

Table of Contents

1. [Table of Contents and Preface](#)
 1. [Title](#)
 2. [Copyright](#)
 3. [Dedication](#)
 4. [About the Authors](#)
 5. [Preface](#)
 1. [From the Authors](#)
 2. [Teaching Features Related to STRATEGY and CRITICAL THINKING](#)
 3. [Teaching Features Related to REINFORCEMENT](#)
 4. [Other Program Features](#)
 6. [Connect](#)
 1. [FOR INSTRUCTORS](#)
 2. [FOR STUDENTS](#)
 7. [Acknowledgments](#)
 8. [Brief Contents](#)
 9. [Table of Contents](#)
2. [Unit One: Fundamentals of the Legal Environment of Business](#)
 1. [Chapter 1: Legal Foundations and Thinking Strategically](#)
 1. [Unit One: Fundamentals of the Legal Environment of Business](#)
 2. [Introduction](#)
 3. [Chapter Overview](#)
 4. [Introduction to Law](#)
 5. [Categories of Law](#)
 1. [Language of the Law](#)
 2. [Functions of Law](#)
 6. [Law in Context: Business and Strategy](#)
 1. [Business Swimming in a Sea of Law: Defining Strategy](#)
 2. [Using Strategy in Legal Decisions](#)
 3. [Role of Counsel](#)
 7. [Primary Sources and Levels of American Law](#)
 1. [Constitutional Law](#)
 2. [Statutory Law](#)
 3. [Administrative Law](#)

4. [Common Law](#)
 5. [Law versus Equity](#)
 6. [Secondary Sources of Law](#)
 8. [Stare Decisis and Precedent](#)
 1. [Stare Decisis and Business](#)
 9. [Thinking Strategically](#)
 1. [Four Categories](#)
 10. [Key Terms](#)
 11. [Case Summaries](#)
 1. [CASE SUMMARY 1.1 U.S. v. Alvarez 567 U.S. 709 \(2012\)](#)
 2. [CASE SUMMARY 1.2 Sokoloff v. Harriman Estate Development Corp., 754 N.E.2d 184 \(N.Y. 2001\)](#)
 3. [CASE SUMMARY 1.3 Jones v. R. R. Donnelley & Sons Co., 541 U.S. 369 \(2004\)](#)
 4. [CASE SUMMARY 1.4 Kauffman-Harmon v. Kauffman, 36 P.3d 408 \(Sup. Ct. Mont. 2001\)](#)
 12. [Chapter Review Questions](#)
 13. [Quick Quiz Answers](#)
 14. [Chapter Review Questions: Answers and Explanations](#)
2. [Chapter 2: Business, Societal, and Ethical Contexts of Law](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [The Relationships between Business Organizations, Law, and Ethics](#)
 4. [Ethical Decision-Making Regimes](#)
 1. [Principles-Based Approach](#)
 2. [Consequences-Based Approach](#)
 3. [Contract-Based Approach](#)
 5. [Corporate Social Responsibility](#)
 1. [Major CSR Schools of Thought](#)
 2. [CSR and Litigation](#)
 6. [Values Management and Compliance Departments](#)
 1. [Business Ethics Challenges in Values Management](#)
 2. [Common Traits of Effective Values Management](#)
 3. [Compliance Departments](#)
 7. [Ethical Decision Making: A Manager's Paradigm](#)
 8. [Community-Based Nonprofit and Benefit Corporations](#)
 9. [Thinking Strategically](#)
 1. [Patently Unfair Behavior?](#)

10. [Key Terms](#)
11. [Case Summaries](#)
 1. [CASE SUMMARY 2.1 Dodge v. Ford Motor Co., 204 Mich. 459, 170 N.W. 668 \(1919\)](#)
 2. [CASE SUMMARY 2.2 In re High-Tech Employee Antitrust Litigation, U.S. District Court, Northern District of California 11-cv-2509 \(2013\)](#)
 3. [CASE SUMMARY 2.3 In re Volkswagen “Clean Diesel” Marketing, Sales Practices, and Products Liability Litigation, U.S. District Court, Northern District of California MDL No. 2672 CRB \(2017\)](#)
 4. [CASE SUMMARY 2.4 Goswami v. American Collections Enterprise, Inc., 377 F.3d 488 \(5th Cir. 2004\)](#)
 5. [CASE SUMMARY 2.5 Luther v. Countrywide Home Loans Servicing, 533 F.3d 1031 \(9th Cir. 2008\)](#)
12. [Chapter Review Questions](#)
13. [Quick Quiz Answers](#)
14. [Chapter Review Questions: Answers and Explanations](#)
3. [Chapter 3: Business and the Constitution](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Structure of the Constitution](#)
 1. [Federalism](#)
 2. [Separation of Powers](#)
 4. [Overview of Federal Powers](#)
 1. [The Congress \(Article I\)](#)
 2. [The President \(Article II\)](#)
 3. [The Federal Courts \(Article III\)](#)
 5. [Regulation of Commerce](#)
 1. [Scope of the Commerce Power](#)
 2. [Negative Commerce Clause](#)
 3. [The Commerce Clause Today](#)
 6. [The Bill of Rights](#)
 1. [First Amendment \(Freedom of Speech, Assembly, and Religion\)](#)
 2. [Second Amendment \(Arms\)](#)
 3. [Third Amendment \(Housing of Soldiers\)](#)
 4. [Fourth Amendment \(Search and Seizure\)](#)
 5. [Fifth Amendment \(Procedural Fairness and Property Rights\)](#)

6. [Sixth Amendment \(Criminal Trials\)](#)
 7. [Seventh Amendment \(Civil Trials\)](#)
 8. [Eighth Amendment \(Bail, Fines, and Punishments\)](#)
 9. [Ninth Amendment \(Unenumerated Rights\)](#)
 10. [Tenth Amendment \(Federalism and Popular Sovereignty\)](#)
 7. [Due Process and Equal Protection](#)
 1. [Due Process](#)
 2. [Equal Protection](#)
 3. [Standards of Review](#)
 8. [An Important Digression: Amending the Constitution](#)
 9. [Interpreting the Constitution: Originalism versus the Living Constitution](#)
 1. [Originalism](#)
 2. [The Living Constitution](#)
 10. [Thinking Strategically](#)
 1. [The Constitution as a Commitment Device](#)
 11. [Key Terms](#)
 12. [Case Summaries](#)
 1. [CASE SUMMARY 3.1 Brown v. Board of Education II, 394 U.S. 294 \(1955\)](#)
 2. [CASE SUMMARY 3.2 Executive Order 10730 \(Desegregation of Central High\)](#)
 3. [CASE SUMMARY 3.3 Title IX](#)
 4. [CASE SUMMARY 3.4 State v. DeAngelo, 930 A.2d 1236 \(N.J. Supreme Ct. 2007\)](#)
 5. [CASE SUMMARY 3.5 U.S. v. Alderman, 565 F.3d 641 \(9th Cir. 2009\)](#)
 13. [Chapter Review Questions](#)
 14. [Quick Quiz Answers](#)
 15. [Chapter Review Questions: Answers and Explanations](#)
4. [Chapter 4: The American Judicial System, Jurisdiction, and Venue](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Role and Structure of the Judiciary](#)
 4. [State versus Federal Courts](#)
 1. [State Courts](#)
 2. [Federal Courts](#)
 5. [Applying Precedent](#)
 1. [Persuasive Value](#)

2. [Distinguishable Cases](#)
6. [Jurisdiction](#)
 1. [Jurisdiction and Business Strategy](#)
 2. [Overview of Jurisdiction](#)
 3. [Subject Matter Jurisdiction: Authority over the Dispute](#)
 4. [Personal Jurisdiction](#)
 5. [Out-of-State Defendants](#)
 6. [Injurious Effect](#)
 7. [Physical Presence](#)
 8. [Voluntary](#)
 9. [Minimum Contacts and the Internet](#)
7. [Venue](#)
8. [Thinking Strategically](#)
9. [Key Terms](#)
10. [Case Summaries](#)
 1. [CASE SUMMARY 4.1 Bickford v. Onslow Memorial Hospital Foundation, 855 A.2d 1150 \(Me. 2004\)](#)
 2. [CASE SUMMARY 4.2 M/S Bremen v. Zapata Off-Shore Co., 407 U.S. 1 \(1972\)](#)
 3. [CASE SUMMARY 4.3 Mink v. AAAA Development LLC, 190 F.3d 333 \(5th Cir. 1999\)](#)
 4. [CASE SUMMARY 4.4 Toys “R” Us, Inc. v. Step Two, S.A., 318 F.3d 446 \(3d Cir. 2003\)](#)
 5. [CASE SUMMARY 4.5 Estate of Weingeroff v. Pilatus Aircraft, 566 F.3d 94 \(3d Cir. 2009\)](#)
11. [Chapter Review Questions](#)
12. [Quick Quiz Answers](#)
13. [Chapter Review Questions: Answers and Explanations](#)
5. [Chapter 5: Resolving Disputes: Litigation and Alternative Dispute Resolution](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Civil Litigation](#)
 1. [Impact of Civil Litigation Business Planning](#)
 4. [Stages of Litigation](#)
 1. [Prelawsuit: Demand and Prelitigation Settlement Negotiations](#)
 2. [Pleadings Stage](#)
 3. [Discovery Stage](#)

