

Questions for Business Associations Week 4

Al, Berta and Carla agreed at the beginning of 2019 that they would work together to explore real estate development opportunities. Al has a lot of business experience and good contacts and frequently comes across investment opportunities and Berta and Carla are wealthy, and they want to develop investment experience although they do not already have any relevant business experience. Berta made her money in a successful career in sports and Carla inherited her wealth. When they first start talking about the real estate development plan Al says to Berta and Carla that sometimes people doing business together are subject to legal rules that get in the way of doing business effectively and that it is his view that it doesn't make sense for that to apply to them. Berta and Carla agree. They do not formalize any rules to regulate their business relationship, but they do have an informal agreement to work together for 3 years and then see how they feel about continuing the business.

The first project they work on is a renovation and redevelopment of a condominium complex. Berta becomes more involved in supervising the work on the redevelopment than either of the others expected. The project is a success and Berta is inspired to think about other project ideas she might work on on her own. She has begun to be irritated with Al and Carla. Al is bossy and Carla does not contribute much.

In the course of the condominium project Berta met a number of people, and, in 2021, one of them introduces her to Drake, who says that he has learned about her work and wants to involve her in a project of his, and that he will share the profits of his new project with Berta. Berta agrees, and, after it becomes clear that the new project is being seen as a success Drake and Berta are approached with other redevelopment opportunities.

Al and Carla are not happy because they think their understanding with Berta was that she would be working with them on any developments, rather than separately.