Abetting	
	Liability	7-2
	[a] Common Law Aiding and	7 2
	Abetting	7-2 7-4
	[2] Aiding and Abetting	/ =-1
	Distinguished from Conspiracy	7-7
	[3] Aiding and Abetting	, ,
	Distinguished from Control	7-11
§ 7.02	Aiding and Abetting Cases Involving Banks	7-13
§ 7.03	The Knowledge Requirement	7-21
	[1] Generally	7-21
	[2] Evidentiary Considerations	7-24
	[3] Relationship to Substantial Assistance	
	Requirement	7-30
	[4] Factors for Imposing Liability on	
0.7.04	Banks	7-31
§ 7.04	The Substantial Assistance Requirement	7-33
	[1] Generally	7-33
	[2] The Proximate Cause Requirement [3] Silence or Inaction as Substantial	7-38
	[3] Silence or Inaction as Substantial Assistance	7-40
	[a] Duty to Disclose	7-40
	[b] Conscious Intent to Assist	7-44
	[4] Evidentiary Considerations	7-44
	[5] Factors for Imposing Liability on	,
	Banks	7-45
§ 7.05	Avoiding Aiding and Abetting Liability	7-46.2
	CHAPTER 8	
0.001	The Bank as Litigant	0.2
§ 8.01	Introduction	8-2
§ 8.02	Recurring Legal Issues	8-3 8-3
	[2] Admissibility of Oral Modifications to	0-3
	Written Contracts	8-8
	[3] Waiver of Fraud Claims	8-15
	[4] Attorney-Client Privilege and the	0 13
	Corporation	8-20
§ 8.03	Banks and Class Actions	8-28
	[1] Class Action Discovery and	
	Evidentiary Hearings	8-28

			TABLE OF CONTENTS	xvii
	[2]	Theo [a]	ries for Striking Class Actions Definition, Size and Composition	8-32
			of the Alleged Class	8-32
		[b]	Deficiencies of the	
			Representative Plaintiff or His or Her Counsel;	
			Commonality; Typicality	8-35
		[c]	Plaintiff's Theories of Recovery	8-44
	[3]		Action Settlements	8-49
	[4]		Action Fairness Act of 2005	8-52
		[a]	Generally	8-52
		[b]	Protection Against Loss by Class	
			Members	8-56
		[c]	Protection Against	
			Discrimination Based on	8-57
		[d]	Geographic Location Notifications to Appropriate	8-37
		լսյ	Federal and State Officials	8-57
§ 8.04	Bank	s on T	rial	8-61
3	[1]		Preparation and Jury Selection	8-61
		[a]	Developing a Defense and Using	
			Jury Consultants	8-61
			[i] Community Attitude	
			Surveys, Focus Groups	0.60
			and Mock Trials	8-62
			[ii] Voir Dire Assistance	8-65
		[b]	[iii] Miscellaneous Services Proposed <i>Voir Dire</i> Questions	8-65 8-66
		[Մ]	[i] Nature of the Jury	8-00
			Selection Process	8-68
			[ii] Knowledge of the Parties,	0 00
			Witnesses, and	
			Attorneys	8-68
			[iii] Prior Involvement With the	
			Legal System	8-68
			[iv] Attitudes and Biases	8-69
			[v] Demographic Data	8-70
		[6]	[vi] Case Specific Questions	8-70 8-70
	[2]	[c] Open	Conducting the <i>Voir Dire</i> ing Statement	8-70
	[3]		Strategies	8-72
	[2]	[a]	Presenting the Lender's Case	8-73
		[b]	Cross-Examining the Borrower	8-73
		[c]	Visual Aids	8-74
		[d]	Expert Testimony	8-74
			[i] Defense Experts	8-74
			[ii] Plaintiff's Experts	8-75

		٠		٠	
X	V	1	1	1	

	[4] [5]	[e] Damages	8-81 8-83 8-83 8-84
		CHAPTER 9	
	Litig	gation and Loss Prevention Management	
§ 9.01	Gene	erally	9-2
§ 9.02		ation Planning and Monitoring	9-3
	[1]	Retention of Outside Counsel	9-3
		[a] Selection of Candidates for	
		Interview	9-3
	[2]	[b] Conducting the Interview	9-4
	[2]	The Litigation Case Management	9-5
		Process	9-5
		[b] Budgeting	9-6
		[i] Tasks	9-6
		[ii] Staffing	9-8
		[iii] Disbursements	9-8
	[3]	Monitoring Litigation	9-9
		[a] General Procedures	9-9
		[b] Reporting Mechanisms	9-9
		[c] Settlement Procedures	9-10
		[i] Alternative Approaches [ii] Independent Settlement	9-10
		Counsel	9-15
§ 9.03	Loss	Prevention Techniques	9-16
·	[1]	Bank Training Mechanisms	9-16
		[a] Staff Training	9-16
		[b] Inside and Outside Counsel	0.40
		Training	9-19
		[c] Internal Auditor and Accountant	9-20
		Training	9-20
	[2]	Bank Policy Manuals and Forms	9-20
	[2]	Bank Folicy Manadis and Forms	7-20
		CHAPTER 10	
		Strategies to Avoid Litigation	
§ 10.01	Intro	duction	10-2
§ 10.02		imentation	10-3
3 10.02	[1]	Preparation of Credit and Other	
		Înternal Memoranda	10-3