4. [Pretrial Conference](#)
 5. [Trial](#)
 6. [Posttrial Motions and Appeals](#)
 7. [Collecting the Judgment](#)
5. [Alternative Dispute Resolution](#)
 1. [Informal ADR](#)
6. [Formal ADR Methods](#)
 1. [Arbitration](#)
 2. [Employment and Labor Arbitration](#)
 3. [Mediation](#)
 4. [Expert Evaluation](#)
 5. [Other Forms of ADR](#)
7. [Thinking Strategically](#)
 1. [Online Dispute Resolution](#)
8. [Key Terms](#)
9. [Case Summaries](#)
 1. [CASE SUMMARY 5.1 Infinite Energy, Inc. v. Thai Heng Chang, 2008 WL 4098329 \(N.D. Fla. 2008\)](#)
 2. [CASE SUMMARY 5.2 Bridgestone Americas Holding, Inc. v. Mayberry, 854 N.E.2d 355 \(Ind. 2006\)](#)
 3. [CASE SUMMARY 5.3 Massachusetts v. U.S. Environmental Protection Agency, 127 S. Ct. 1438 \(2007\)](#)
 4. [CASE SUMMARY 5.4 Exxon Shipping Co. v. Exxon Seamen's Union, 11 F.3d 1189 \(3d Cir. 1993\)](#)
 5. [CASE SUMMARY 5.5 Hooters of America, Inc. v. Phillips, 173 F.3d 933 \(4th Cir. 1999\)](#)
10. [Chapter Review Questions](#)
11. [Quick Quiz Answers](#)
12. [Chapter Review Questions: Answers and Explanations](#)
3. [Unit Two: Contracts, Sales, and Leases](#)
 1. [Chapter 6: Contracts: Overview, Definition, Categories, and Source of Law](#)
 1. [Unit Two: Contracts, Sales, and Leases](#)
 2. [Introduction](#)
 3. [Chapter Overview](#)
 4. [The Nature and Application of Contracts](#)
 5. [Elements of a Contract](#)
 6. [Types of Contracts](#)
 7. [Basic Contract Structure and Terminology](#)

8. [Drafting Contracts with a Strategically Qualified Attorney](#)
9. [Thinking Strategically](#)
 1. [Ticketmaster's Strategic Contracts](#)
10. [Key Terms](#)
11. [Case Summaries](#)
 1. [CASE SUMMARY 6.1 Chambers v. Travelers Companies, 668 F.3d 559 \(8th Cir. 2012\)](#)
 2. [CASE SUMMARY 6.2 Biomedical Systems Corp. v. GE Marquette Medical Systems, Inc., 287 F.3d 707 \(8th Cir. 2002\)](#)
 3. [CASE SUMMARY 6.3 Forest Park Pictures v. Universal Television Network, Inc., 683 F.3d 424 \(2d Cir. 2012\)](#)
 4. [CASE SUMMARY 6.4 Rochon Corp. v. City of Saint Paul, 814 N.W.2d 365 \(Minn. Ct. App. 2012\)](#)
12. [Chapter Review Questions](#)
13. [Quick Quiz Answers](#)
14. [Chapter Review Questions: Answers and Explanations](#)
2. [Chapter 7: Mutual Assent: Agreement and Consideration](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Mutual Assent](#)
 4. [Requirements of an Offer](#)
 1. [Objective Intent](#)
 2. [Advertisements as an Offer](#)
 3. [E-Contracts](#)
 4. [Termination of an Offer](#)
 5. [Action of the Parties](#)
 6. [Operation of Law](#)
 5. [Acceptance](#)
 1. [Acceptance of an Offer: The Mailbox Rule](#)
 2. [Mistake](#)
 6. [Adequacy of Consideration](#)
 1. [Legal Detriment](#)
 2. [Amount and Type of Consideration](#)
 7. [Agreements That Lack Consideration](#)
 1. [Illusory Promises](#)
 2. [Past Consideration](#)
 3. [Promissory Estoppel](#)
 8. [Thinking Strategically](#)

1. [What's Your Negotiation Strategy?](#)
9. [Key Terms](#)
10. [Case Summaries](#)
 1. [CASE SUMMARY 7.1 Arizona Cartridge Remanufacturers Association v. Lexmark, 421 F.3d 981 \(9th Cir. 2005\)](#)
 2. [CASE SUMMARY 7.2 Biomedical Systems Corp. v. GE Marquette Medical Systems, Inc., 287 F.3d 707 \(8th Cir. 2002\)](#)
 3. [CASE SUMMARY 7.3 Reed's Photo Mart, Inc. v. Monarch, 475 S.W.2d 356 \(Tex. Civ. App. 1971\)](#)
11. [Chapter Review Questions](#)
12. [Quick Quiz Answers](#)
13. [Chapter Review Questions: Answers and Explanations](#)
3. [Chapter 8: Capacity and Legality](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Capacity](#)
 1. [Minors](#)
 2. [Mental Competency](#)
 3. [Intoxicated Persons](#)
 4. [Bright-Line Rules versus Flexible Standards](#)
 5. [Legality](#)
 1. [Statutes](#)
 2. [Public Policy](#)
 3. [Exceptions to the Nonenforcement Rule](#)
 6. [Thinking Strategically](#)
 1. [Forum Selection and Choice of Law Clauses](#)
 7. [Key Terms](#)
 8. [Case Summaries](#)
 1. [CASE SUMMARY 8.1 Webster Street Partnership Ltd. v. Sheridan, 368 N.W.2d 439 \(Neb. 1985\)](#)
 2. [CASE SUMMARY 8.2 Faber v. Sweet Style Manufacturing Corporation, 242 N.Y.S.2d 763 \(N.Y. Sup. Ct., Nassau County, 1963\)](#)
 3. [CASE SUMMARY 8.3 Biomedical Systems Corp. v. GE Marquette Medical Systems, Inc., 287 F.3d 707 \(8th Cir. 2002\)](#)
 9. [Chapter Review Questions](#)
 10. [Quick Quiz Answers](#)

11. [Chapter Review Questions: Answers and Explanations](#)
4. [Chapter 9: Enforceability](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Enforceability of Contracts](#)
 4. [Consent Defects](#)
 5. [Misrepresentation and the Strategic Problem of Asymmetric Information](#)
 1. [Innocent Misrepresentation](#)
 2. [Fraud](#)
 6. [Additional Contract Defenses](#)
 1. [Duress](#)
 2. [Undue Influence](#)
 3. [Unconscionability](#)
 7. [The Statute of Frauds](#)
 8. [Contract Interpretation and the Parol Evidence Rule](#)
 9. [Thinking Strategically](#)
 1. [Enforceability of Confidentiality Agreements and Noncompete Clauses](#)
10. [Key Terms](#)
11. [Case Summaries](#)
 1. [CASE SUMMARY 9.1 Professional Bull Riders, Inc. v. AutoZone, Inc., unpublished order and judgment dated August 15, 2005 \(10th Cir. 2005\)](#)
 2. [CASE SUMMARY 9.2 Alaska Packers' Association v. Domenico, 117 F. 99 \(9th Cir. 1902\)](#)
 3. [CASE SUMMARY 9.3 Harley-Davidson Motor Co. v. PowerSports, Inc., 319 F.3d 973 \(7th Cir. 2003\)](#)
 4. [CASE SUMMARY 9.4 Tafel v. Lion Antique Investments & Consulting Services, 773 S.E.2d 743, Supreme Court of Georgia \(2015\)](#)
12. [Chapter Review Questions](#)
13. [Quick Quiz Answers](#)
14. [Chapter Review Questions: Answers and Explanations](#)
5. [Chapter 10: Performance](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [The Nature and Effect of Contract Conditions](#)
 4. [Discharging Obligations through Good Faith Performance](#)

5. [Discharge by Mutual Agreement](#)
 1. [Rescission](#)
 2. [Accord and Satisfaction](#)
 3. [Substitute Agreement](#)
 4. [Novation](#)
6. [Discharge by Operation of Law](#)
 1. [Impossibility](#)
 2. [Impracticability](#)
 3. [Frustration of Purpose](#)
7. [Thinking Strategically](#)
 1. [Use of Conditions](#)
8. [Key Terms](#)
9. [Case Summaries](#)
 1. [CASE SUMMARY 10.1 Sechrest v. Forest Furniture Co., 264 N.C. 216 \(N.C. 1965\)](#)
 2. [CASE SUMMARY 10.2 1700 Rinehart, LLC v. Advance America, Cash Advance Centers, etc., 5D09-3759 \(Fla. 5th DCA 2010\)](#)
 3. [CASE SUMMARY 10.3 Hearthstone, Inc. v. Dept. of Agriculture, CBCA 3725 \(2015\)](#)
 4. [CASE SUMMARY 10.4 Wooden v. Synovus Bank, A13A0876 Ga. App. \(2013\)](#)
 5. [CASE SUMMARY 10.5 Ed Wolfe Construction, Inc. v. Richard Knight and Luann Knight, 2014 IL App \(5th\)](#)
10. [Chapter Review Questions](#)
11. [Quick Quiz Answers](#)
12. [Chapter Review Questions: Answers and Explanations](#)
6. [Chapter 11: Breach and Remedies](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Breach Defined](#)
 1. [Partial Breach](#)
 2. [Anticipatory Repudiation](#)
 4. [Remedies at Law \(Money Damages\)](#)
 1. [Compensatory Damages](#)
 2. [Consequential Damages](#)
 3. [Restitution](#)
 4. [Liquidated Damages](#)
 5. [Equitable Remedies](#)

