

Contents

UNIT 1 The Legal Environment of Business 1



CHAPTER 1 The Legal Environment 3

Business Activities and the Legal Environment	4
Sources of American Law	6
The Common Law Tradition	9
<i>Adapting the Law to the Online Environment:</i> <i>How the Internet Has Expanded Precedent</i>	11
<i>Landmark in the Law:</i> <i>Equitable Principles and Maxims</i>	13
Classifications of Law	14
<i>Beyond Our Borders:</i> <i>National Law Systems</i>	16
Appendix to Chapter 1: Finding and Analyzing the Law	21

CHAPTER 2 Constitutional Law 33

The Constitutional Powers of Government	34
<i>Landmark in the Law:</i> <i>Gibbons v. Ogden (1824)</i>	36
Business and the Bill of Rights	38
<i>Beyond Our Borders: The Impact of Foreign Law on the United States Supreme Court</i>	41
<i>Case: Doe v. Prosecutor, Marion County, Indiana</i>	41
<i>Adapting the Law to the Online Environment:</i> <i>Vulgar Facebook Photos Receive First Amendment Protection</i>	43
<i>Spotlight Case: Bad Frog Brewery, Inc. v. New York State Liquor Authority</i>	44
<i>Case: Mitchell County v. Zimmerman</i>	48
Due Process and Equal Protection	49
Privacy Rights	51

Management Perspective:

Marriage Equality and the Constitution 52

Business Application: Is "Pretexting" Illegal? 56

CHAPTER 3 Courts and Alternative Dispute Resolution 60

The Judiciary's Role in American Government	61
Basic Judicial Requirements	61
<i>Landmark in the Law: Marbury v. Madison (1803)</i>	62
<i>Spotlight Case: Gucci America, Inc. v. Wang Huoqing</i>	67
The State and Federal Court Systems	69
<i>Beyond Our Borders:</i> <i>Islamic Law Courts Abroad and at Home</i>	71
Following a State Court Case	74
<i>Case: Espresso Disposition Corp. 1 v. Santana Sales & Marketing Group, Inc.</i>	76
<i>Adapting the Law to the Online Environment:</i> <i>The Duty to Preserve E-Evidence for Discovery</i>	79
The Courts Adapt to the Online World	82
Alternative Dispute Resolution	83
<i>Case: Cleveland Construction, Inc. v. Levco Construction, Inc. (2012)</i>	86
<i>Business Application: To Sue or Not to Sue?</i>	89

CHAPTER 4 Torts and Cyber Torts 95

The Basis of Tort Law	96
Intentional Torts against Persons	97
<i>Beyond Our Borders: "Libel Tourism"</i>	100
<i>Case: McKee v. Laurion (2013)</i>	101
Intentional Torts against Property	107
<i>Adapting the Law to the Online Environment:</i> <i>Facebook Uses Privacy Concerns to "Smear" Google</i>	108
Unintentional Torts (Negligence)	110
<i>Landmark in the Law:</i> <i>Palsgraf v. Long Island Railroad Co. (1928)</i>	114

<i>Spotlight Case: Taylor v. Baseball Club of Seattle, L.P. (2006)</i>	115
Strict Liability	118
Cyber Torts	119
<i>Featured Case: Fair Housing Council of San Fernando Valley v. Roommates.com, LLC</i>	120
<i>Business Application: How Important Is Tort Liability to Business?</i>	123

CHAPTER 5 Intellectual Property and Internet Law 128

Trademarks and Related Property	129
<i>Classic Case: Coca-Cola Co. v. Koke Co. of America (1920)</i>	129
<i>Adapting the Law to the Online Environment: Using Online Shame in Trademark Disputes</i>	132
<i>Management Perspective: Derogatory Trademarks</i>	133
Cyber Marks	137
<i>Spotlight Case: Hasbro, Inc. v. Internet Entertainment Group, Ltd. (1996)</i>	138
Patents	139
Copyrights	142
<i>Case: Winstead v. Jackson (2013)</i>	143
Trade Secrets	147
International Protection for Intellectual Property	148
<i>Beyond Our Borders: The Anti-Counterfeiting Trade Agreement</i>	149
<i>Linking Business Law to Marketing: Trademarks and Service Marks</i>	150

