



Syllabus and Course Guide for

Business Law I: The Legal Environment

**Professor Thomas B. Cooke
Distinguished Teaching Professor
The McDonough School of Business
Georgetown University**

Summer 2018

Accounting 181-01

FINAL EXAM: June 15, 2018

May 21-June 15, 2018

M,Tu,W,Th,F: 10:45 am – 12:45 pm

Location: TBA

COOKET@GEORGETOWN.EDU

(202) 549-7477 (CELL) Revised: 26 February 2018

Course Objectives

This course is designed to give you a broad overview of the Legal Environment and the application of the law to business decision making. This course should be of interest to all undergraduate students regardless of their area of professional interest or undergraduate major. “The law affects all of us in a variety of ways.”

This course will provide you with a framework to help you understand significant legal principles, to analyze legal-business problems, to develop opinions about how best to act, to critically read court decisions, and to be able to think like a lawyer does (at least we can start the process).

An introduction to the legal environment within which businesses operates requires a focus on contract law, sales law and product liability. The course provides an introduction to the Anglo-American legal system and the development of substantive and procedural law. The course also includes a review of the ethical issues confronted by lawyers and their clients.

The assigned readings will include “real-life” cases that illustrate “real-life” business problems and “real-life” solutions. We will learn from the success and failure of others.

Part of the framework of the course involves an understanding of the legal system and legal process. Therefore, visits to the “real world” [Court Rooms in action] is a very important component of the course.

Court visits to the **Superior Court of the District of Columbia or the United States District Court or** are required. A visit to the **United States Supreme Court or the United States Court of Appeals** can substitute for the United States District Court visit. A total of one court visits is required.

	<u>Visit Date</u>	<u>Report Due Date</u>
Superior Court	F, May 25	F, June 1
Or		
US District Court		
Or		
US Court of Appeals		
Or		
US Supreme Court		

Court Report:

Each member of the class must prepare a 2-page summary report concerning the visit. The Court Visit Report is due on the above referenced date. All reports must be submitted in class. The report is worth a total of 20 points. Two points will be taken off for each day or fraction of a day that a report is late, sent by e-mail or delivered outside the classroom. Reports may always be submitted early.

Instructor Evaluations:

<u>Semester</u>	<u>Course Objectives</u>	<u>How Much Did You Learn</u>	<u>Overall Evaluation Of Instructor</u>
S 2018: A 181-02	Pending		
S 2018: A 181-03	Pending		
F 2017: A 181-03	4.70	4.73	4.72
Summer 2017:	4.89	4.89	4.89
S 2017: A 181-02	4.72	4.74	4.78
S 2017: A 181-03	4.91	4.93	4.89
F 2016: A 181-03	4.63	4.73	4.77
Summer 2016:	5.00	4.91	5.00
S 2016 181-02	4.89	4.69	4.78
S 2016 181-03	4.55	4.39	4.61
F 2015: 181-03	4.70	4.58	4.77
Summer 2015:	5.00	4.87	5.00
S 2015: A 181-02	4.55	4.83	4.59
S 2015: A 181-03	4.78	5.00	4.80
F 2014: A 181	4.57	4.56	4.75
Summer 2014	4.78	5.00	4.78
S 2014-01	4.65	4.58	4.65
F 2013-02	4.48	4.41	4.64
F 2013-03	4.59	4.51	4.68
Summer 2013:	4.83	4.83	4.94
S 2013-01	4.72	4.51	4.82
F 2012-01	4.74	4.58	4.74
F 2012-03	4.60	4.60	4.67
Summer 2012:	4.83	4.67	5.00
S 2012-01	4.70	4.56	4.85
F 2011-01	4.69	4.63	4.97

www.RateMyProfessor.com

of Ratings: > 100
Date: 27 December 2017
Overall Quality: 4.7
Level of Difficulty: 2.3
Would Take Again: 86%

General Information

Each member of the class is responsible for keeping up with the assigned readings and reviewing the Power Point slides in advance of each class. Preparation for class is half the battle. The balance is made up by attending class, listening carefully, taking notes, participating in class discussions and by **asking questions**. Questions are encouraged and volunteering to answer a question/s is always welcomed by the instructor and other members of the class. Please speak loud and clear so everyone can understand what you are saying.