1. [Specific Performance](#)
 2. [Injunctive Relief](#)
 3. [Reformation](#)
6. [Duty to Mitigate](#)
7. [Thinking Strategically](#)
 1. [Performance Assurances](#)
8. [Key Terms](#)
9. [Case Summaries](#)
 1. [CASE SUMMARY 11.1 Pepsi-Cola Co. v. Steak 'n Shake, Inc., 981 F. Supp. 1149 \(S.D. Ind. 1997\)](#)
 2. [CASE SUMMARY 11.2 DiFolco v. MSNBC, 622 F.3d 104 \(2d Cir. 2010\)](#)
10. [Chapter Review Questions](#)
11. [Quick Quiz Answers](#)
12. [Chapter Review Questions: Answers and Explanations](#)
7. [Chapter 12: Contracts for the Sale of Goods: Overview of Article 2](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Introduction to the UCC](#)
 4. [Purpose of Article 2 of the UCC](#)
 5. [Default Rules](#)
 6. [UCC Article 2 Coverage and Definitions](#)
 7. [UCC and the Common Law](#)
 8. [Thinking Strategically](#)
 1. [The Sale of Goods over the Internet and the Shadow of the Future](#)
 9. [Key Terms](#)
 10. [Case Summaries](#)
 1. [CASE SUMMARY 12.1 Advent Systems Ltd. v. Unisys Corp., 925 F.2d 670 \(3d Cir. 1991\)](#)
 2. [CASE SUMMARY 12.2 3L Communications LLC v. Merola, 2013 WL 4803532, Court of Appeals of Tennessee \(2013\)](#)
 11. [Chapter Review Questions](#)
 12. [Quick Quiz Answers](#)
 13. [Chapter Review Questions: Answers and Explanations](#)
8. [Chapter 13: Sales Contracts: Agreement, Consideration, and the Statute of Frauds](#)
 1. [Introduction](#)

2. [Chapter Overview](#)
3. [Formation of Agreement for Sale of Goods](#)
 1. [Firm Offers by Merchants](#)
 2. [Offers with Open Terms](#)
 3. [A Word about Quantity](#)
 4. [Other Open Terms](#)
 5. [Acceptance](#)
4. [Consideration](#)
5. [The Battle of the Forms](#)
 1. [Nonmerchant Transactions](#)
 2. [Merchant Transactions](#)
6. [Statute of Frauds](#)
7. [Thinking Strategically](#)
 1. [The Battle of the Forms](#)
8. [Key Terms](#)
9. [Case Summaries](#)
 1. [CASE SUMMARY 13.1 Movado Group, Inc. v. Mozaffarian, 938 N.Y.S2d 27 \(2012\)](#)
 2. [CASE SUMMARY 13.2 Hebbard-Kulow Enterprises, Inc. v. Kelomar, Inc., Court of Appeals of California, 4th District \(2016\)](#)
 3. [CASE SUMMARY 13.3 Daitom, Inc. v. Pennwalt Corp., 741 F.2d 1569 \(10th Cir. 1984\)](#)
10. [Chapter Review Questions](#)
11. [Quick Quiz Answers](#)
12. [Chapter Review Questions: Answers and Explanations](#)
9. [Chapter 14: Title, Allocation of Risk, and Insurable Interest](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Identification of Goods](#)
 4. [Issues Related to Title Transfers](#)
 1. [Passing of Title](#)
 2. [Good Faith Buyers](#)
 5. [Insurable Interest](#)
 6. [Risk of Loss](#)
 7. [Thinking Strategically](#)
 1. [Strategic Assessment of Shipping Terms](#)
 8. [Key Terms](#)
 9. [Case Summaries](#)

1. [CASE SUMMARY 14.1 3L Communications v. Merola d/b/a NY Telecom Supply, No. M2012- 02163-COA-R3-CV, Court of Appeals of Tennessee \(2013\)](#)
2. [CASE SUMMARY 14.2 Frelinghuysen Morris Foundation v. AXA Art Insurance, 603015 \(2009\)](#)
3. [CASE SUMMARY 14.3 Jacq Wilson et al. v. Brawn of California, Inc., 132 Cal. App. 4th 549 \(2005\)](#)
4. [CASE SUMMARY 14.4 St. Paul Guardian Insurance Company et al. v. Neuromed Medical Systems & Support, GmbH et al., 00 Civ. 9344 \(SHS\) U.S. Dist. Ct., S.D.N.Y. \(2002\)](#)
5. [CASE SUMMARY 14.5 Windows, Inc. v. Jordan Panel Systems Corp., 177 F.3d 114 \(1999\)](#)
10. [Chapter Review Questions](#)
11. [Quick Quiz Answers](#)
12. [Chapter Review Questions: Answers and Explanations](#)
10. [Chapter 15: Performance and Cure in Sales Contracts](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [The UCC and Good Faith](#)
 4. [Performance, Past Dealings, and Trade Practices](#)
 5. [Obligations of the Seller](#)
 1. [Perfect Tender](#)
 6. [Rights of the Seller](#)
 1. [Commercial Impracticability](#)
 7. [Obligations and Rights of the Buyer](#)
 1. [Buyer's Right of Inspection: Acceptance or Rejection](#)
 2. [Special Rules for Installment Contracts](#)
 8. [Thinking Strategically](#)
 1. [Notice and Remediation](#)
 9. [Key Terms](#)
 10. [Case Summaries](#)
 1. [CASE SUMMARY 15.1 Ner Tamid Congregation of North Town v. Krivoruchko, 638 F. Supp. 2d 913 \(N.D. Ill. 2009\)](#)
 2. [CASE SUMMARY 15.2 General Motors Corp. v. Acme Refining Co., 513 F. Supp. 2d 906 \(E.D. Mich. 2007\)](#)
 3. [CASE SUMMARY 15.3 Furlong v. Alpha Chi Omega Sorority et al., 73 Ohio Misc.2d 26 \(1993\)](#)
 4. [CASE SUMMARY 15.4 Zion Temple First Pentecostal](#)

[Church of Cincinnati v. Brighter Day Bookstore & Gifts and
Murphy Cap & Gown Co., 970 N.E.2d 441 \(Ohio 2004\)](#)

11. [Chapter Review Questions](#)
12. [Quick Quiz Answers](#)
13. [Chapter Review Questions: Answers and Explanations](#)
11. [Chapter 16: Breach and Remedies in a Sales Transaction](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Definition of a Breach](#)
 1. [Seller's Breach](#)
 2. [Buyer's Breach](#)
 3. [Important Breach-Related Dates](#)
 4. [Seller's Remedies](#)
 5. [Buyer's Remedies](#)
 6. [Limitation of Remedies](#)
 7. [Thinking Strategically](#)
 1. [Reacting to a Potential Sales Contract Breach](#)
 8. [Key Terms](#)
 9. [Case Summaries](#)
 1. [CASE SUMMARY 16.1 Glenn Distributors Corp. v. Carlisle
Plastics, Inc., 297 F.3d 294 \(3d Cir. 2002\)](#)
 2. [CASE SUMMARY 16.2 S.W.B. New England, Inc. v.
R.A.B. Food Group, LLC, 2008 WL 540091 \(S.D.N.Y.
2008\)](#)
 3. [CASE SUMMARY 16.3 Swan Lake Holdings, LLC v.
Yamaha Golf-Car Co., U.S. Dist. LEXIS 19684 \(U.S. Dist.
Ct. North. Dist. Ind., S. Bend Div., 2011\)](#)
 4. [CASE SUMMARY 16.4 Huntsville Hospital v. Mortara
Instrument, 57 F.3d 1043 \(11th Cir. 1995\)](#)
 5. [CASE SUMMARY 16.5 Aero Consulting Corp. v. Cessna
Aircraft Co., 867 F. Supp. 1480 \(D. Kan. 1994\)](#)
 10. [Chapter Review Questions](#)
 11. [Quick Quiz Answers](#)
 12. [Chapter Review Questions: Answers and Explanations](#)
12. [Chapter 17: UCC Article 2A: Lease Contracts](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Introduction to Article 2A of the UCC](#)
 4. [UCC Article 2A Coverage](#)