CHAPTER 6 Criminal Law and Cyber Crime 155

Civil Law and Criminal Law	156
Criminal Liability	158
Types of Crimes	160
<i>Case: People v. Whitmer (2013)</i>	162
<i>Spotlight Case: People v. Sisuphan (2010)</i>	164
Defenses to Criminal Liability	168
Constitutional Safeguards and Criminal Procedures	171
<i>Case: Messerschmidt v. Millender (2012)</i>	172
<i>Landmark in the Law: Miranda v. Arizona (1966)</i>	175
Criminal Process	176
Cyber Crime	178

<i>Beyond Our Borders: Hackers Hide in Plain Sight in Russia</i>	181
<i>Adapting the Law to the Online Environment: Prosecuting Those Who Post False Information on the Internet</i>	182
<i>Business Application: Protecting Your Company against Hacking of Your Bank Accounts</i>	183

CHAPTER 7 Ethics and Business Decision Making 188

Business Ethics	189
<i>Case: Johnson Construction Co. v. Shaffer (2012)</i>	190
<i>Case: Mathews v. B and K Foods, Inc. (2011)</i>	192
Ethical Transgressions by Financial Institutions	195
Approaches to Ethical Reasoning	197
Making Ethical Business Decisions	200
Practical Solutions to Corporate Ethics Questions	201
Business Ethics on a Global Level	201
<i>Adapting the Law to the Online Environment: Corporate Reputations under Attack</i>	203
<i>Linking Business Law to Accounting and Finance: Managing a Company's Reputation</i>	204
<i>Unit 1—Business Case Study with Dissenting Opinion: Paduano v. American Honda Motor Co.</i>	209

UNIT 2 Contracts 213



CHAPTER 8 Nature and Classification 215

An Overview of Contract Law	216
<i>Case: Pan Handle Realty, LLC v. Olins (2013)</i>	217
Elements of a Contract	218
Types of Contracts	219
<i>Adapting the Law to the Online Environment: Can a Disclaimer Prevent an E-Mail from Forming an Agreement?</i>	223
Quasi Contracts	224
<i>Case: Seawest Services Association v. Copenhagen (2012)</i>	225
Interpretation of Contracts	226
<i>Spotlight Case: Wagner v. Columbia Pictures Industries, Inc. (2007)</i>	228

CHAPTER 9 Agreement in Traditional and E-Contracts	234	CHAPTER 12 Voluntary Consent	292
Agreement	235	Mistakes	293
<i>Classic Case:</i> Lucy v. Zehmer (1954)	236	<i>Case:</i> L&H Construction Co. v. Circle Redmont, Inc. (2011)	294
<i>Spotlight Case:</i> Basis Technology Corp. v. Amazon.com, Inc. (2008)	238	Fraudulent Misrepresentation	295
<i>Case:</i> Gyabaah v. Rivlab Transportation Corp. (2013)	241	<i>Adapting the Law to the Online Environment:</i>	
E-Contracts	246	Misrepresentation in Online Personals	296
<i>Adapting the Law to the Online Environment:</i>		<i>Case:</i> Fazio v. Cypress/GR Houston I, LP (2012)	298
The Validity of E-Signatures on Agreements with Online Colleges and Universities	248	<i>Case:</i> Cronkelton v. Guaranteed Construction Services, LLC (2013)	300
<i>Management Perspective:</i>		Undue Influence and Duress	301
E-Mailed Credit-Card Receipts	251		
The Uniform Electronic Transactions Act	251	CHAPTER 13 The Statute of Frauds—Writing Requirement	305
<i>Linking Business Law to Marketing:</i>			
Customer Relationship Management	255	The Requirement of a Writing	305
CHAPTER 10 Consideration	260	<i>Case:</i> NYKCool A.B. v. Pacific Fruit, Inc. (2013)	309
Elements of Consideration	260	<i>Beyond Our Borders:</i> The Statute of Frauds and International Sales Contracts	311
Adequacy of Consideration	261	The Sufficiency of the Writing	312
<i>Landmark in the Law:</i>		<i>Case:</i> Beneficial Homeowner Service Corp. v. Steele (2011)	313
Hamer v. Sidway (1891)	262	The Parol Evidence Rule	313
Agreements That Lack Consideration	262	<i>Business Application:</i>	
<i>Case:</i> Baugh v. Columbia Heart Clinic, P.A. (2013)	264	When E-Mails Become Enforceable Contracts	317
Settlement of Claims	265		
<i>Spotlight Case:</i> Already, LLC v. Nike, Inc. (2013)	266	CHAPTER 14 Performance and Discharge	321
Exceptions to the Consideration Requirement	267	Conditions of Performance	322
<i>Case:</i> Harvey v. Dow (2011)	268	<i>Case:</i> Pack 2000, Inc. v. Cushman (2011)	323
CHAPTER 11 Capacity and Legality	273	Discharge by Performance	324
Contractual Capacity	274	<i>Case:</i> Kohel v. Bergen Auto Enterprises, LLC (2013)	326
Legality	277	Discharge by Agreement	328
<i>Case:</i> Sturdza v. United Arab Emirates (2011)	279	Discharge by Operation of Law	329
<i>Adapting the Law to the Online Environment:</i>		<i>Beyond Our Borders:</i> Impossibility or Impracticability of Performance in Germany	331
An Increasing Amount of Online Gambling Is in Our Future	281		
<i>Case:</i> Emerik v. Cardiac Study Center, Inc.	281	CHAPTER 15 Breach and Remedies	336
<i>Case:</i> Holmes v. Multimedia KSDK, Inc. (2013)	284	Damages	337
The Effect of Illegality	285	<i>Case:</i> Hallmark Cards, Inc. v. Murley (2013)	338
<i>Business Application:</i>		<i>Adapting the Law to the Online Environment:</i>	
Should Retailers Enter into Contracts with Minors and Intoxicated Persons?	287	The Effect of Breaching an Online Testing Service's Terms of Use	339
		<i>Case:</i> Jamison Well Drilling, Inc. v. Pfeifer (2011)	340