Attendance and Participation

“He who asks is a fool for five minutes, but he who does not ask remains a fool forever.”
Chinese proverb

Attendance and **participation** are essential for success in this course. Students are expected to actively participate in the class discussions. The majority of the class meetings will involve discussions of cases. This is not meant to be an opportunity to show up and hear what others have to say or to merely chat about the case based on a perfunctory reading of the material. **Preparation for each class is essential.** I expect regular broad participation by the class each time we meet. I do not consider attendance to = participation. I will cold call as necessary to help everyone realize the importance of thorough preparation and active participation.

Missing more than one class will have a material adverse impact on your grade for the course. **After more than one missed class**, students can expect to have their final number of points **reduced by 5 points** for each missed class. Attendance sheets will be circulated in each class. **It is the responsibility of each member of the class to sign in for him or herself.** Signing the attendance sheet for another member of the class is a violation of the Georgetown University Honor System.

All students **MUST** take the class quizzes and tests as scheduled. You are allowed to drop two quizzes – so missing two quizzes, while not recommended, is not fatal. Anyone who misses a scheduled test or more than two quizzes **MUST** take a **comprehensive** final examination on a date assigned by the Registrar.

Attendance: Alert

The class meets one time a week for a double class session. Missing any class is the equivalent of missing a week of classes. Missing classes will have a negative impact on the final grades. Missing more than one session (actually two classes) will reduce the total number of points by 5 points per missed class.

Assignments

The final grades in the course will be based on a variety of assignments/projects/tasks. This is designed so that no one assignment/project/task controls the final grade. Obviously each assignment/project/task impacts on the final grade.

Grades for written assignments (e.g. the court visit reports) will be based on substance and style. To perform well in the latter category, students will benefit from a concise writing style. Unnecessary length will be viewed negatively. I am looking for quality and not quantity.

If it is easier for you, a bullet point format is acceptable for the court visit reports. As Albert Einstein once said, "Everything should be kept as simple as possible, but not more so." All written assignments must be typed double-spaced, have 1" margins on all four sides, and use a 12 pitch.

Two points (out of 20) will be taken off for papers that do not follow the above guidelines.

Please review the discussion of Turnitin.com below.

Grade Determination – Please Read the Important Disclaimer that Follows

Class Participation & Class Attendance

can be considered a negative factor

Class Quizzes:

60 points (10 x 6) 8 Quizzes – Drop the lowest 2 scores

Court Visit Report:

20 points

Test 1:

60 points

Final Exam:

60 points

Total Points:

200 points

A	93-100	186	B-	80-82	160	D+	65-69	130
A-	90-92	180	C+	77-79	154	D	60-64	120
B+	87-89	174	C	73-76	146	F	< 60	
B	83-86	166	C-	70-72	140			

Common Grading Standards for ALL Sections of Acct 101, 102 and 181

On August 21, 2008, MSB Dean George Daly directed the Accounting faculty to implement the following policy that is designed to put an immediate halt to the grade inflation and grade disparity across instructors teaching different sections of the same course.

“In each semester, the average GPA for each instructor teaching Acct 101, Acct 102 and Acct 181 shall not be higher than 3.0. In making this computation, W’s, FA’s and Blank shall not be included in the computation of the GPA. The average GPA will be computed across all sections of Acct 101, Acct 102 or ACCT 181 taught by each instructor in that semester. In addition, not more than roughly 30% of each instructor’s students shall receive grades of A and/or A-minus.”