5. [Some Basic Terminology: Lessors and Lessees](#)
6. [True Leases versus Secured Transactions](#)
7. [Warranties](#)
8. [Finance Leases](#)
9. [Leases That Must Be in Writing](#)
10. [Thinking Strategically](#)
 1. [Lease or Own?](#)
11. [Key Terms](#)
12. [Case Summaries](#)
 1. [CASE SUMMARY 17.1 Cucchi v. Rollins Protective Services, 574 A.2d 565 \(Pa. 1990\)](#)
 2. [CASE SUMMARY 17.2 Corporate Center Associates v. Total Group and Office Outfitters, 462 N.W.2d 713 \(Iowa Ct. App. 1990\)](#)
 3. [CASE SUMMARY 17.3 Brankle Brokerage & Leasing, Inc. v. Volvo Financial Services, 394 B.R. 906 \(2008\)](#)
13. [Chapter Review Questions](#)
14. [Quick Quiz Answers](#)
15. [Chapter Review Questions: Answers and Explanations](#)
13. [Chapter 18: Sales Warranties](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Types of Warranties](#)
 1. [Express Warranties](#)
 2. [Implied Warranties](#)
 4. [Disclaimers and Limitations](#)
 5. [Third-Party Rights](#)
 6. [Magnuson-Moss Warranty Act](#)
 7. [Thinking Strategically](#)
 1. [Advertising and Express Warranties](#)
 8. [Key Terms](#)
 9. [Case Summaries](#)
 1. [CASE SUMMARY 18.1 Giles v. POM Wonderful, LLC, No. 10-32192 \(Cir. Ct., 17th Jud. Cir., Broward County, Fla., filed August 6, 2010\)](#)
 2. [CASE SUMMARY 18.2 Mennonite Deaconess Home & Hospital, Inc. v. Gates Engineering Co., 219 Neb. 303, 363 N.W.2d 155 \(1985\)](#)
 3. [CASE SUMMARY 18.3 City of LaCrosse v. Schubert,](#)

- [Schroeder & Associates, 72 Wis. 2d 38, 240 N.W.2d 124 \(1976\)](#)
 - 4. [CASE SUMMARY 18.4 Consumers Power Co. v. Mississippi Valley Structural Steel Co., 636 F. Supp. 1100 \(E.D. Mich. 1986\)](#)
 - 5. [CASE SUMMARY 18.5 Webster v. Blue Ship Tea Room, Inc., 198 N.E. 2d 309 \(Supreme Judicial Court of Massachusetts, 1964\)](#)
- 10. [Chapter Review Questions](#)
- 11. [Quick Quiz Answers](#)
- 12. [Chapter Review Questions: Answers and Explanations](#)
- 4. [Unit Three: Commercial Paper and Secured Transactions](#)
 - 1. [Chapter 19: Definition, Creation, and Categories of Negotiable Instruments](#)
 - 1. [Unit Three: Commercial Paper and Secured Transactions](#)
 - 2. [Introduction](#)
 - 3. [Chapter Overview](#)
 - 4. [Features of a Negotiable Instrument](#)
 - 1. [Unconditional Promise](#)
 - 2. [Order](#)
 - 3. [Fixed Amount](#)
 - 4. [In Writing and Signed](#)
 - 5. [Payable to Order or to Bearer](#)
 - 6. [Payable on Demand or at a Future Time](#)
 - 5. [Types of Negotiable Instruments](#)
 - 1. [Draft](#)
 - 2. [Check](#)
 - 3. [Certificate of Deposit \(CD\)](#)
 - 4. [Promissory Note](#)
 - 6. [Steps to Negotiate and Indorse an Instrument](#)
 - 1. [Negotiation of Order Paper](#)
 - 2. [Negotiation of Bearer Paper](#)
 - 7. [Negotiable Instruments and Securitization in Debt Capital Markets](#)
 - 8. [Thinking Strategically](#)
 - 1. [Negotiating Accounts Receivable](#)
 - 9. [Key Terms](#)
 - 10. [Case Summaries](#)
 - 1. [CASE SUMMARY 19.1 Cooperatieve Centrale Raiffeisen-](#)

- [Boerenleenbank B.A. v. William H. Bailey, 710 F. Supp. 737 \(C.D. Cal. 1989\)](#)
 - 2. [CASE SUMMARY 19.2 In re AppOnline, Inc., 321 B.R. 614; 2003 U.S. Dist. LEXIS 26258 \(2003\)](#)
 - 3. [CASE SUMMARY 19.3 Blasco v. Money Services Center, 352 B.R. 888 \(N. Dist. Ala. 2006\)](#)
- 11. [Chapter Review Questions](#)
- 12. [Quick Quiz Answers](#)
- 13. [Chapter Review Questions: Answers and Explanations](#)
- 2. [Chapter 20: Negotiation, Indorsements, and Holder in Due Course](#)
 - 1. [Introduction](#)
 - 2. [Chapter Overview](#)
 - 3. [Negotiation](#)
 - 1. [Holder](#)
 - 2. [Negotiation and Transfer](#)
 - 4. [Holder in Due Course \(HDC\) Status](#)
 - 1. [Value](#)
 - 2. [Good Faith](#)
 - 3. [Without Notice](#)
 - 4. [The Shelter Rule](#)
 - 5. [Defenses and Third-Party Claims](#)
 - 1. [Real Defenses](#)
 - 2. [Personal Defenses](#)
 - 3. [Claims in Recoupment](#)
 - 6. [HDC and Consumers](#)
 - 1. [Holder Rule](#)
 - 2. [Requirements](#)
 - 7. [Thinking Strategically](#)
 - 1. [Preventing Fraud through Artificial Intelligence](#)
 - 8. [Key Terms](#)
 - 9. [Case Summaries](#)
 - 1. [CASE SUMMARY 20.1 Carter & Grimsley v. Omni Trading, Inc., 716 N.E.2d 320 \(Ill. App. Ct. 1999\)](#)
 - 2. [CASE SUMMARY 20.2 Any Kind Checks Cashed, Inc. v. Talcott \(Fla. Dist. Ct. App. 2002\)](#)
 - 3. [CASE SUMMARY 20.3 Zener v. Velde, 17 P.3d 296 \(Idaho Ct. App. 2000\)](#)
 - 10. [Chapter Review Questions](#)
 - 11. [Quick Quiz Answers](#)

12. [Chapter Review Questions: Answers and Explanations](#)
3. [Chapter 21: Liability, Defenses, and Discharge](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Liability on the Instrument](#)
 1. [Primary Liability](#)
 2. [Secondary Liability](#)
 4. [Presentment](#)
 1. [Instruments That Are Dishonored](#)
 5. [Agency Issues](#)
 6. [Warranty Liability](#)
 1. [Transfer Warranties](#)
 2. [Presentment Warranties](#)
 7. [Defenses against Holders of Negotiable Instruments](#)
 8. [Discharge](#)
 1. [Discharge by Payment](#)
 2. [Discharge by Tender](#)
 3. [Discharge by Cancellation or Renunciation](#)
 4. [Discharge by Material and Fraudulent Alteration](#)
 5. [Discharge by Certification](#)
 6. [Discharge by Acceptance Varying a Draft](#)
 7. [Notice Requirement](#)
 9. [Thinking Strategically](#)
 1. [Judgment-Proof Defendants](#)
 10. [Key Terms](#)
 11. [Case Summaries](#)
 1. [CASE SUMMARY 21.1 Bank of Nichols Hills v. Bank of Oklahoma, 196 P.3d 984 \(Okla. Civ. App. 2008\)](#)
 2. [CASE SUMMARY 21.2 Flatiron Linen v. First American State Bank, 23 P.3d 1209, Supreme Court of Colorado \(2001\)](#)
 3. [CASE SUMMARY 21.3 Cooper v. Union Bank, 507 P.2d 609, Supreme Court of California, \(1973\)](#)
 4. [CASE SUMMARY 21.4 Cooper v. Union Bank, 507 P.2d 609, Supreme Court of California \(1973\)](#)
 12. [Chapter Review Questions](#)
 13. [Quick Quiz Answers](#)
 14. [Chapter Review Questions: Answers and Explanations](#)
4. [Chapter 22: Checks, Deposits, and Financial Institutions](#)

1. [Introduction](#)
2. [Chapter Overview](#)
3. [Checks in Commercial Transactions](#)
4. [Electronic Payment Systems](#)
 1. [Debit Cards](#)
 2. [Credit Cards](#)
 3. [Automated Clearing House \(ACH\) Transactions](#)
 4. [Electronic Funds Transfers \(Wires\)](#)
5. [Mobile Payment Apps and the Blockchain](#)
 1. [Mobile Payment Apps](#)
 2. [Blockchain](#)
6. [Fraud Rules Related to Checks and Electronic Payment Systems](#)
7. [Thinking Strategically](#)
 1. [Stolen and Forged Business Checks](#)
8. [Key Terms](#)
9. [Case Summaries](#)
 1. [CASE SUMMARY 22.1 Wachovia Bank, N.A. v. Foster Bankshares, Inc., 457 F.3d 619, 60 U.C.C. 2d 1126 \(7th Cir. 2006\)](#)
 2. [CASE SUMMARY 22.2 Halifax Corp. v. First Union National Bank, 26 Va. 91, 546 S.E.2d 696, 44 U.C.C. 2d 661 \(2001\)](#)
 3. [CASE SUMMARY 22.3 TME Enterprises, Inc. v. Norwest Corp., 124 Cal. App. 4th 1021 \(2004\)](#)
10. [Chapter Review Questions](#)
11. [Quick Quiz Answers](#)
12. [Chapter Review Questions: Answers and Explanations](#)
5. [Chapter 23: Secured Transactions](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Classifications of Collateral in Secured Transactions](#)
 4. [The Steps to Create a Security Interest](#)
 1. [Enter into Contract with Lender That Defines and Creates Security Interest](#)
 2. [Attach a Security Interest to Property](#)
 5. [Perfecting a Security Interest](#)
 1. [Perfection by Filing](#)
 2. [Perfection by Possession](#)
 3. [Automatic Perfection](#)