Landmark in the Law:*Hadley v. Baxendale* (1854) 342**Spotlight Case:** *B-Sharp Musical Productions, Inc. v. Haber* (2010) 344

Equitable Remedies 344

Recovery Based on Quasi Contract 347

Contract Provisions Limiting Remedies 348

Business Application:*What Do You Do When You Cannot Perform?* 350**CHAPTER 16 Third Party Rights 355**

Assignments 356

Case: *Hosch v. Colonial Pacific Leasing Corp.* (2012) 357

Delegations 360

Featured Case: *Senna Hills, Ltd. v. Sonterra Energy Corp.* (2010) 362

Third Party Beneficiaries 364

Case: *Lake County Grading Co. v. Village of Antioch* (2013) 367**Business Application:***Dealing with Third Party Rights* 368

Appendix to Chapter 16:

An Annotated Employment Contract 372

Unit 2—Business Case Study with Dissenting Opinion:*Braddock v. Braddock* 378**UNIT 3****Commercial****Transactions 381****CHAPTER 17 The Formation of Sales and Lease Contracts 383**

The Scope of the UCC and Articles 2 (Sales) and 2A (Leases) 384

Landmark in the Law:*The Uniform Commercial Code* 384**Adapting the Law to the Online Environment:***Local Governments Attempt to Tax Online Travel Companies* 386

The Formation of Sales and Lease Contracts 389

Case: *Amaya v. Brater* (2013) 390**Case:** *WPS, Inc. v. Expo Americas, LLC* (2012) 393**Classic Case:** *Jones v. Star Credit Corp.* (1969) 399

Contracts for the International Sale of Goods 400

Appendix to Chapter 17:

An Example of a Contract for the International Sale of Coffee 406

CHAPTER 18 Title and Risk of Loss 410

Identification 411

Passage of Title 412

Case: *United States v. 2007 Custom Motorcycle* (2011) 412

Risk of Loss 415

Case: *Person v. Bowman* (2013) 416

Insurable Interest 419

Business Application:*Who Bears the Risk of Loss—the Seller or the Buyer?* 420**CHAPTER 19 Performance and Breach of Sales and Lease Contracts 424**

Performance Obligations 425

Obligations of the Seller or Lessor 425

Management Perspective:*Good Faith and Fair Dealing* 426**Case:** *Wilson Sporting Goods Co. v. U.S. Golf & Tennis Centers, Inc.* (2012) 427