The following statement comes from a January 16, 2010 announcement:

	Average GPA may not exceed	% of A or A- may nor exceed
Accounting 101, 102, 181 , 201, 202, Finance 211	3.0	30%
All other MSB required core courses	3.3	35%
All other Finance courses	3.4	50%
All other courses not described above	3.5	50%

Honor Code

I (and I trust my students) take the Georgetown Honor System seriously. A substantial part of your grade (40 points/200 points) is based on court visit reports. If you are not familiar with the provisions of the Honor System now would be a good time to learn about them. The written assignments must include your name and the following signed statement:

Please note:

“This assignment exclusively represents my own work. I have not discussed the contents of this assignment with anyone. This final product represents my own work product.” This statement should appear at the bottom of the court report.

Note: A violation of the Honor System (in any degree) may result in a failing course grade.

In July 2004, Georgetown University appointed Professor Cooke Faculty Chairman, Georgetown University Honor Council. Professor Cooke served as Chairman for six years (2004-2010). Currently, Professor Cooke is available to the Undergraduate Honor Council on an as needed basis. From 2007-2009, Professor Cooke was a member of the MSB MBA Honor Council.

Honor Pledge

“In the pursuit of the high ideals and rigorous standards of academic life, I commit myself to respect and uphold the Georgetown University Honor System: To be honest in any academic endeavor, and to conduct myself honorably, as a responsible member of the Georgetown community, as we live and work together.”

Inclement Weather Policy

A Memo from the Registrar dated November 21, 2014 noted that:

“Instructional activities will be maintained during university closures. Faculty members should prepare for the possibility of an interruption of face-to-face instruction by establishing a policy within the course syllabus to maintain instructional continuity in the case of unforeseen disruption. During a campus “closure,” the regular class time schedule must be honored by all campus departments so that students will remain available for those faculty members who wish to maintain continuous academic progress through synchronous distance instruction.”

In accordance with the above memo ...

1. I will make every effort to make it to campus in advance of any forecast of inclement weather. Not likely for the Fall term.
2. I will keep the class informed of my location. I live approximately 1 hour from the campus in Rockville, Maryland.
3. If the University announces a “closure”, I will post instructions via Canvas..
4. Any Quiz scheduled for a class that faces a “closure” will be rescheduled for the next class session.

NOTE: We are not likely to experience any “inclement weather” during the summer session.

Course Materials Book

I am in the process of writing a text book that will cover many of the course topics. I will post “draft” chapters of my work on a class-by-class basis. In all cases, please pay careful attention to the Power Point slides that are an important part of the subject matter presentation. Please be sure to read any assigned cases prior to the class review and analysis.

- I. The Legal System
 - The United States Supreme Court
 - Recent decisions of interest
 - Carpenter v. United States*
- II The Law of Contracts
- III Article 2 of the UCC v. The Common Law of Contracts
 - Sales of Goods/Product Liability
 - McDonalds Hot Coffee Case
- IV Lawsuits Gone Wild
 - Ethical Rules of Legal/Business Practice

Course Outline/Schedule

I reserve the right to make changes in the course outline and content. I can promise you there will be very few, if any changes. Students will be given as much notice as possible of any changes. My preference is for “certainty” rather than the “uncertainty” that changes can bring.

“A man can make what he wants of himself if he truly believes that he must be ready for hard work and many heartbreaks.”

Thurgood Marshall
Justice, U.S. Supreme Court

About the Professor

Born and Raised: Teaneck, NJ
Avon by the Sea, NJ
Ocean Beach, NJ

High School: Don Bosco Prep (1967)

College: Villanova (1971)

Law School:
Georgetown University Law Center: JD, 1974
Georgetown University Law Center: LLM, 1976
Georgetown University Law Center: MLT, 1984

Summer Employment (in College): Conde Nast Publications, NY
Philadelphia Country Club

Employment Post Law School:

Dean of Students
Georgetown Preparatory School
Rockville, Maryland

Assistant State's Attorney
Montgomery County
Rockville, Maryland

Assistant Public Defender
Montgomery County
Rockville, Maryland

Private Practice of Law
District of Columbia & Maryland

Adjunct Professor
George Washington University
Washington, DC

Adjunct Professor
Georgetown University
Washington, DC

Executive Director
National Society of Tax Professionals
Vancouver, Washington

Editor
The Federal Tax Alert
The Tax Client Newsletter
National Society of Tax Professionals
Vancouver, Washington