4. [Perfection by Control](#)
6. [Priority among Creditors' Claims to Collateral](#)
7. [The Consequences of a Borrower's Default](#)
8. [Thinking Strategically](#)
 1. [Assessing and Perfecting a Security Interest](#)
9. [Key Terms](#)
10. [Case Summaries](#)
 1. [CASE SUMMARY 23.1 In re Estate of Joseph M. Silver, 2003 Mich. App. LEXIS 1389](#)
 2. [CASE SUMMARY 23.2 In re Pfautz, 264 B.R. 551 \(W.D. Miss. 2001\)](#)
 3. [CASE SUMMARY 23.3 In re Piknik Products Co., 346 B.R. 863 \(Bankr. M.D. Ala. 2006\)](#)
11. [Chapter Review Questions](#)
12. [Quick Quiz Answers](#)
13. [Chapter Review Questions: Answers and Explanations](#)
6. [Chapter 24: Creditors' Rights](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Personal Guaranties](#)
 4. [Rights against Third Parties](#)
 1. [Defenses](#)
 5. [Liens](#)
 1. [Judicial Liens](#)
 2. [Statutory Liens](#)
 3. [Consensual Liens](#)
 6. [Collecting Unsecured Debts](#)
 1. [Obtaining and Enforcing a Judgment](#)
 2. [Garnishment](#)
 3. [Levy](#)
 4. [Discovery](#)
 5. [Sale of Property](#)
 6. [State Exemption Laws](#)
 7. [Thinking Strategically](#)
 1. [Using Statutory Liens](#)
 8. [Key Terms](#)
 9. [Case Summaries](#)
 1. [CASE SUMMARY 24.1 Anthony DeMarco & Sons Nursery, LLC v. Maxim Construction Service Corp., 130](#)

- [A.D.3d 1409 \(N.Y. Sup. Ct. App. Div. 2015\)](#)
 - 2. [CASE SUMMARY 24.2 On the Level Enterprises, Inc. v. 49 East Houston LLC, 2013 NY Slip Op. 01614 \[104 A.D.3d 500\]](#)
 - 3. [CASE SUMMARY 24.3 Assevero v. Rihan, 144 A.D.3d 1061 \(App. Div. Sup. Ct. of NY 2016\)](#)
 - 4. [CASE SUMMARY 24.4 Barrie-Chivian v. Lepler, 87 Mass. App. Ct. 683 \(2015\)](#)
- 10. [Chapter Review Questions](#)
- 11. [Quick Quiz Answers](#)
- 12. [Chapter Review Questions: Answers and Explanations](#)
- 7. [Chapter 25: Alternatives for Insolvent Borrowers](#)
 - 1. [Introduction](#)
 - 2. [Chapter Overview](#)
 - 3. [Workouts](#)
 - 1. [Turnaround Advisors](#)
 - 2. [Workout Models](#)
 - 3. [Workouts versus Bankruptcy](#)
 - 4. [Assignment for the Benefit of Creditors \(ABC\)](#)
 - 1. [Assignment Agreement](#)
 - 2. [Distribution](#)
 - 3. [ABC Statutory Requirements](#)
 - 4. [Shareholder and Director Approval](#)
 - 5. [Out of Existence](#)
 - 6. [Thinking Strategically](#)
 - 1. [Turning It Around](#)
 - 7. [Key Terms](#)
 - 8. [Case Summaries](#)
 - 1. [CASE SUMMARY 25.1 Sherwood Partners as ABC Assignee of Thinklink v. Lycos, 394 F.3d 1198 \(9th Cir. 2005\)](#)
 - 2. [CASE SUMMARY 25.2 Moecker v. Antoine et al., 845 So.2d 904 \(Fla. Ct. App. 2003\)](#)
 - 9. [Chapter Review Questions](#)
 - 10. [Chapter Review Questions: Answers and Explanations](#)
- 8. [Chapter 26: Bankruptcy](#)
 - 1. [Introduction](#)
 - 2. [Chapter Overview](#)
 - 3. [Bankruptcy Code](#)

1. [Automatic Stay](#)
 2. [Bankruptcy Trustee](#)
 4. [Chapter 7: Liquidation](#)
 1. [Bankruptcy Petition and Stay](#)
 2. [Order for Relief and Trustee Appointment](#)
 3. [Creditors' Meeting and the Bankruptcy Estate](#)
 4. [Distribution and Discharge](#)
 5. [Chapter 11: Reorganization](#)
 1. [Debtor in Possession](#)
 2. [Strong-Arm Clause](#)
 3. [Reorganization Plan](#)
 6. [Chapter 13: Individual Repayment](#)
 1. [The Fraud Exception](#)
 2. [Bankruptcy Abuse Prevention and Consumer Protection Act](#)
 3. [Other BAPCPA Requirements](#)
 7. [Thinking Strategically](#)
 1. [Strategic Bankruptcy](#)
 8. [Key Terms](#)
 9. [Case Summaries](#)
 1. [CASE SUMMARY 26.1 In re Fehrs, 391 B.R. 53 \(Bankr. D. Idaho, 2008\)](#)
 2. [CASE SUMMARY 26.2 Ellison v. Commissioner of Internal Revenue Service, 385 B.R. 158 \(S.D. W. Va. 2008\)](#)
 3. [CASE SUMMARY 26.3 In re Richie, 353 B.R. 569 \(Bankr. E.D. Wis. 2006\)](#)
 4. [CASE SUMMARY 26.4 In re Jones, 392 B.R. 116 \(E.D. Pa. 2008\)](#)
 10. [Chapter Review Questions](#)
 11. [Quick Quiz Answers](#)
 12. [Chapter Review Questions: Answers and Explanations](#)
5. [Unit Four: Business Entities](#)
 1. [Chapter 27: Choice of Business Entity and Sole Proprietorships](#)
 1. [Unit Four: Business Entities](#)
 2. [Introduction](#)
 3. [Chapter Overview](#)
 4. [Choosing a Business Entity](#)
 1. [Evolution of the Entity](#)
 5. [Sole Proprietorships](#)
 1. [Liability of Proprietor](#)

6. [Capitalization](#)
7. [Taxation](#)
 1. [Management and Organization](#)
8. [Termination](#)
9. [Franchises: A Method Rather Than an Entity](#)
 1. [Franchise Agreements](#)
 2. [FTC Regulation](#)
 3. [State Regulation](#)
10. [Thinking Strategically](#)
 1. [Umbrella Insurance](#)
11. [Key Terms](#)
12. [Case Summaries](#)
 1. [CASE SUMMARY 27.1 Vernon v. Schuster, 688 N.E.2d 1172 \(Ill. 1997\)](#)
 2. [CASE SUMMARY 27.2 Nazi v. Jerry's Oil Co. \(Tenn. Ct. App. 2014\)](#)
 3. [CASE SUMMARY 27.3 Clayton v. Planet Travel Holdings, Inc., 988 N.E.2d 1110 \(Ill. App. Ct. 2013\)](#)
 4. [CASE SUMMARY 27.4 England v. Simmons, 757 S.E.2d 111 \(Ga. 2014\)](#)
13. [Chapter Review Questions](#)
14. [Quick Quiz Answers](#)
15. [Chapter Review Questions: Answers and Explanations](#)
2. [Chapter 28: Partnerships](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [General Partnership Formation](#)
 4. [Overview of the Revised Uniform Partnership Act \(RUPA\) and the Uniform Partnership Act \(UPA\)](#)
 5. [General Partnerships in the Context of Business](#)
 6. [The Rights of Partners](#)
 1. [Right to Share Profits and Losses Equally](#)
 2. [Right to Partnership Property](#)
 3. [Right to Co-manage the Business](#)
 4. [Right to Indemnity](#)
 5. [Right to Vote](#)
 6. [Right to Be Informed](#)
 7. [The Duties of Partners](#)
 1. [Duty of Loyalty](#)

