

# Book Review: Warren: Margin Customers

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languages together with an English version where such is not the language of the original texts. Editorial notes accompany a majority of the papers. A great variety of subjects is covered in the instruments selected. Particularly noticeable are the agreements concerning labor, radiocommunication and telecommunication. Other subjects cover fisheries, agriculture, tin, shipping and the like. Few political agreements or papers relating to the military are included, although the Naval Conference Treaty signed at London in 1936, and the London Process-Verbal and the Nyon Arrangement concerning submarine warfare are set forth.

It goes without saying that the Carnegie Endowment is doing an invaluable service to the study of international law in making possible the collection of these papers in a compact, usable series. And Judge Hudson's job of editing is excellent.

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*Margin Customers.* By Edward H. Warren. The Plimpton Press, Norwood, Mass. 1941. Pp. xi, 464. \$4.

This book by Professor Warren is an exceedingly readable critique on the law of conversion, with special attention to the converter of pledged securities. Its full title is *The Rights of Margin Customers Against Wrongdoing Stockbrokers and some other problems in The Modern Law of Pledge*. It is written in the same clear, terse style which has made Professor Warren's lectures distinctive. At the beginning of the book the author presents a rapid survey of the various forms of property security, and then trains his guns on the main target—the law of pledge and the liability of a wrongdoing pledgee as one who violates a property, not merely a contract right. He flays the decisions which have failed to observe this basic distinction. His chief assault is upon that "citadel of mischief," *Wood v. Fisk*, 215 N.Y. 233, 109 N.E. 177 (1915), which he attacks throughout the book, and in Chapter Eight criticises adversely for seventeen reasons. Criticism No. 1: "It tends to undermine the fundamental of fundamentals, which is that margin customers have *property* rights, rights *in rem*, and not merely contract rights, rights *in personam*."

Although the book is concerned primarily with the pledgor-pledgee relationship, which in every state but Massachusetts characterizes the dealings of a stock purchaser with his broker whenever the purchase is on margin, the author dips deftly into a hundred other topics, either because they are interwoven with his main subject, or because they offer an analogy which throws light on it. With bits of legal history entertainingly told he traces the origin of rules, and he does not scorn to restate with clarity basic principles. His analysis is thorough, and so lucid that understanding is inescapable. In fact, the author's zeal for clearness of expression and simplicity of style is manifested not only by his diction throughout the book, but by a little essay at its beginning, entitled "Preface." No reader should omit this most unusual preface. Writers in any field will profit by its precepts, stated in seven short paragraphs.

Example: "Make it a habit of life to spend ten minutes a day in reading something in the Psalms or Proverbs or Gospels; and treasure the short, terse, depicting, dynamic, devastating words and expressions."

Another: "See to it that not less than sixty-six per cent of your words are words of one syllable."

OTTO F. REIS.