		TABLE OF CONTENTS	xix
		[a] Evaluation of a Borrower[b] Personal Comments[c] Strategies for Dealing With a	10-3 10-5
		Borrower	10-6
		Relationship	10-7
		Credit	10-7
		[f] Prevention Techniques	10-8
	[2]	Contacts With Borrowers	10-9
	[3]	Credit Reviews	10-10
	[4]	Forms	10-10
	[5]	Loan Documentation	10-12
	[6]	Personnel Files	10-12
§ 10.03		ding and Loan Administration	10-14
Ü	[1]	Generally	10-14
		[a] Loan Policy Manual	10-14
		[b] Banking Customs and Practices	10-16
	[2]	Control Factors	10-17
		[a] Payment of Other Creditors	10-18
		[b] Approval of Business Plans	10-18
		[c] Personnel Decisions	10-18
	[3]	Fiduciary Factors	10-19
		[a] Inexperienced or Dependent Borrowers	10-19
		[b] Financial Advice and Counseling	10-19
		[c] Self-Dealing	10-20
		[d] Liquidation of Collateral	10-20
		[e] Advertising	10-20
	[4]	Termination of Credit	10-22
	[٦]	[a] Procedural Safeguards	10-23
		[b] Substantive Concerns	10-23
	[5]	Threats	10-23
	[6]	Release of Claims	10-24
		CHAPTER 11	
		Litigation Against Directors	
	:	and Officers of Financial Institutions	
§ 11.01	Intro	oduction	11-2
3 11.01	[1]	Duties of Directors and Officers	11-3
		[a] The Duty of Care	11-3
		[b] The Duty of Loyalty	11-5
	[2]	The Business Judgment Rule	11-7
	[3]	Other Limitations on	
		Director Liability	11-9

§ 11.02	Special Duties of Financial Institution	
3	Directors and Officers	11-11
	[1] Federal Law	11-12
	[2] State Law	11-13
	[3] Specialized Guides and Policy	11 15
	Statements	11-15
§ 11.03	Case Law on Financial Institution Director	11 13
g 11.05	and Officer Liability	11-19
	[1] Mismanagement Cases	11-19
	[2] Negligent Supervision	11-21
	[a] Liability	11-21
	[b] No Liability	11-24
	[c] Factors Leading to Liability	11-25
	[3] Loyalty Cases	11-27
§ 11.04	Statutory Liabilities	11-29
· ·	[1] Key Statutory Provisions	11-29
	[a] Insider Transactions	11-29
	b Lending Limits	11-30
	[c] Transactions with Affiliates	11-31
	[d] Unsafe and Unsound Banking	
	Practices	11-31
	[e] Reporting Requirements	11-32
	[2] RICO	11-33
	[3] FIRREA	11-34
§ 11.05	Defenses to Liability	11-36
	[1] Delegation and the Right to Rely	11-36
	[2] Regulatory Negligence	11-37
	[3] Preemption	11-41
	CHAPTER 12	
	Lender Liability and the Failed Bank	
§ 12.01	Introduction	12-1
§ 12.02	The D'Oench, Duhme Doctrine and	
· ·	12 U.S.C. § 1823(e)	12-3
	[1] D'Oench, Duhme	12-3
	[2] Section 1823(e) of the Federal Deposit	
	Insurance Act	12-5
§ 12.03	Scope of the <i>D'Oench</i> , <i>Duhme</i> Doctrine and	
	Section 1823(e) of the Federal Deposit	
	Insurance Act	12-10
	[1] Availability of Defenses	12-10
	[2] Foreclosed Defenses	12-13
	[3] Surviving Defenses	12-18
§ 12.04	Federal Holder in Due Course Doctrine	12-24
	[1] Scope of the Federal Holder in Due	
	Course Doctrine	12-24
	[2] Foreclosed Defenses	12-25
	[3] Surviving Defenses	12-26

	TABLE OF CONTENTS	XXI
	CHAPTER 13	
	Loan Participation Litigation	
§ 13.01	Introduction	13-1
§ 13.02	Loan Origination and Underwriting	13-4
§ 13.03	Loan Administration	13-11
	[1] Nature of Relationship Between	
	Lead or Agent Bank and	12 11
	Participants	13-11
	[2] Powers of Lead or Agent Bank in	12 12
0 12 04	Loan Administration	13-13
§ 13.04	Strategies For Loan Participants	13-18
	[1] Loan Origination and Underwriting	13-18
	[2] Loan Administration	13-19
	CHAPTER 14	
	Liability Under Other Federal Statutes	
§ 14.01	Equal Credit Opportunity Act	14-2
· ·	[1] Generally	14-2
	[2] Statutory Provisions	14-2
	[a] Prohibited Activities	14-2
	[b] Civil Liability Under ECOA	14-7
	[3] Procedures in Actions Against	
	Creditors; Burden of Proof	14-8
§ 14.02	Fair Labor Standards Act	14-11
	[1] Generally	14-11
	[2] Application of FLSA to Lenders	14-11
§ 14.03	Bank Secrecy Act	14-14
	[1] Generally	14-14
	[2] Civil and Criminal Liability Under	
	the BSA	14-15
§ 14.04	Truth in Lending Act	14-17
	[1] Generally	14-17
	[2] Required Disclosures and Right	
	to Rescind	14-19
	[3] Civil Liability Under TILA	14-24
0.1107	[4] Criminal Liability Under TILA	14-29
§ 14.05	Right to Financial Privacy Act	14-30
	[1] Generally	14-30
	[2] Remedies Under RFPA	14-35
INDEX		I-1