

Feb 13, 2014
week 6
lecture 6

Busi 2601

* Midterm after reading week

Duties of a principle:

e.g. Lacy birth in BC, brain dead, baby born, had roughly 5 1/2 lbs, husband kept her artificially alive
when dealing with law, it's unusual that everyone thinks like you.

1st duty is to pay the actual agent/agency by salary, fees

2nd is to provide the necessary tools to exercise task

3rd is to provide the necessary training.

e.g. how to use technology e.g. parcel delivery, mailing.

4th element deals with providing necessary instructions +

e.g. hired to make business plan, but not provided instructions ^{→ compensable duty losses including litigation.}

5th element is to indemnify the principle

e.g. winter 100 is finishing this weekend, buy candy but it is contaminated. Can't sue you because you are representing the company. But the company will provide means for protection.

7th element is we provide the health and security elements

e.g. smoking in the corridor, unsupervised, it's a health issue. what min. age? then what age for joint? Police officers training for engagement? Safety!

Duties of the agent/agency:

1st key one is to come up and follow the delegation of authority

e.g. paint blue

2nd is to execute inside the authority.

3rd one is to not work for 2 principles without notification.

e.g. can't work at McDonald's and Burger King.

Real estate has to have a contract with the seller and the vendor.

4th element is the notion of confidentiality.

e.g. having access to patents, to recipes.

5th element is the notion of corporate opportunity.

Make sure the agent always serves first the business. e.g. buy land before the business.

6th element is to come up and provide all the necessary info to the principle. The principle should be aware of all elements and consequences e.g. telling them that tax return files was not formed.

e.g. water torn, 7 people died, heavy rainfall, 2 brothers didn't have proper tools.

how much info is required?

Liabilities:

we are looking at the legal consequence regarding the usage regarding the delegated authority.

e.g. mayomaise

1st liability

agent works inside the authority, the principle will be liable for the action of the agent.

2) when there is authority: The agent take authority by situation and the principle will be liable for an apparent liability

3) where the agent exceeds the authority, the agent is liable and the principle will escape liability if the third party was aware that the agent did not ~~pass~~ possess the authority.
Breach of warranty of authority.

4) If the agent exceeds the authority, the principle can ratify the excess of authority

Partnership:

1st key thing, always

partn involves 4 key elements

1st element: relationship - written or oral contract - agreement between 2 or more partners - joint venture is technically a partnership.

2nd key element: between persons (any form of business entity)

3rd key element: to carry on business e.g. trade, plumber, occupation, babysitter or any profit organization.

4th key element is: view to profit, trying to make profit even though they may not succeed.

Relation between partners:

1st key element: The legal term for partnership is firm

2nd key element: Partners can limit the liabilities by creating LLP.

This is where partners are only liable for own faults, firm's debt, when criminal misconduct among the partners.

3rd element: every partners is involved in management unless we waive management rights

4th element: % of votes to make decision eg 1/3 it majority, 60% for moving money 70% for acquisitions

5th element: every partner is an agent of the firm.

6th element: every partner is an agent of the other partners.

Relation between partners and third parties

1) partners are jointly liable for the debts of the firm

2nd element: jointly liable for the debt of the partners

3rd element: partners owe a duty to the fiduciary duty (work in best interest for clients and the firm), must have standards
w) avoid conflict of interest eg invest money of clients for personal short-term issues e.g. cannot ~~pay~~ pay their monthly rent from trust/c

5th element: Provide honest and reliable info to the clients and not create third party liabilities.

e.g. teach Fri night & Sat, class few years ago, colleague calls, his crying, wife having affair with best friend for 5 years, restaurant, university friends. End of Sep. same marriages or business?

e.g. student - Undergraduate - Journalism, communication - decide to apply for masters - graduates and