2. [Duty of Care](#)
 3. [Duty of Good Faith](#)
8. [The Partnership Agreement](#)
 1. [Capital Contributions](#)
 2. [Property Provision](#)
 3. [Profits and Losses](#)
 4. [Salary](#)
 5. [Management Rights](#)
 6. [Buy-Sell Agreement](#)
9. [Limited Partnerships and Family Limited Partnerships](#)
 1. [Formation](#)
 2. [Personal Liability of Principals](#)
 3. [Capitalization](#)
 4. [Taxation of Partners and Partnership](#)
 5. [Management and Operation of the Partnership](#)
 6. [Family Limited Partnerships](#)
10. [Limited Liability Partnerships \(LLPs\)](#)
 1. [Formation](#)
 2. [Liability](#)
 3. [Taxation](#)
 4. [Capitalization](#)
11. [Partner Dissociation and Partnership Dissolution](#)
 1. [Dissociation under the RUPA](#)
 2. [Withdrawal under the RULPA](#)
 3. [Other Events of Dissolution](#)
12. [Thinking Strategically](#)
 1. [Partnership Formation](#)
13. [Key Terms](#)
14. [Case Summaries](#)
 1. [CASE SUMMARY 28.1 Conklin v. Holland, 138 S.W.3d 215 \(Tenn. Ct. App. 2003\)](#)
 2. [CASE SUMMARY 28.2 Rahemtulla v. Hassam, 539 F. Supp. 2d 755 \(M.D. Pa. 2008\)](#)
 3. [CASE SUMMARY 28.3 In re Spree.com Corp., 2001 WL 1518242 \(Bankr. E.D. Pa. 2001\)](#)
15. [Chapter Review Questions](#)
16. [Quick Quiz Answers](#)
17. [Chapter Review Questions: Answers and Explanations](#)
3. [Chapter 29: Limited Liability Companies](#)

1. [Introduction](#)
2. [Chapter Overview](#)
3. [Overview of the LLC](#)
4. [Laws Governing LLCs](#)
5. [Formation of the LLC](#)
6. [Capitalization of the LLC](#)
7. [The Operating Agreement](#)
8. [Limited Liability of the Owners](#)
9. [Taxation of the LLC](#)
10. [Dissolution versus Dissociation](#)
11. [Thinking Strategically](#)
 1. [Choice of Business Entity](#)
12. [Key Terms](#)
13. [Case Summaries](#)
 1. [CASE SUMMARY 29.1 Kaycee Land and Livestock v. Flahive, 46 P.3d 323, Supreme Court of Wyoming \(2002\)](#)
 2. [CASE SUMMARY 29.2 Emprise v. Rumisek, 26 Kan. App. 2d. 760, Court of Appeals of Kansas \(2009\)](#)
 3. [CASE SUMMARY 29.3 Lamprecht v. Jordan, LLC, 75 P.3d 743, Supreme Court of Idaho \(2003\)](#)
 4. [CASE SUMMARY 29.4 Lieberman v. Wyoming.com, LLC, 82 P.3d 274, Supreme Court of Wyoming \(2004\)](#)
14. [Chapter Review Questions](#)
15. [Quick Quiz Answers](#)
16. [Chapter Review Questions: Answers and Explanations](#)
4. [Chapter 30: Corporations: Formation and Organization](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Corporation as an Entity](#)
 4. [Classifications of Corporations](#)
 1. [Privately Held versus Publicly Held](#)
 2. [Other Categories](#)
 5. [Formation and Start-up Issues](#)
 1. [Pre-incorporation Activity: Liability of Promoters](#)
 2. [Choice of State of Incorporation](#)
 3. [Tax Matters](#)
 4. [Initial Organizational Meeting](#)
 5. [Corporate Formalities](#)
 6. [Sources of Financing](#)

1. [Debt](#)
 2. [Equity](#)
 3. [Venture Capital Firms](#)
 4. [Public Offerings](#)
7. [Corporate Veil Protection](#)
 1. [Piercing the Corporate Veil](#)
 2. [Personal Guarantees](#)
8. [Shareholders, Directors, and Officers](#)
 1. [Shareholders](#)
 2. [Board of Directors](#)
 3. [Officers](#)
9. [Fiduciary Duties of Officers, Directors, and Controlling Shareholders](#)
 1. [Duty of Care](#)
 2. [Business Judgment Rule](#)
 3. [Duty of Loyalty](#)
10. [Thinking Strategically](#)
 1. [Strengthening Your Corporate Veil](#)
11. [Key Terms](#)
12. [Case Summaries](#)
 1. [CASE SUMMARY 30.1 Miner v. Fashion Enterprises, Inc., 794 N.E.2d 902 \(Ill. App. Ct. 1999\)](#)
 2. [CASE SUMMARY 30.2 Village at Camelback Property Owners Association v. Carr, 538 A.2d 528 \(Pa. Super. 1988\)](#)
 3. [CASE SUMMARY 30.3 Goodman v. Darden, Doman & Stafford Associates 670 P.2d 648 \(Wa. 1983\)](#)
 4. [CASE SUMMARY 30.4 In re the Dow Chemical Company Derivative Litigation, Cons. Civil Action No. 4349-CC. \(De. Ct. Chancery 2010\)](#)
13. [Chapter Review Questions](#)
14. [Quick Quiz Answers](#)
15. [Chapter Review Questions: Answers and Explanations](#)
5. [Chapter 31: Corporate Transactions: Acquisitions and Mergers](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Types of Corporate Transactions](#)
 4. [Some Strategic Aspects of Mergers and Acquisitions](#)
 5. [Successor Liability](#)
 6. [Fiduciary Duties](#)

7. [Hostile Takeovers](#)
8. [Nuts and Bolts of Corporate Transactions](#)
9. [Thinking Strategically](#)
 1. [Successor Liability](#)
10. [Key Terms](#)
11. [Case Summaries](#)
 1. [CASE SUMMARY 31.1 Bernard v. Kee Manufacturing Co., Inc., 409 So. 2d 1047 \(Fla. 1982\)](#)
 2. [CASE SUMMARY 31.2 Smith v. Van Gorkom, 488 A.2d 858 \(Del. 1985\)](#)
 3. [CASE SUMMARY 31.3 In re Riverstone National, Inc. Shareholder Litigation, C.A. No. 9796-VCG \(Del. Ch. 2016\)](#)
 4. [CASE SUMMARY 31.4 Terry v. Penn Central Corp., 668 F.2d 188 \(3d Cir. 1981\)](#)
12. [Chapter Review Questions](#)
13. [Quick Quiz Answers](#)
14. [Chapter Review Questions: Answers and Explanations](#)
6. [Unit Five: Regulation of Securities, Corporate Governance, and Financial Markets](#)
 1. [Chapter 32: Overview of the Securities Market: Definition, Categories, and Regulation](#)
 1. [Unit Five: Regulation of Securities, Corporate Governance, and Financial Markets](#)
 2. [Introduction](#)
 3. [Chapter Overview](#)
 4. [Fundamentals of Securities Transactions](#)
 5. [Role of the Parties in a Securities Transaction](#)
 6. [Defining a Security](#)
 1. [Federal Securities Law](#)
 2. [Modern Application of the Howey Test](#)
 3. [Family Resemblance Test](#)
 4. [Defining a Seller of Securities](#)
 5. [Stock Market Games](#)
 6. [Crowdfunding](#)
 7. [Blue-Sky Laws: State Securities Law](#)
 7. [Categories of Securities](#)
 1. [Equity Instruments](#)
 2. [Debt Instruments](#)
 3. [Peer-to-Peer Lending](#)

8. [Securities Regulation](#)
9. [The Securities and Exchange Commission](#)
 1. [EDGAR](#)
10. [State Regulation of Securities](#)
 1. [Risk Capital Test](#)
11. [Thinking Strategically](#)
 1. [Considering Legal Issues in Financing](#)
12. [Key Terms](#)
13. [Case Summaries](#)
 1. [CASE SUMMARY 32.1 Mark v. FSC Securities Corporation, 870 F.2d 331 \(6th Cir. 1989\)](#)
 2. [CASE SUMMARY 32.2 SEC v. ETS Payphones, Inc., 408 F.3d 727 \(11th Cir. 2005\)](#)
 3. [CASE SUMMARY 32.3 Eberhardt v. Waters, 901 F.2d 1578 \(11th Cir. 1990\)](#)
 4. [CASE SUMMARY 32.4 Foltz v. U.S. News and World Report, Inc., 627 F. Supp. 1143 \(D.D.C. 1986\)](#)
14. [Chapter Review Questions](#)
15. [Quick Quiz Answers](#)
16. [Chapter Review Questions: Answers and Explanations](#)
2. [Chapter 33: Regulation of Issuance: The Securities Act of 1933](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [The Securities Act of 1933](#)
 4. [The Process of a Public Offering](#)
 1. [Preregistration Documentation](#)
 2. [Registration](#)
 3. [Filing the Registration Statement and Waiting Period](#)
 4. [Postregistration](#)
 5. [Exemptions from Registration](#)
 1. [Regulation D: Private and Small Transactions](#)
 2. [Accredited Investors](#)
 3. [Rule 504: Smaller Offerings](#)
 4. [Rule 506: Larger Private Placements](#)
 5. [Regulation A: Large Exempt Offerings](#)
 6. [Disclosures Required](#)
 6. [Regulation of Crowdfunding](#)
 1. [Rules for Issuers](#)
 2. [Rules for Investors](#)

