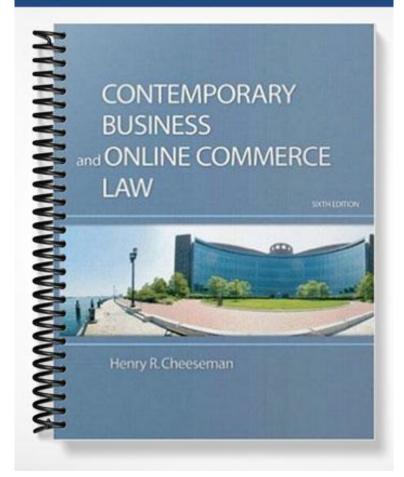
SOLUTIONS MANUAL



Instructor's Manual

Gregory Cermignano Widener University

Contemporary Business and Online Commerce Law Sixth Edition

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Table of Contents

Chapter 1	Legal Heritage and the Information Age	1
Chapter 2	Constitutional Law for Business and E-Commerce	15
Chapter 3	Court Systems and Jurisdiction	34
Chapter 4	Judicial, Administrative, Alternative, and Online Dispute Resolution.	46
Chapter 5	Torts and Strict Liability	59
Chapter 6	Criminal Law and White Collar Crime	79
Chapter 7	Intellectual Property and Piracy	94
Chapter 8	Ethics of Managers and Social Responsibility of Businesses	116
Chapter 9	Nature of Traditional and Online Contracts	127
Chapter 10	Agreement and Consideration	142
Chapter 11	Capacity and Legality	164
Chapter 12	Genuineness of Assent and Statute of Frauds	182
Chapter 13	Third Party Rights and Discharge	203
Chapter 14	Remedies for Breach of Traditional and Online Contracts	217
Chapter 15	E-Contracts, Internet Law, and Cyber Crimes	232
Chapter 16	Formation of Sales, Lease, and E-Contracts	245
Chapter 17	Performance of Sales, Leases, and E-Contracts	257
Chapter 18	Remedies for Breach of Sales, Leases, and E-Contracts	272
Chapter 19	Warranties and Product Liability	289
Chapter 20	Negotiability and Transferability	309
Chapter 21	Holder in Due Course and Liability of Parties	326
Chapter 22	Checks, Banking System, and E-Money	339
Chapter 23	Credit and Secured Transactions	351
Chapter 24	Bankruptcy and Reorganization	370
Chapter 25	Agency Relationships	388
Chapter 26	Sole Proprietorships and General and Limited Partnerships	406
Chapter 27	Corporate Formation and Financing	427
Chapter 28	Corporate Governance and the Sarbanes-Oxley Act	441

Chapter 29	Corporate Acquisitions and Multinational Corporations4	162
Chapter 30	Limited Liability Companies and Limited Liability Partnerships4	80
Chapter 31	Franchises and Special Forms of Business4	195
Chapter 32	Investor Protection and Online Securities Transactions5	;14
Chapter 33	Antitrust Law5	;34
Chapter 34	Consumer Protection and Environmental Law5	558
Chapter 35	Employment, Worker Protection, and Labor Law	585
Chapter 36	Equal Opportunity in Employment6	508
Chapter 37	Personal Property, Bailment, and Insurance	525
Chapter 38	Real Property and Landlord-Tenant Law	549
Chapter 39	Family Law, Wills, and Trusts	574
Chapter 40	Accountant's Liability	591
Chapter 41	International and World Trade Law	703

Chapter 1 Legal Heritage and the Information Age

What Is The Law And Where Do We Find It?

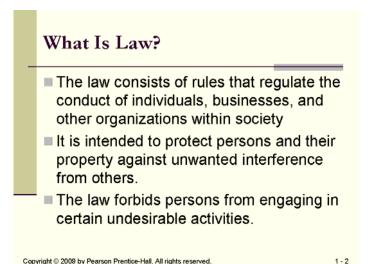
I. Teacher to Teacher Dialogue

One of the most common dilemmas facing instructors of business law is the issue of topic choice. By the very nature of the subjects we teach, the breadth of materials is so wide that choosing what to focus on in the limited classroom time we have with our students can be a most daunting task. This problem is especially exacerbated when the topics we are dealing with are all of deep interest and can stand alone as separate courses.

In this chapter, for example, we are asked to introduce students to topics ranging from the definitions and purposes of law to how our system affects business decisions, to some of the most important provisions found in the U.S. Constitution. Any one of these subparts can provide the raw materials for an entire course at the law school level. Our job must start with a self-evident, but sometimes forgotten, point: this is *not* law school. We are here not to train future lawyers but rather students who need to know enough about these issues to recognize that they *are* issues. The technical legal problems they may be facing later will ultimately need to be resolved using law and other practitioners.

