

Documentary Credit

WORLD

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■ **TURN BACK THE CLOCK: LC CASES**

What can be learned from letter of credit court cases dating back to the 1900s? Quite a bit when a commercial lawyer with more than 40 years of experience identifies and analyzes his ten noteworthy US cases from the 20th century. In this issue, we reprint Carter Klein’s popular article first published in *DCW* at the close of the millennium. While each case earns its place on the list for some superlative, in most all the decisions something has gone wrong for the applicant, issuer, or beneficiary. But before the list, Klein begins with a closer look at his favorite, *Exxon v. Bank Paribas*, the impossibility case that was decided in the mid-1980s involving a USD 20 million LC. It went through almost a dozen court decisions and was decided wrongly under “Texas” justice, that the issuer had to pay for a draw made after the LC expired because the draw trigger was a chronological impossibility creating an ambiguity in the court’s mind.