Professional Lecturer
Internal Revenue Service (IRS)
Washington, DC

Professional Lecturer
Best in the West Tax Seminars
Reno and Las Vegas, Nevada
North Carolina Society of Tax Professionals

CURRENT

Distinguished Teaching Professor
Robert E. McDonough School of Business
Georgetown University
Washington, DC 20057

Spring 2018: Accounting 181-02
Accounting 181-03

Management 310

Management 311

Management 312

Management 313

Management 511

Investment Fund Advisor: Master of
Science in Finance program

Faculty Advisor: MSB Undergraduate
Case Competition Program

Faculty Member: MSB Faculty
Advising Committee

CURRENT

Owner

TBS Stables

Standardbred (Harness) Horses

DE., MD., NY, NJ, PA., and VA

Nuclear Breeze (World Record)

www.NuclearBreeze.com

Cams Rocket – Sire of World Champion

GoGoGaaGaa

Toms Titan (5-Pacing-Colt)

1:53.2 (fastest mile in the US on a ½ mile
track – August 2013)

1:51.3 (fastest mile in the US on a ½ mile
track – July 2014)

2018 Race Horses:

BWT TAJ, older trotter

Candy Stash, mare, trotter

Endless Summer, mare, pacer

*Madiba, mare, pacer

*Missed Opportunity, gelding

*Toms Titan, colt

*Toms Typhoon, gelding

*Toms Tornado, gelding

*Toms Titanium, 2, colt

*Toms Titanosaurus, 2, colt

*Toms Tyranosaurus, 2, colt+

*Toms Turbluence, 2, colt

*Toms Tulip, mare

*Toms Treasure, mare

*Toms Trophy, 2, filly

*Toms Typhoon

*Toms Tornado

*Toms Tarzan, 3-H-P

2017 Yearlings:

*Toms Twilight, colt

*Paddy Ponder, filly

*Toms Twinkle, filly

2017 Unnamed Foals:

*Filly, Cams Rocket – High Speed Racer

*Filly, Cams Rocket – Nuclear Folks

*Filly, Ponder – Like My Mom

2017 Breedings: Total of 7

2018 Breedings: TBD

- Horses bred by TBC Stables
+ 2017 Maryland Sire States and Ocean Downs Track Record:
1:54.4 (August 21, 2017)

CURRENT

Board of Directors
Cloverleaf Standardbred Owners Association

Board of Directors
Maryland Standardbred Breeders Association

McDonough School of Business, Undergraduate
Dean's Faculty Advising Committee
Pre-Law Advisor

Professional Memberships:

National Association of Criminal Defense Lawyers (NACDL)
National Association of Tax Professionals (NATP)
National Society of Accountants (NSA)
National Society of Tax Professionals (NSTP)
Maryland Society of Accounting & Tax Professionals
United States Trotting Association (USTA)
Maryland Standardbred Breeders Association (MSBA)
Cloverleaf Standardbred Owners Association (CSOA)

Favorite Things:

Foods:

Anything Healthy. Green is good!

Football Team:

Dallas Cowboys

Baseball Team:

Washington Nationals

Hockey Team:

Washington Capitals

Basketball Team (pros):

Washington Wizards

Washington Mystics

Basketball Team (college): HOYAS!
Movie: Wall Street I

TV Show: ESPN

Places to Vacation: Hoi An, Vietnam
Chang Mai, Thailand
Santa Monica, CA

Olympic Heroes: Apolo Anton Ohno
Michael Phelps



Professor Cooke and Olympic Champion Apolo Anton Ohno (May 2010). Apolo was a guest at the McDonough School of Business. Photo taken by Professor Betsy Sigman.