The plus side of this dilemma is that because we have such a diverse menu to select from, we are able to pick and choose our areas of emphasis. For example, if your particular teaching and research interests lie in the area of ethics and the schools of jurisprudential thought from which they are derived, then by all means, **run with it**! Rather than trying to be all things to all people, it is better to focus your efforts on your strengths. This does not mean that you can shortchange the other material. All key objectives of the chapter should be fully outlined and incorporated in both your lecture and materials outline. But if you have a particular interest and expertise in, for example, the Law and Economics School of jurisprudential thought, then use them as focal points of comparison in the evolutionary process that seeks to distinguish the older schools of jurisprudence from newer approaches to these issues. In any event, remember that philosophical studies of what law is and what its role is in the larger scheme of things have always posed questions virtually impossible to answer. As has been mentioned, this chapter represents attempts by great thinkers to answer the unanswerable. It would be far too presumptuous for us to think that we can teach, in a few hours, what the great philosophers of the world have tried to do over hundreds of years. Perhaps this is an early lesson in what wisdom is really all about: the more we know of history, the more we know of our own limitations. If we can get that point across, the course is off to a good start.

II. Text Materials



*The first chapter objective is an introduction to the historical underpinnings of jurisprudential thought. This would include not only the functions of law listed in the summary, but also an early opportunity to introduce the role of ethics based on the various schools of jurisprudence discussed.

Internet & Technology: Students Plug into the Internet and the Law

This discusses how the Internet has revolutionized campus life. Over 90 percent of college students own personal computers. Traditional libraries have become obsolete for many students as many students conduct almost all of their research on-line.



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Functions of Law (2 of 3)

Maintaining the status quo

e.g., passing laws preventing the forceful overthrow of the government

Facilitating orderly change

 e.g., passing statutes only after considerable study, debate, and public input

Providing a basis for compromise

 approximately 90 percent of all lawsuits are settled prior to trial

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1 - 5

1 - 6

Functions of Law (3 of 3)

Facilitating planning

 e.g., well-designed commercial laws allow businesses to plan their activities, allocate their resources, and assess their risks

Maximizing individual freedom

 e.g., the rights of freedom of speech, religion, and association granted by the First Amendment to the U.S. Constitution

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Qualities of the Law Fairness of the Law Flexibility of the Law U.S. law evolves and The American legal system is one of the changes along with most comprehensive, the norms of society, fair, and democratic technology, and the systems of law ever growth and developed and expansion of enforced. commerce in the United States and the world.

1

Landmark Law: Brown v. Board of Education

This discusses the application of law where the Supreme Court overturned the "separate but equal" doctrine that condoned separate schools for black children and white children.

Landmark U.S. Supreme Court Case:	
Brown v. Board of Education (1954)	

- Supreme Court reversed prior precedent of Plessy v. Ferguson (1896)
- Court held that the separate but equal doctrine violated the Equal Protection Clause of the Fourteenth Amendment to the Constitution
- The case demonstrates that one Supreme Court can overrule prior Supreme Court cases to promote justice

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Schools of Jurisprudential Thought (1 of 3)

Natural Law School

- Postulates that law is based on what is "correct"
- Law should be based on morality and ethics

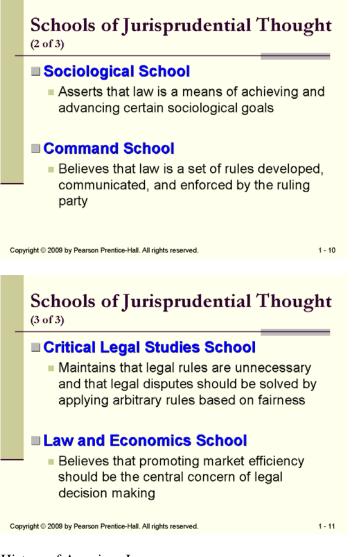
Historical School

Believes that law is an aggregate of social traditions and customs

Analytical School

Maintains that law is shaped by logic

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History of American Law:

English Common Law (1 of 2)

- Law developed by judges who issued their opinions when deciding a case
- The principles announced in these cases became *precedent* for later judges deciding similar cases.

