

MARKS & WEINBERG, P.C.

PACCAR Financial Corporation v. Mackey

122 F.3d 1134 (8th Cir. 9/4/97)

After a lessee default and sale of the equipment, the lessor sued the guarantors for the deficiency. The guarantors resorted to the first refuge of the scoundrel in these actions, claiming that the lessor's sale methods were not "commercially reasonable". The court ruled that the advertisement by the lessor was, in fact, commercially reasonable, despite the fact that a higher price might have been obtained. NOTE: The guarantors might have had a defense based on an alleged failure of the lessor to give them notice of the sales, but this defense was lost due to a procedural error on the part of their lawyers.

It should be noted that Revised Article 9, adopted a half decade after this case, clearly requires that notices be sent to guarantors.

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