LET OUR JOURNEY BEGIN

“We must reject the idea that every time a law’s broken, society is guilty rather than the lawbreaker. It is time to restore the American precept that each individual is accountable for his actions.”

President Ronald Reagan

Class #1- Introduction to the course; Course requirements; Understanding the Legal System; The United States Supreme Court **May 21**

Required Readings: None

1. The United States Supreme Court slides and Legal System slides are posted in the Documents section of Blackboard.

Recommended Readings:

None

Class Discussion Questions:

1. What are the requirements for this course?
2. US Supreme Court Update: Filing a Vacancy – the nomination process: Obama (2016) and Trump (2017)
3. The Court’s process of granting “**certiorari**.”
 - a. The critical 4 votes.
5. The 5-4 Decisions
6. The June 2012 decision in the Patient Protection and Affordable Care Act (Obamacare).
7. Decisions of Note
8. Hobby Lobby decision (June 2014)
9. To Back A Cake: Supreme Court decision pending
10. Sports Wagering: Supreme Court decision pending
11. State Court vs. Federal Court systems.
12. Possible future vacancies on the United States Supreme Court

Class #2 – The Legal System: People and Process

May 22
QUIZ 1

Quotation of the day –

“Never make a defense or apology before you be accused.”

[The author of these words was later tried, condemned, and executed as a “tyrant and a traitor to the liberties of England.”]

Charles I, 1600-1649

King of England

Letter to Lord Wentworth, September 3, 1636

Required Readings:

1. Review the Power Point slides (The Legal System) for this subject area.

Class Discussion Questions:

1. What features serve to distinguish the civil case process from the criminal case process?
2. What provisions of the U.S. Constitution are relevant to the “court process?”
3. What factors serve to distinguish the civil case process from the criminal case process?
4. What is the role of the Grand Jury in today’s world?

Class #3 – The Anatomy of a Civil Case & The Power of Civil Discovery **May 23**

Quotation of the day –

“Litigation is the pursuit of practical ends, not a game of chess.”

Felix Frankfurter, 1882-1965

U.S. Supreme Court Justice

Indianapolis v. Chase National Bank (1941)

Required Readings

1. Review the Power Point slides (The Legal System)for this subject area

Class Discussion Questions:

1. How does the “Discovery” process compare between the Criminal and Civil case?
2. What makes up a Civil Complaint?
3. What is the advantage of the Deposition over the Interrogatory?
4. Why are so many civil cases settled without a formal trial?

Class #3 – Legal System, continued
Carpenter v. The United States

May 24
QUIZ 2

(Legal System, Criminal v. Civil)

Quotation of the Day -

“The will to win means nothing if you do not have the will to prepare.”

Juma Ikengaa

Required Readings:

1. Read the United States Supreme Court decision in Carpenter v. United States.
2. Review the Power Point slides that have been provided on this case.
3. Read the newspaper articles reporting on the Supreme Court’s decision in Carpenter.

Class Discussion Questions:

1. Just how significant is the Carpenter decision?
2. Why were there only 8 members on the Supreme Court at the time this case was argued and decided?
3. What type of defense did the defendants raise?
3. What makes the Mail and Wire Fraud statute such a powerful tool in the hands of the Government?
5. Why were the Justices split (4-4) on the Federal Securities Law violations?
6. How would a similar case be decided today – by the current Supreme Court?

Note: We are now going to begin a detailed review of the Law of Contracts. Please reach each of the assigned cases in advance of class. It is impossible to read the cases for the first time in class. The Power Point slides are designed to assist you in understanding the cases – not to serve as a substitute for reading the cases in advance of class.

Class #4 – Court Visit Day – No Formal Class

May 25

Class #5 – The Law of Contracts: Offers

May 29

QUIZ 3

(Carpenter case)

Quotations of the day –

“Five frogs are sitting on a log. Four decide to jump off. How many are left? Answer: five. Why?”