Obligations of the Buyer or Lessee 432

Anticipatory Repudiation 433

Remedies of the Seller or Lessor 434

Remedies of the Buyer or Lessee 437

Spotlight Case: *Fitl v. Strek* (2005) 441

Limitation of Remedies 442

CHAPTER 20 Warranties and Product Liability 448

Warranties 449

Classic Case: *Webster v. Blue Ship Tea Room, Inc.* (1964) 451

Lemon Laws 455

Product Liability 456

Landmark in the Law:*MacPherson v. Buick Motor Co.* (1916) 457

Strict Product Liability 457

<i>Spotlight Case: Bruesewitz v. Wyeth, LLC</i> (2011)	458	<i>Adapting the Law to the Online Environment:</i> Smartphone-Based Payment Systems	523
<i>Beyond Our Borders:</i> Imposing Product Liability as Far Away as China	460	<i>Linking Business Law to Accounting and Finance:</i> Banking in a Period of Crisis	524
<i>Case: Wilson Sporting Goods Co. v. Hickox</i> (2013)	462		
<i>Adapting the Law to the Online Environment:</i> The Supreme Court Takes a Stand on Warning Labels for Video Games	464		
Defenses to Product Liability	465		
<i>Linking Business Law to Corporate Management:</i> Quality Control	468		
CHAPTER 21 Negotiable Instruments: Transferability and Liability	474	CHAPTER 23 Security Interests in Personal Property	529
Types of Instruments	475	The Terminology of Secured Transactions	530
<i>Case: Silicon Valley Bank v. Miracle Faith World Outreach, Inc.</i> (2013)	477	Creation of a Security Interest	530
Requirements for Negotiability	479	<i>Adapting the Law to the Online Environment:</i> Secured Transactions Online	531
Transfer of Instruments	484	Perfection of a Security Interest	532
<i>Beyond Our Borders:</i> Severe Restrictions on Check Indorsements in France	486	<i>Case: In re Baker</i> (2012)	535
<i>Case: In re Bass</i> (2013)	486	<i>Case: In re Camtech Precision Manufacturing, Inc.</i> (2011)	537
Holder in Due Course (HDC)	489	The Scope of a Security Interest	539
<i>Case: Triffin v. Luccardi Ford, Inc.</i> (2011)	491	Priorities	541
Signature and Warranty Liability	493	Rights and Duties of Debtors and Creditors	544
Defenses, Limitations, and Discharge	498	Default	544
<i>Business Application:</i> Pitfalls When Writing and Indorsing Checks	501	<i>Case: Smith v. Firstbank Corp.</i> (2013)	547
CHAPTER 22 Checks and Banking in the Digital Age	506	CHAPTER 24 Other Creditors' Remedies and Suretyship	553
Checks	507	Laws Assisting Creditors	554
The Bank-Customer Relationship	509	<i>Case: BHP Land Services, Inc. v. Seymour</i> (2011)	554
The Bank's Duty to Honor Checks	509	Suretyship and Guaranty	557
<i>Case: Afriyie v. Bank of America, N.A.</i> (2013)	510	<i>Featured Case: Capital Color Printing, Inc. v. Ahern</i> (2008)	558
<i>Case: Michigan Basic Property Insurance Association v. Washington</i> (2012)	514	Laws Assisting Debtors	561
The Bank-Customer Relationship	497	CHAPTER 25 Bankruptcy	566
Bank's Duty to Honor Checks	498	Bankruptcy Proceedings	567
The Bank's Duty to Accept Deposits	516	<i>Adapting the Law to the Online Environment:</i> Live Chatting with Your State's Bankruptcy Court	568
<i>Case: Cumis Mutual Insurance Society, Inc. v. Rosol</i> (2011)	519	Chapter 7—Liquidation	568
Electronic Fund Transfers	521	Chapter 11—Reorganization	578
E-Money and Online Banking	523	Chapter 12—Family Farmers and Fishermen	581
		Chapter 13—Individuals' Repayment Plan	582
		<i>Case: In re Welsh</i> (2013)	582
		<i>Case: Ransom v. FIA Card Services, N.A.</i> (2011)	584
		<i>Linking Business Law to Corporate Management:</i> What Can You Do to Prepare for a Chapter 11 Reorganization?	586