English Common Law (2 of 2)

The English common law can be divided into cases decided by the:

- Law courts
- Equity courts (Court of Chancery)
- Merchant courts

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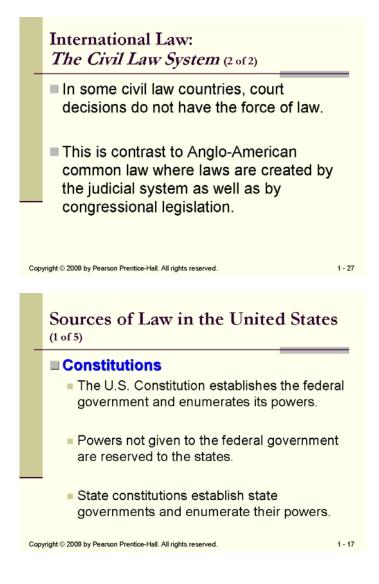
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*An historical underpinning can be further reinforced with some discussion of the tie-ins between our own country's political history with that of the legal traditions of England and other countries. This portion of the chapter material can be used to introduce students to a broad overview of the roles that the world's major legal systems play in the world economy. For example, the role of the Law Merchant and its influence on international trade is critical to understanding most international rules on import/export laws today. The origins of the Law Merchant, in turn, are traceable in large part to the Roman civil law. In the end, we have ingredients from English common law, Roman civil law, and Judeo-Christian canon law all thoroughly processed into our law. The individual ingredients are all present, but each is no longer independently identifiable.

International Law: The Civil Law System (1 of 2)

- The Romano-Germanic civil law system is the model for countries adopting civil codes.
- The Civil Code and the parliamentary statutes that expand and interpret it are the sole sources of law in most civil law countries.
- The adjudication of a case is the application of the code or the statutes to a particular set of facts.

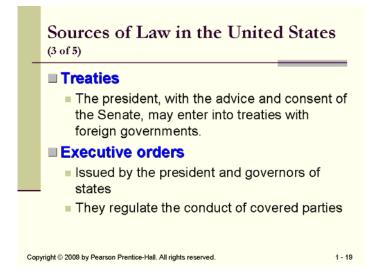
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Note: The U.S. Constitution is the supreme law of the land. Constitutions establish the legislative (make law), executive (enforce law), and judicial (interpret law) branches of government.



*A key objective of this chapter is to introduce students to the role of the U.S. Constitution and its pivotal role in the ultimate distribution of powers between the federal government and the states vis-à-vis the control of business conduct in the U.S. This aspect of the chapter will introduce students to key terms that they will be using throughout the rest of the course such as *substantive and procedural due process* and the like.

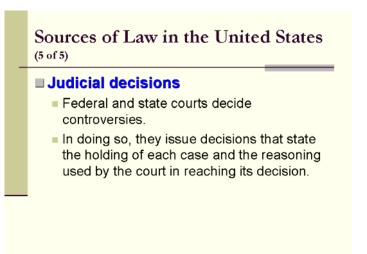


Internet & Technology: *Executive Order Protects Encryption Technology* In 1999, after much lobbying by software companies located in the United States, the Clinton administration changed its export policy to allow the export of the most powerful American-made encryption technology.

Contemporary Issue: *Department of Homeland Security* This discusses the Executive Order issued to create the Office of Homeland Security. A discussion of the DHS and terrorism might be appropriate here.

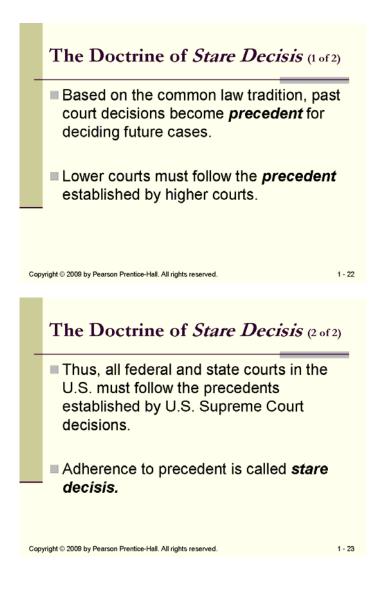


Contemporary Issue: *Regulations and Orders of Administrative Agencies* Here, Professor Cheeseman explains the difference among rules, regulations, and orders of



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administrative agencies.



*Constitutional principles are given living meaning through the critical legal thinking process of using *stare decisis* on a case-by-case basis. Our system is admired around the world. Yet it is in constant need of updating and definition based on the geopolitical and technological changes taking place in our global environment.

Additional Considerations: At this point it might be helpful to point out the various classifications of the law with a brief description:

- Public vs. Private
- Civil vs. Criminal
- Substantive vs. Procedural



The Supreme Court speaks on Affirmative Action: Gratz v Bollinger

Facts: Gratz, a Caucasian female, was denied admission to the University of Michigan, as statesupported school, because she scored too low on a combined evaluative process. If she had been a Black, Hispanic, or Native American, she would have received an automatic extra 20 points giving her a score of over 100 and automatic admission. This is an appeal from a district court ruling granting summary judgment to the University in a class action suit alleging a 14th Amendment equal protection violation.