Five Frogs on a Log, Feldman and Spratt

“Navigating a major transition is a race against time. Executives quickly discover that they are late even before they get started. Everything becomes a priority. Years of deployment decisions must be made in days. There are hundreds of questions and only a handful of vague answers. Nobody is doing his or her job effectively. Customers are being neglected. Productivity is plummeting. Chaos is spreading like wildfire.”

Five Frogs on a Log, Feldman and Spratt

Required Readings:

1. Selected cases
2. Text materials
3. Power Point slides available in Blackboard: The Law of Contracts

Class Discussion Questions:

1. What are the essential elements of a Contract?
2. What is the difference between an “objective” test and a “subjective” test?
3. How do we determine the **intent** of the offeror?
4. What is an “exculpatory clause?”
5. How can an “exculpatory clause” be used to your advantage?
6. What problems are presented in the Belger v. Holland Construction Co. case?

Quotations of the day -

“Things worthwhile generally just don’t happen. Luck is a fact, but should not be a factor. Good luck is what is left over after intelligence and effort have combined at their best . . . Luck is the residue of design.

Branch Rickey

“If you don’t know where you are going any road will take you there.”

Napoleon Bonaparte

Required Readings:

1. Selected cases
2. Text readings
3. Power Point slides

Class Discussion Questions:

1. What are the requirements for a valid acceptance?
2. What is meant by the “mirror image rule?”
3. What are the various forms of “communication” that can go back and forth between the parties?
4. When are the various forms of “communication” **effective**?
4. What is this thing they call the **Mail Box Rule**?

Class #7 – The Law of Contracts: Offer and Acceptance Revisited

May 31

Quotations of the day –

“For every complex problem there is a simple solution that is wrong.”
George Bernard Shaw

Required Readings:

1. Text readings

Class Discussion Questions:

1. TBA

Class #8 – The Law of Contracts: Consideration

June 01

QUIZ 4

(Offer & Acceptance)

Court Report Due Date

“Statistics are no substitute for judgment.”
Henry Clay

Required Reading:

1. Selected cases
2. Text readings
3. Power Point slides

Class Discussion Questions:

1. What are some common examples of consideration?
2. What is meant by the statement: “The bargained for exchange?”
3. What are some examples of what will NOT constitute legally binding consideration?

4. Under what circumstances can Promissory Estoppel be used as a substitute for consideration?
5. Is the court's reasoning in Sanders v. Arkansas Missouri Power Company correct? Is there another way that the court could have come up with the same result by using another argument for enforcement of the promise?

Class # 9 – The Law of Contracts: The Statute of Frauds and the Parol Evidence Rule

June 04

Quotation of the day –

“Discourage litigation. Persuade your neighbor to compromise wherever you can ... As a peace-maker the lawyer has a superior opportunity of being a good man. There will still be business enough.”

Abraham Lincoln, 1809-1865

16th President of the United States

Notes for a Law Lecture

Required Readings:

1. Cases as assigned
2. Text readings
3. Power Point slides

Class Discussion Questions:

1. How did the Statute of Frauds come to get its name?
2. Under what circumstances should a contract be in writing?
3. What are the advantages of having an agreement in writing?
4. Under what circumstances **must** a contract be in writing?
5. If a contract is reduced to a writing, under what circumstances can you go outside the writing to explain it, change it, etc.?
6. How is it possible to have a contract in writing, signed by only one party and still have a valid contract?

7. Is there certain “boiler plate” language that should be included in every written contract?

Class #10 – The Law of Contracts: Capacity and Legality

June 05
QUIZ 5

Quotation of the day –

“Business leaders today can’t shrink from their obligations to set a moral example.”

William C. Butcher

Chairman, The Chase Manhattan Corporation

Speech, New Orleans, May 15, 1987

Required Readings:

1. Cases as assigned
2. Power Point slides

Class Discussion Questions:

1. Why do so many of the “capacity” problems involve people who have entered into contracts with minors?
2. How does the case law distinguish between “necessary” and “non-necessary” items?
3. A contract must be “legal” to be enforceable. Under what circumstances can a party allege that an agreement violates the law and is “illegal?”
4. The case of Murphy v. McNamara involves a court undoing what a party had clearly agreed to do. Is this an example of a court running wild – over reaching or is this what we expect judges to do?
5. What is meant by the expression an “activist judge?”