7. [Liability for Violations](#)
 1. [Section 11: Misrepresentations in the Registration Statement](#)
 2. [Section 12\(a\)\(2\): Misrepresentations in Public Offerings](#)
 3. [Section 17\(a\): Liability for Negligent Misrepresentation](#)
 4. [Penalties and Remedies](#)
8. [Safe Harbors and Other Defenses](#)
 1. [Safe Harbors: The Private Securities Litigation Reform Act of 1995](#)
9. [Materiality as a Defense](#)
 1. [Bespeaks Caution Doctrine](#)
10. [Thinking Strategically](#)
 1. [Facebook's Special Purpose Vehicle](#)
11. [Key Terms](#)
12. [Case Summaries](#)
 1. [CASE SUMMARY 33.1 In re The Vantive Corporation Securities Litigation, 110 F. Supp. 2d 1209 \(N.D. Cal. 2000\)](#)
 2. [CASE SUMMARY 33.2 Mark v. FSC Securities Corporation, 870 F.2d 331 \(6th Cir. 1989\)](#)
 3. [CASE SUMMARY 33.3 P. Stolz Family Partnership L.P. v. Daum, 355 F.3d 92 \(2d Cir. 2004\)](#)
 4. [CASE SUMMARY 33.4 Panther Partners v. Ikanos, 681 F.3d 114 \(2d Cir. 2012\)](#)
13. [Chapter Review Questions](#)
14. [Quick Quiz Answers](#)
15. [Chapter Review Questions: Answers and Explanations](#)
3. [Chapter 34: Regulation of Trading: The Securities Exchange Act of 1934](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [The Securities Exchange Act of 1934](#)
 4. [Reporting Companies](#)
 1. [Mandatory Disclosures and Records](#)
 2. [Section 13: Periodic Disclosure](#)
 3. [Section 14: Proxies](#)
 4. [Tender Offers](#)
 5. [Delisting](#)
 5. [Anti-Fraud Provisions](#)
 1. [Material Fact](#)
 2. [Right of Private Suit](#)

6. [Insider Trading](#)
 1. [Traditional Insider Trading](#)
 2. [Misappropriation Theory](#)
 3. [Tipper-Tippee Liability](#)
 4. [Personal Benefit Test](#)
7. [Section 16 Restrictions](#)
 1. [Rule 10b-5 and Section 16 in Tandem](#)
8. [Scienter](#)
9. [Thinking Strategically](#)
 1. [Noncompliance](#)
10. [Key Terms](#)
11. [Case Summaries](#)
 1. [CASE SUMMARY 34.1 Dirks v. SEC, 463 U.S. 646 \(1983\)](#)
 2. [CASE SUMMARY 34.2 United States v. Nacchio, 519 F.3d 1140 \(10th Cir. 2008\)](#)
 3. [CASE SUMMARY 34.3 United States v. Chestman, 947 F.2d 551 \(2d Cir. 2008\)](#)
 4. [CASE SUMMARY 34.4 SEC v. Switzer et al., 503 F. Supp. 756 \(W.D. Okla. 1984\)](#)
 5. [CASE SUMMARY 34.5 SEC v. Obus et al., 693 F.3d 276 \(2d Cir. 2012\)](#)
12. [Chapter Review Questions](#)
13. [Quick Quiz Answers](#)
14. [Chapter Review Questions: Answers and Explanations](#)
4. [Chapter 35: Regulation of Corporate Governance](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Governance of Public Companies](#)
 1. [The Enron Scandal](#)
 4. [The Sarbanes-Oxley Act of 2002 \(SOX Act\)](#)
 1. [Reforms in the Accounting Industry](#)
 2. [Financial Reporting](#)
 3. [Corporate Governance](#)
 4. [Emergency Escrow](#)
 5. [The Dodd-Frank Act](#)
 1. [Troubled Assets Relief Program \(TARP\)](#)
 2. [Financial Stability Oversight Council](#)
 3. [Expansion of SEC Jurisdiction and Enforcement](#)
 4. [Corporate Governance](#)

5. [Dodd-Frank Whistleblower Provisions](#)
6. [Thinking Strategically](#)
 1. [Cybersecurity and Disclosures](#)
7. [Key Terms](#)
8. [Case Summaries](#)
 1. [CASE SUMMARY 35.1 SEC v. Platforms Wireless, 617 F.3d 1072 \(9th Cir. 2010\)](#)
 2. [CASE SUMMARY 35.2 Leon v. IDX Systems Corporation, 464 F.3d 951 \(9th Cir. 2006\)](#)
 3. [CASE SUMMARY 35.3 In re Huffy Corp. Securities Litigation, 577 F. Supp. 2d 968 \(D.C. S.D. Ohio 2008\)](#)
 4. [CASE SUMMARY 35.4 Asadi v. GE Energy, 720 F.3d 620 \(5th Cir. 2013\)](#)
9. [Chapter Review Questions](#)
10. [Chapter Review Questions: Answers and Explanations](#)
5. [Chapter 36: Regulation of Financial Markets](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Types of Financial Markets](#)
 4. [Primary and Secondary Capital Markets](#)
 5. [The Main Parties in Capital Markets](#)
 6. [The Strategic Problem of Systemic Risk](#)
 7. [Dodd-Frank](#)
 1. [Expanded SEC Jurisdiction and Enforcement](#)
 2. [Financial Stability Oversight Council](#)
 3. [CEO Pay Ratio Disclosure Rule](#)
 4. [Say-on-Pay on Executive Compensation](#)
 5. [Consumer Financial Protection Bureau](#)
 8. [Whistleblower Protections](#)
 9. [Thinking Strategically](#)
 1. [Dodd-Frank and the Moral Hazard Problem](#)
10. [Key Terms](#)
11. [Case Summaries](#)
 1. [CASE SUMMARY 36.1 MetLife, Inc. v. Financial Stability Oversight Council, 177 F. Supp. 3d 219 \(2016\) \(sealed opinion\)](#)
 2. [CASE SUMMARY 36.2 PHH Corporation v. Consumer Financial Protection Board, 839 F.3d 1 \(D.C. Cir. 2016\)](#)
 3. [CASE SUMMARY 36.3 Digital Realty Trust, Inc. v.](#)

Somers, 583 U.S. ____ (2018)

12. [Chapter Review Questions](#)
13. [Quick Quiz Answers](#)
14. [Chapter Review Questions: Answers and Explanations](#)
7. [Unit Six: Agency and Employment Law](#)
 1. [Chapter 37: Agency Formation, Categories, and Authority](#)
 1. [Unit Six: Agency and Employment Law](#)
 2. [Introduction](#)
 3. [Chapter Overview](#)
 4. [Definitions and Sources of Agency Law](#)
 1. [Agency Transactions](#)
 5. [Creation of an Agency Relationship](#)
 1. [Manifestation and Consent](#)
 2. [Control](#)
 3. [Formalities](#)
 6. [Classification of Agents](#)
 1. [Employee Agents](#)
 2. [Independent Contractors](#)
 3. [Gratuitous Agents](#)
 4. [Employee Agents versus Independent Contractors: Direction and Control](#)
 7. [ABC Test](#)
 1. [IRS Three-Prong Test](#)
 2. [Liability for Misclassification](#)
 8. [Termination of an Agency Relationship](#)
 1. [Express Acts](#)
 2. [Operation of Law](#)
 9. [Thinking Strategically](#)
 1. [Limiting Liability for Misclassification](#)
 10. [Key Terms](#)
 11. [Case Summaries](#)
 1. [CASE SUMMARY 37.1 Futrell v. Payday California, Inc. et al., 190 Cal. App. 4th 1419 \(8th Div. 2010\)](#)
 2. [CASE SUMMARY 37.2 Harris v. Vector Marketing Corp., 753 F. Supp. 2d 996 \(D.C. N.D. Cal. 2009\)](#)
 3. [CASE SUMMARY 37.3 A. Gay Jensen Farms Co. v. Cargill, Inc., 309 N.W.2d 285 \(Minn. 1981\)](#)
 4. [CASE SUMMARY 37.4 Estrada v. FedEx Ground Package System, Inc., 64 Cal. Rptr. 3d 327 \(2007\)](#)

12. [Chapter Review Questions](#)
13. [Quick Quiz Answers](#)
14. [Chapter Review Questions: Answers and Explanations](#)
2. [Chapter 38: Duties and Liabilities of Principals and Agents](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Principals, Agents, and Third Parties](#)
 4. [A Principal's Liability for the Agent's Contracts](#)
 1. [Actual Authority](#)
 2. [Apparent Authority](#)
 3. [Ratification](#)
 5. [Agent's Contract Liability to Third Parties](#)
 1. [Fully Disclosed Agency](#)
 2. [Partially Disclosed Agency](#)
 3. [Undisclosed Agency](#)
 6. [A Principal's Liability for the Agent's Torts](#)
 1. [Physical Injury Requirement](#)
 2. [Scope of Employment](#)
 3. [Intentional Torts](#)
 4. [Negligent Hiring Doctrine](#)
 5. [Independent Contractors](#)
 7. [Thinking Strategically](#)
 1. [Employee Authority and Supplier Liability](#)
 8. [Key Terms](#)
 9. [Case Summaries](#)
 1. [CASE SUMMARY 38.1 Hannington v. University of Pennsylvania, 809 A.2d 406 \(Pa. Super. Ct. 2002\)](#)
 2. [CASE SUMMARY 38.2 Estrada v. FedEx Ground Package System, Inc., 64 Cal. Rptr. 3d 327 \(2007\)](#)
 3. [CASE SUMMARY 38.3 Edgewater Motels, Inc. v. A. J. Gatzke and Walgreen Company, 277 N.W.2d 11 \(Minn. 1979\)](#)
 10. [Chapter Review Questions](#)
 11. [Quick Quiz Answers](#)
 12. [Chapter Review Questions: Answers and Explanations](#)
3. [Chapter 39: Employment at Will](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Employment-at-Will Doctrine](#)