CHAPTER 26 Mortgages and Foreclosures after the Recession 590

Mortgages	591
Lender and Borrower Protections	593

Case: In re Kitts (2011) 597

Foreclosures	598
--------------	-----

Spotlight Case: McLean v. JPMorgan Chase Bank, N.A. (2012) 600

Case: Mitchell v. Valteau (2010) 602

CHAPTER 27 International Law in a Global Economy 608

International Law—Sources and Principles	609
--	-----

Case: Linde v. Arab Bank, PLC (2013) 611

Doing Business Internationally	613
--------------------------------	-----

Regulation of Specific Business Activities	615
--	-----

Commercial Contracts in an International Setting	618
--	-----

Case: S&T Oil Equipment & Machinery, Ltd. v. Juridica Investments, Ltd. (2012) 620

Payment Methods for International Transactions	621
--	-----

U.S. Laws in a Global Context	623
-------------------------------	-----

Case: Kiobel v. Royal Dutch Petroleum Co. (2013) 624

Unit 3—Business Case Study with Dissenting Opinion:
First Bank v. Fischer & Frichtel, Inc. 630

UNIT 4

Agency and Employment Law 633



CHAPTER 28 Agency Relationships in Business 635

Agency Relationships	636
----------------------	-----

Management Perspective:

Independent-Contractor Negligence 638

Case: Coker v. Pershad (2013) 639

How Agency Relationships Are Formed	641
-------------------------------------	-----

Duties of Agents and Principals	642
---------------------------------	-----

Agent's Authority	644
-------------------	-----

Adapting the Law to the Online Environment:

What Happens When an Agent Breaches

Company Policy on the Use of Electronic Data? 646

Spotlight Case: Lundberg v. Church Farm, Inc. (1986) 647

Liability in Agency Relationships 648

Case: Auer v. Paliath (2013) 652

How Agency Relationships Are Terminated 654

CHAPTER 29 Employment, Immigration, and Labor Law 660

Employment at Will	660
--------------------	-----

Featured Case: Ellis v. BlueSky Charter

School (2010) 661

Wages, Hours, and Layoffs	663
---------------------------	-----

Management Perspective:

Can Parties Create and Modify Employment

Contracts via E-Mail? 664

Beyond Our Borders:

Brazil Requires Employers to Pay Overtime for

Use of Smartphones after Work Hours 665

Family and Medical Leave	666
--------------------------	-----

Worker Health and Safety	667
--------------------------	-----

Income Security	668
-----------------	-----

Employee Privacy Rights	670
-------------------------	-----

Adapting the Law to the Online Environment:

Social Media in the Workplace Come of Age 672

Case: National Aeronautics and

Space Administration v. Nelson (2011) 673

Immigration Law	674
-----------------	-----

Labor Unions	677
--------------	-----

Case: Services Employees International Union v.

National Union of Healthcare Workers (2013) 679

Business Application:

How to Develop a Policy on

Employee Use of the Internet and Social Media 683

CHAPTER 30 Employment Discrimination and Diversity 687

Title VII of the Civil Rights Act of 1964	688
---	-----

Management Perspective:

Combating Appearance-Based Discrimination 689

Case: Morales-Cruz v. University of Puerto Rico (2012) 696

Discrimination Based on Age	698
-----------------------------	-----

Case: Mora v. Jackson Memorial Foundation,

Inc. (2010) 699

Discrimination Based on Disability	700
------------------------------------	-----

Defenses to Employment Discrimination	702
---------------------------------------	-----

<i>Case: Dees v. United Rentals North America, Inc. (2013)</i>	704
Affirmative Action	705

Unit 4—Business Case Study with Dissenting Opinion:
EEOC v. Greater Baltimore Medical Center, Inc. 709

UNIT 5

Business Organizations 713



CHAPTER 31 Sole Proprietorships and Private Franchises 715

Sole Proprietorships	716
<i>Adapting the Law to the Online Environment:</i> <i>Can a Sole Proprietor Change His Name to Match His Domain Name?</i> 716	
<i>Case: Quality Car & Truck Leasing, Inc. v. Sark (2013)</i> 717	
Franchises	718
<i>Beyond Our Borders:</i> <i>Franchising in Foreign Nations</i> 720	
The Franchise Contract	722
Termination of the Franchise	724
<i>Spotlight Case: Holiday Inn Franchising, Inc. v. Hotel Associates, Inc. (2011)</i> 724	

