

Business Associations Fall 2021 Writing Assignment (for 25% of the course grade). Deadline: October 8, 2021.

Ari, Bob, and Cara are all students at Arcadian State University, majoring in Business, and they are all very focused on identifying and developing business opportunities.

Ari specializes in marketing and has a number of clients for whom he provides marketing advice and services. Bob's family is in the antiques and collectibles business and Bob follows in the family tradition and is developing a business which finds artefacts which are used in the design and decoration of restaurants and boutique hotels. Cara organizes fund-raising events for non-profit organizations.

Ari, Bob and Cara went to Costa Rica on vacation and were very impressed by some jewelry they saw there. They began to discuss with the manufacturers of the jewelry how they might arrange for supplies of the jewelry they could import into the US. They also bought a quantity of the jewelry to take back with them. After returning to Arcadia they developed a plan for marketing and selling the jewelry, in which all three would be involved. Bob's mother agreed to lend them some money to get the new venture off the ground. Cara persuaded one of her clients to feature the jewelry at one of her fund-raising events, and worked with the Costa Rican manufacturers to meet the client's wishes. Ari began work on marketing the jewelry to US-based customers. Over time, Cara became the main contact point with the Costa Rican jewelry makers.

They decide to call the jewelry line Ariboca Designs, and it soon becomes clear that they will be able to sell a lot of the jewelry, so they order more supplies. They decide that they will need to hire someone to deal with day-to-day administration. Ari, Bob, Cara, and Bob's mother all interview a number of applicants for the position. They agree to hire Dee. Bob's mother agrees to let Dee work out of her business premises (they all think it will be useful to have someone who is able to make sure Dee is working effectively), and also decides to set aside some space for a display of Ariboca jewelry there. From time to time Dee helps out in the store, although doing so is not within her job description.

One day a customer comes into the store while Bob's mother is out, and asks Dee for help identifying the price of an antique vase. Dee tells the customer the price of the vase is \$500, whereas in fact the price is \$5000. The customer pays the \$500 and Dee agrees to ship the vase to the customer. When Bob's mother returns she is horrified, and tells Dee she is fired. She calls the customer and says she is not going to deliver the vase and will refund the \$500. The customer insists the vase is now his.

A fashion designer contacts Cara and says she has been impressed with the way Cara has used the jewelry in some of her recent fund-raisers. The designer offers Cara a job at a very generous salary on the basis that Cara will share her contacts in Costa Rica with the designer. Cara approaches her contacts in Costa Rica and tells them that an important fashion designer is impressed with their work and that working together with the designer will be huge for all of them. They agree. Shortly afterwards Cara tells Ari and Bob that she is moving on, and that she wants them to pay her the value of her share in the business.

Answer the following questions, explaining your analysis:

1. What arguments can the customer make to support his claim to acquire the vase for the agreed \$500?
2. Does Bob's mother have the right to fire Dee?
3. What legal issues do you see arising out of Cara's decision to work for the fashion designer and her behavior after she makes that decision?
4. What other (Business Associations-related) legal issues do you see in these facts?