Class #11 – The Law of Contracts: Defenses

June 06
QUIZ 6

Quotation of the day –

“The challenge ... is to find a socially responsible niche where you can effectively give back to the community in which you operate and in which you have prospered.”

Earl G. Graves

Publisher and Editor, Black Enterprise

The New York Times, January 3, 1988

Required Readings:

1. Cases as assigned
2. Power Point slides

Discussion Questions:

1. What are the most common defenses that occur in the law of contracts?
2. How does the party asserting a “defense” go about proving the defense?
3. What is the difference between a “void” agreement and a “voidable” agreement?
4. Under what circumstances can a **unilateral mistake** make an agreement voidable?

Class #12 – The Law of Contracts: Miscellaneous Matters

June 07
QUIZ 7

Quotation of the day –

“Get your facts first, and then you can distort them as much as you please.”

Mark Twain

Required Readings

1. TBA

Class Discussion Questions:

1. Whatever you would like to ask

Class # 13: *Review Class*

June 08

10:00 – 10:45 am

Please come to class prepared to ask any all questions that you have regarding the Law of Contracts. Take advantage of the available sample questions as well as the Points to Remember.

Class #13– TEST I: THE LAW OF CONTRACTS

June 08

10: 45 am – 12:45 pm

Quotation of the day –

“In a free society there is one and only one social responsibility to business – to use its resources and engage in activities designed to increase profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.”

Milton Friedman

Nobel laureate in economics

Capitalism and Freedom

Likely Format:

1. 60 Questions
2. Multiple Choice
3. True/False

*Instructions:

1. This is a closed book test.
2. Absolutely no outside materials may be used during the test.
3. Please do not discuss the contents of the test with anyone until after 5 PM today.

* The Instructions are applicable for Test I and the Final Exam.

Note: Now that we have completed our journey through the Law of Contract we are ready to review the importance of statutory law. The Uniform Commercial Code (UCC) will serve as our point of reference. Emphasis will be on the importance of UCC Article 2 “Transactions in Goods.”

In addition to reviewing subjects such as Bailments, Negligence, Strict Liability, Product Liability, we will consider the forms of “legal protection” that may be available to consumers as well as those that can serve to protect manufacturers, distributors and retailers.

Class # 14-

June 11

*The Law of Bailments
An Introduction to the U.C.C
UCC Terminology
UCC: Special Articles to Read*

Quotation of the day –

“The market, like the Lord, helps those who help themselves. But unlike the Lord, it forgives not those who know not what they do.”
Warren Buffet

Required Readings:

1. Power Point slides only ... there are no case readings.

Class Discussion Questions:

1. What are the most common types of Bailments that consumers get involved in?
1. Just how much control or influence can we as consumers exercise over the Bailments that we enter into?
3. What are some practical tips that consumers can use to provide extra protection?

Class # 15– The Uniform Commercial Code v. The Common Law of Contracts

June 12

Quotation of the day –

“You name the price, I’ll name the terms.”

Old Saying

Required Readings:

1. Power Point slides only – no case readings

Class Discussion Questions:

1. In what ways is the U.C.C., Article 2 similar or different from the Common Law of Contracts?
2. Why does the U.C.C., Article 2 represent an improvement over the common law of contracts?
3. How can you recognize that the issue involves the U.C.C. and not the Common Law?

*Class #16– The Uniform Commercial Code: Article 2, Scope and Content
The Risk of Loss Rules*

June 13

Quotations of the day –

“High expectations are the key to everything.”

Sam Walton

Required Readings:

1. Cases as assigned
2. Power Point slides

Class Discussion Questions:

1. What is the best framework for reviewing the “Risk of Loss” rules?
2. How do you distinguish between a “Shipment” contract and a “Destination” contract?