CHAPTER 32 All Forms of Partnership 730

Basic Partnership Concepts	731
Partnership Formation	733
Partnership Operation, Dissociation, and Termination	734
<i>Classic Case: Meinhard v. Salmon (1928)</i> 737	
<i>Case: Estate of Webster v. Thomas (2013)</i> 742	
Limited Liability Partnerships	743
Limited Partnerships	745

CHAPTER 33 Limited Liability Companies and Special Business Forms 751

Limited Liability Companies	752
LLC Operation and Management	754

<i>Beyond Our Borders:</i> <i>Limited Liability Companies in Other Nations</i> 755	
<i>Management Perspective:</i> <i>Can a Person Who Is Not a Member of a Protected Class Sue for Discrimination?</i> 756	
<i>Case: Polk v. Polk (2011)</i> 756	
Dissociation and Dissolution of an LLC	757
<i>Case: Venture Sales, LLC v. Perkins (2012)</i> 759	
Special Business Forms	760

CHAPTER 34 Corporate Formation, Merger, and Termination 767

Corporate Nature and Classification	768
<i>Landmark in the Law:</i> <i>Citizens United v. Federal Election Commission (2010)</i> 769	
<i>Case: Belmont v. MB Investment Partners, Inc. (2013)</i> 771	
Corporate Formation and Powers	775
Piercing the Corporate Veil	779
<i>Case: Brennan's, Inc. v. Colbert (2012)</i> 780	
Corporate Financing	781
<i>Adapting the Law to the Online Environment:</i> <i>The New Era of Crowdfunding</i> 782	

CHAPTER 35 Corporate Directors, Officers, and Shareholders 789

Directors and Officers	790
Duties and Liabilities of Directors and Officers	792
<i>Adapting the Law to the Online Environment:</i> <i>Software to Help Officers Spot Potential Embezzlers</i> 793	
Shareholders	795
<i>Case: Case v. Sink & Rise, Inc. (2013)</i> 798	
Rights of Shareholders	801
<i>Case: McCann v. McCann (2012)</i> 804	
Duties and Liabilities of Shareholders	805

CHAPTER 36 Corporate Acquisitions, Takeovers, and Termination 810

Merger, Consolidation, and Share Exchange	811
Purchase of Assets	813
<i>Case: American Standard, Inc. v. OakFabco, Inc. (2010)</i> 814	
Takeovers	815
Corporate Termination	816

<i>Case: Parent v. Amity Autoworld, Ltd. (2007)</i>	817
Major Business Forms Compared	819

CHAPTER 37 Investor Protection, Insider Trading, and Corporate Governance 824

<i>Landmark in the Law:</i>	
<i>The Securities and Exchange Commission</i>	825
Securities Act of 1933	825
Securities Exchange Act of 1934	832
<i>Classic Case: Securities and Exchange Commission v. Texas Gulf Sulphur Co. (1968)</i>	834
<i>Featured Case: Stoneridge Investment Partners, LLC v. Scientific-Atlanta, Inc. (2008)</i>	835
State Securities Laws	840
Corporate Governance	841
Online Securities Fraud	845
<i>Unit 5—Business Case Study with Dissenting Opinion:</i>	
<i>Notz v. Everett Smith Group, Ltd.</i>	850

UNIT 6 Government Regulation 853



CHAPTER 38 Administrative Law 855

The Practical Significance of Administrative Law	856
Agency Creation and Powers	857
<i>Spotlight Case: Federal Communications Commission v. Fox Television Stations, Inc. (2012)</i>	860
The Administrative Process	861
<i>Case: In re O'Brien (2013)</i>	866
Judicial Deference to Agency Decisions	867
Public Accountability	868
<i>Linking Business Law to Management:</i>	
<i>Dealing with Administrative Law</i>	870

CHAPTER 39 Promoting Competition 875

The Sherman Antitrust Act	876
<i>Landmark in the Law:</i>	
<i>The Sherman Antitrust Act of 1890</i>	877
Section 1 of the Sherman Act	878

Adapting the Law to the Online Environment:

<i>The Justice Department Goes after E-Book Pricing</i>	880
Section 2 of the Sherman Act	882
<i>Case: E.I. DuPont de Nemours and Co. v. Kolon Industries, Inc. (2011)</i>	883
<i>Spotlight Case: Weyerhaeuser Co. v. Ross-Simmons Hardwood Lumber Co. (2007)</i>	887
The Clayton Act	888
Enforcement and Exemptions	891
U.S. Antitrust Laws in the Global Context	892
<i>Case: Carrier Corp. v. Outokumpu Oyj (2012)</i>	893
<i>Beyond Our Borders: The European Union's Expanding Role in Antitrust Litigation</i>	894

CHAPTER 40 Consumer and Environmental Law 898

Consumer Law	899
<i>Case: Hypertouch, Inc. v. ValueClick, Inc. (2011)</i>	901
<i>Adapting the Law to the Online Environment:</i>	
<i>A Consumer Privacy Bill of Rights</i>	905
<i>Featured Case: Jerman v. Carlisle, McNellie, Rini, Kramer & Ulrich, LPA (2010)</i>	911
Environmental Law	912
<i>Case: Sackett v. Environmental Protection Agency (2012)</i>	917
<i>Business Application:</i>	
<i>The Proper Way to Use Credit Reporting Services</i>	921

CHAPTER 41 Liability of Accountants and Other Professionals 925

Potential Common Law Liability to Clients	926
<i>Landmark in the Law:</i>	
<i>The SEC Adopts Global Accounting Rules</i>	927
<i>Case: Kelley v. Buckley (2011)</i>	930
Potential Liability to Third Parties	931
The Sarbanes-Oxley Act	933
Potential Statutory Liability of	
Accountants under Securities Laws	935
<i>Spotlight Case: Overton v. Todman & Co., CPAs (2007)</i>	938
Potential Criminal Liability	939
Confidentiality and Privilege	940

Unit 6—Business Case Study with Dissenting Opinion:

<i>Department of Environmental Quality v. Worth Township</i>	945
--	-----

UNIT 7**Property
and Its Protection 947****CHAPTER 42 Personal Property
and Bailments 949**

Property Ownership	950
Acquiring Ownership of Personal Property	951
<i>Adapting the Law to the Online Environment:</i>	
<i>The Exploding World of Virtual and Digital Property</i> 952	
<i>Case:</i> Goodman v. Atwood (2011)	953
<i>Classic Case:</i> In re Estate of Piper (1984)	954
Misplaced, Lost, and Abandoned Property	956
Bailments	958
<i>Case:</i> Bridge Tower Dental, P.A. v. Meridian Computer Center, Inc. (2012)	962
<i>Business Application:</i>	
<i>What Should You Do with Lost Property?</i>	966

**CHAPTER 43 Real Property and
Landlord-Tenant Law 971**

The Nature of Real Property	971
Ownership Interests in Real Property	973
Transfer of Ownership	976
<i>Spotlight Case:</i> Stambovsky v. Ackley (1991)	977
<i>Case:</i> Town of Midland v. Morris (2011)	981
Leasehold Estates	982
Landlord-Tenant Relationships	984

CHAPTER 44 Insurance, Wills, and Trusts 990

Insurance	991
<i>Case:</i> Valero v. Florida Insurance Guaranty Association, Inc. (2011)	995
Wills	997

<i>Case:</i> In re Estate of Melton (2012)	1000
<i>Featured Case:</i> Peterson v. Harrell (2010)	1002
<i>Adapting the Law to the Online Environment:</i>	
<i>Social Media Estate Planning</i>	1004

Trusts	1006
--------	------

Unit 7—Business Case Study with Dissenting Opinion:	
<i>Kovarik v. Kovarik</i>	1016

APPENDICES

A	How to Brief Cases and Analyze Case Problems	A-1
B	The Constitution of the United States	A-3
C	The Uniform Commercial Code (Excerpts)	A-11
D	The Sarbanes-Oxley Act (Excerpts and Explanatory Comments)	A-131
E	Answers to the <i>Issue Spotters</i>	A-138
F	Answers to Even-Numbered <i>For Review Questions</i>	A-144
G	Sample Answers for <i>Questions with Sample Answer</i>	A-153
H	Sample Answers for <i>Case Problems with Sample Answer</i>	A-160
	Glossary	G-1
	Table of Cases	TC-1
	Index	I-1