Issue: Does the University policy of an automatic extra 20 points to minorities in the admission process violate the 14th Amendment Equal Protection Clause?

Decision: Yes.

Remedy: The Supreme Court reversed and remanded the case for further proceedings. **Reason**: The analysis failed the strict scrutiny test.

Grutter v. Bollinger

Facts: Grutter was denied admission to Michigan's law school. The school used race as one of the factors ("a plus factor") in the admissions process. This is an appeal from a reversal of a

district court's ruling in favor of Grutter who alleged, in a class action suit, a violation of the Equal Protection Clause of the 14th Amendment?

Issue: Does the University policy of using race as "a plus factor" in the law school admission's process violate the 14th Amendment's Equal Protection Clause? **Decision/Remedy**: No. The Supreme Court affirmed the decision of the Court of Appeals.

Decision/Remedy: No. The Supreme Court affirmed the decision of the Court of Appeals. **Reason**: Unlike the prior case, race is only one individualized factor.

III. Answers to Critical Legal Thinking Cases

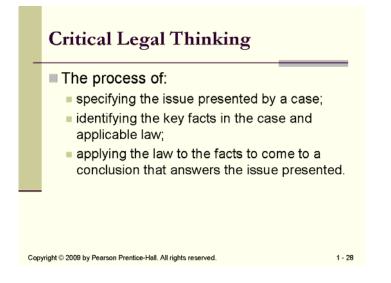
Flexibility of the Law

1.1. Most students will react that the statute is unfair as it does not afford women equal status in the workplace. In light of today's standards, that position is well founded. However, it is a useful exercise to consider arguments for the opposite position in the context of the time period. In enacting such a statute, the legislature presumably entertained the view that women had special needs, were subject to certain weaknesses, and therefore the demands made on them had to be accommodated in the workplace. That these premises, i.e., special needs and presumed weaknesses, might be false does not necessarily preclude one from acting morally. Moralists might label this ignorance as excusable in that it is "invincible," i.e., an ignorance that cannot be destroyed or offers no moral reason for doing so. Of course, modern experience and knowledge require that we question these premises. It almost certainly would not be lawful today. Not only have the items relevant to the test of equal protection broadened under present constitutional interpretations, but Title VII of the Civil Rights Act of 1964 prohibits any discrimination on the basis of sex in the "terms, conditions and benefits of employment." *W.C. Ritchie & Co. v. Wayman*, 91 N.E. 695 (Ill. 1910).

IV. Answers to Ethics Cases

1.2. The better case is made by the dissent. The law has not been progressive in this instance. It is likely that legislators entertained an unconscious premise that women should not be required to fight a war. This speculation might be supported by the fact that the majority of the Supreme Court summoned a technical legal point to justify their ruling. The Court held that Congress was the proper party to articulate the public policy that women should not fight at the front, thereby removing themselves from any further consideration of the substantive issue, i.e., whether equality was being served as a matter of fairness. *Rostker, Director of the Selective Service v. Goldberg*, 453 U.S. 57, 101 S.Ct. 2646, 69 L.Ed.2d 478 (1981).

Appendix to Chapter 1: Critical Legal Thinking



V: Answer to "Briefing the Case" Writing Assignment

Professor Cheeseman also introduces the concept of briefing a case and gives a sample case and brief. Students should be encouraged to use this material as a model for briefing their own cases.

Case for briefing: PGA Tour, Inc. v. Martin

This exercise illustrates the elements of how to brief a case for purposes of developing students' critical thinking skills.

Professor Cheeseman's preferred method for briefing a case is found in the text.

1. Case Name, Citation, and Court

Anheuser-Busch, Inc. v. Schmoke 63 F. 3d 1304 (1995) U.S.Court of Appeals

2. Key Facts

- A. A Baltimore Ordinance prohibited certain outdoor advertising of alcoholic beverages.
- B. Baltimore did tailor its ban to allow advertising in commercial and industrial areas.
- C. Under age drinking is a major problem.
- D, Anheuser-Busch sued challenging the constitutionality of the Ordinance.
- E. The District Court upheld the constitutionality.

3. Issue

Is the Baltimore ordinance prohibiting certain outdoor advertising of alcoholic beverages constitutional?

4. Holding

Yes. District Court's judgment was affirmed.

5. Court's Reasoning

A. Billboards expose viewers (children) involuntarily to messages concerning alcoholic beverages.

B. The ordinance directly advances the city's interest in promoting children's welfare.

- C. Alcohol consumption is high.
- D. No less restrictive means are available.