3. What is the difference between an “On Sale or Return” contract and a “Sale on Approval” contract?

Class # 16– The Uniform Commercial Code, cont’d
Theories of Liability: Warranties

June 13
QUIZ 8

Quotation of the day –

“Getting good players is easy. The hard part is getting them to play together.”
Casey Stengel, former New York Yankees manager

“We made too many wrong mistakes.”
Yogi Berra

Required Readings:

1. UCC sections as assigned
2. Cases as assigned
Royal Business Machines v. Lorraine (7th Circuit, 1980)
Addis v. Bernardin (Kansas, 1979)
3. Power Point slides

Class Discussion Questions:

1. How does the U.C.C. review the subject of warranties?
2. Why are the so-called “implied” warranties more difficult to understand?
3. How can a seller avoid making an “express” warranty?
4. How can a seller avoid making an “implied” warranty?
5. Just how powerful is the term “as is?”

Negligence and Strict Liability in Tort

Quotation of the day –

“Things appear in one of four ways:

- They are what they appear to be;
- They are not and do not appear to be;
- They are and do not appear to be;
- They are not and yet they appear to be.

The Discourses of Epictetus, Book 1, Chapter 27

Required Readings:

1. Course materials as assigned
2. Please conduct a Google search under McDonalds and the subject of hot coffee
 - A. What are the real facts?
 - B. How would you describe (if any) the Plaintiff’s level of fault?
 - C. If you find that the Plaintiff was at fault ... how do you come up with a percentage of fault?
3. Cases:
 - Filler v. Rayex (7th Circuit, 1970)
 - A. What would the Compensatory Damages be worth today?
 - B. Can you make an argument for Punitive Damages in this case?
3. Power Point slides

Class Discussion Questions:

1. What are the elements for establishing “negligence?”
2. What are the “defenses” to negligence?
3. Why are more states “comparative” negligence states rather than “contributory” negligence states?
4. Under what theory/s did a trial court find that McDonalds was liable for serving a hot cup of coffee?
5. What role does the theory known as “strict liability in tort” play?

Quotation of the day –

“Always go to other people’s funerals, otherwise they won’t come to yours.”
Yogi Berra

Required Readings:

1. Cases:
Henningsen v. Bloomfield Motors (New Jersey, 1960)
What is so historical about the 1960 case from New Jersey?
2. Power Point slides

Class Discussion Questions:

1. What does U.C.C. section 2-318 establish?
2. What does section 2-318 offer three difference alternative theories?
3. How are the three alternative theories different from each other?
4. What is meant by “state of the art” as a defense?
5. Under what circumstances can “state of the art” be a defense?

Class #17 – Problem Solving

June 15

Course Evaluations

Quotations of the day –

“You can observe a lot just by watching.”

Yogi Berra

“Courage is what it takes to stand up and speak; courage is also what it takes to sit down and listen.”

Sir Winston Churchill

Required Readings:

1. TBA

Class Discussion Questions:

1. Whatever you would like to ask.

Quotations of the day –

“If you think you can go it alone in today’s global economy, you are highly mistaken.”

Jack Welch, former CEO, General Electric

Class # 18: Final Exam

Date: June 15

Location: TBA

Format:

- 1. 60 questions**
- 2. Mix of Multiple Choice, True/False and Matching**
- 3. See page 26 for additional instructions**

And in conclusion -

“We receive three educations, one from our parents, one from our schoolmasters, and one from the world. The third contradicts all that the first two teach us.”

Montesquieu

“The only place where success comes before work is in the dictionary.”
Unknown Author

“The only thing more unnerving than realizing that your peers are running the world is realizing that your ex-students are too.”
Anne Matthews

**Thank you for joining me in a journey through the
Legal Environment of Business. Remember that
“there are two groups of people on this earth: lawyers
and everyone else who live with them.”**

**Thomas B. Cooke
Distinguished Teaching Professor
Georgetown University
McDonough School of Business**

END