1. [Express Contracts](#)
 2. [Labor Contracts](#)
4. [Common Law Exceptions](#)
 1. [Public Policy Exception](#)
 2. [Implied Contracts](#)
 3. [Covenant of Good Faith and Fair Dealing](#)
 4. [Common Law Tort-Based Exceptions](#)
5. [Statutory Protections for At-Will Employees](#)
 1. [False Claims Act](#)
 2. [State Laws](#)
6. [Whistleblower Statutes](#)
 1. [State Whistleblower Laws](#)
 2. [Separate and Independent Defense](#)
7. [Thinking Strategically](#)
 1. [Avoiding Implied Contracts](#)
8. [Key Terms](#)
9. [Case Summaries](#)
 1. [CASE SUMMARY 39.1 Brundridge v. Fluor Federal Services, Inc., 164 Wash. 2d 432 \(2008\)](#)
 2. [CASE SUMMARY 39.2 Haynes v. Zoological Society of Cincinnati, 652 N.E.2d 948 \(Ohio Ct. App. 1995\)](#)
 3. [CASE SUMMARY 39.3 Gardner v. Loomis Armored, Inc., 913 P.2d 377 \(Wash. 1996\)](#)
10. [Chapter Review Questions](#)
11. [Quick Quiz Answers](#)
12. [Chapter Review Questions: Answers and Explanations](#)
4. [Chapter 40: Employment Regulation and Labor Law](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [The Fair Labor Standards Act and State Laws](#)
 1. [Minimum Wage](#)
 2. [Maximum Workweek and Overtime Compensation](#)
 3. [Child Labor](#)
 4. [State Laws](#)
 4. [Retirement and Health Care Benefits](#)
 1. [Regulation of Pensions and Retirement Accounts](#)
 2. [Social Security Act](#)
 3. [Health Care Benefits](#)
 5. [Workers' Compensation and Unemployment Benefits](#)

1. [Defenses to Workers' Compensation Claims](#)
 2. [Intentional Actions or Recklessness of the Employer](#)
 3. [Course of Employment](#)
 4. [Regulation of Workplace Safety](#)
 5. [Unemployment Compensation](#)
6. [The Family and Medical Leave Act \(FMLA\)](#)
 1. [FMLA Scope and Coverage](#)
 2. [FMLA Protections](#)
 3. [Key Employees](#)
7. [Employee Privacy](#)
 1. [Monitoring of E-mail, Internet Usage, and Social Media](#)
 2. [Telephone and Voicemail](#)
 3. [Drug and Alcohol Testing](#)
 4. [Polygraph Testing](#)
8. [Labor Laws and Union Membership](#)
 1. [Labor Law](#)
 2. [Labor Management Relations Act](#)
 3. [Labor-Management Reporting and Disclosure Act](#)
 4. [Union Formation](#)
 5. [Collective Bargaining](#)
 6. [Grievances](#)
 7. [Strikes and Other Work Stoppages](#)
9. [Employment Licensing Requirements](#)
10. [Thinking Strategically](#)
 1. [Employee Classification](#)
11. [Key Terms](#)
12. [Case Summaries](#)
 1. [CASE SUMMARY 40.1 Sisco v. Quicker Recovery, Inc., 180 P.3d 46 \(Or. Ct. App. 2008\)](#)
 2. [CASE SUMMARY 40.2 Sullivan v. U.S. Postal Service, 2011-3220 \(Fed. Cir. 2012\)](#)
 3. [CASE SUMMARY 40.3 Bonilla v. Baker Concrete Construction, 487 F.3d 1340 \(2007\)](#)
13. [Chapter Review Questions](#)
14. [Quick Quiz Answers](#)
15. [Chapter Review Questions: Answers and Explanations](#)
5. [Chapter 41: Employment Discrimination](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)

3. [Definitions and Sources of Law](#)
 1. [Equal Employment Opportunity Commission \(EEOC\)](#)
 2. [Asserting a Discrimination Claim](#)
4. [Primary Federal Workplace Antidiscrimination Statutes](#)
 1. [Prescott v. WidgetCo](#)
 2. [Title VII](#)
 3. [Protected Classes](#)
 4. [Sexual Orientation](#)
 5. [Theories of Discrimination](#)
5. [Sexual Harassment](#)
 1. [Theories of Sexual Harassment](#)
 2. [Same-Sex Harassment](#)
 3. [Vicarious Liability of Employers](#)
 4. [Strict Liability for Harassment by Supervisor](#)
 5. [Impact of #MeToo Movement](#)
6. [Remedies](#)
7. [Age Discrimination](#)
 1. [Substantially Younger Requirement](#)
8. [Americans with Disabilities Act](#)
 1. [Documented-Disability Requirement](#)
 2. [ADA Amendments Act of 2008](#)
 3. [“Regarded-as” Test](#)
 4. [Qualified Individual](#)
9. [Equal Pay Act](#)
 1. [Lilly Ledbetter Fair Pay Act of 2009](#)
10. [Employer Defenses](#)
 1. [Faragher/Ellerth Defense](#)
 2. [Business Necessity Defense](#)
 3. [Bona Fide Occupation Qualification](#)
 4. [Seniority](#)
 5. [Employee Misconduct](#)
11. [Affirmative Action Programs](#)
 1. [Legality](#)
12. [State Antidiscrimination Statutes](#)
13. [Thinking Strategically](#)
 1. [Proactive Harassment Prevention Framework](#)
14. [Key Terms](#)
15. [Case Summaries](#)
 1. [CASE SUMMARY 41.1 Dumas v. Union Pacific Railroad](#)

- [Co., 294 Fed. App. 822 \(5th Cir. 2008\)](#)
 - 2. [CASE SUMMARY 41.2 Harding v. Careerbuilder, LLC, 168 Fed. App. 535 \(3d Cir. 2006\)](#)
 - 3. [CASE SUMMARY 41.3 U.S. Airways, Inc. v. Barnett, 535 U.S. 391 \(2002\)](#)
 - 4. [CASE SUMMARY 41.4 Aquino v. Honda of America, Inc., 158 F. App'x 667 \(6th Cir. 2005\)](#)
 - 16. [Chapter Review Questions](#)
 - 17. [Quick Quiz Answers](#)
 - 18. [Chapter Review Questions: Answers and Explanations](#)
- 8. [Unit Seven: Regulatory Environment of Business](#)
 - 1. [Chapter 42: Torts and Products Liability](#)
 - 1. [Unit Seven: Regulatory Environment of Business](#)
 - 2. [Introduction](#)
 - 3. [Chapter Overview](#)
 - 4. [Overview of Tort Law](#)
 - 1. [Sources of Law](#)
 - 2. [Products Liability](#)
 - 5. [Tort Classification](#)
 - 6. [Intentional Business-Related Torts](#)
 - 1. [Defamation](#)
 - 2. [Public Figure Standard](#)
 - 3. [Privilege Defenses to Defamation](#)
 - 4. [Trade Libel and Product Disparagement Laws](#)
 - 5. [Fraudulent Misrepresentation](#)
 - 6. [Negligent Misrepresentation](#)
 - 7. [False Imprisonment](#)
 - 7. [Business Competition Torts](#)
 - 1. [Tortious Interference with Existing Contractual Relationship](#)
 - 2. [Tortious Interference with Prospective Advantage](#)
 - 8. [Negligence](#)
 - 1. [Elements of Negligence](#)
 - 9. [Defenses to Negligence Claims](#)
 - 1. [Comparative Negligence](#)
 - 2. [Assumption of the Risk](#)
 - 10. [Strict Liability Torts](#)
 - 1. [Abnormally Dangerous Activities](#)
 - 11. [Products Liability](#)
 - 1. [Negligence](#)

2. [Warranty](#)
 3. [Strict Liability](#)
 4. [Causation and Damages](#)
 5. [Seller's Defenses](#)
12. [Thinking Strategically](#)
 1. [Managing Risk through Liability Waivers](#)
13. [Key Terms](#)
14. [Case Summaries](#)
 1. [CASE SUMMARY 42.1 Mattison v. Johnston, 730 P.2d 286 \(Ariz. App. 1986\)](#)
 2. [CASE SUMMARY 42.2 Maher v. Best Western Inn, 717 So. 2d 97 \(Fla. App. 5th Dist. 1998\)](#)
 3. [CASE SUMMARY 42.3 Wurtzel v. Starbucks Coffee Co., 257 F. Supp. 2d 520 \(E.D.N.Y. 2003\)](#)
 4. [CASE SUMMARY 42.4 Coker v. Wal-Mart Stores, Inc., 642 So. 2d 774 \(Fla. App. 1st Dist. 1994\)](#)
 5. [CASE SUMMARY 42.5 Burton v. MDC PGA Plaza Corp., 78 So. 3d 732 \(Fla. App. 4th Dist. 2012\)](#)
15. [Chapter Review Questions](#)
16. [Quick Quiz Answers](#)
17. [Chapter Review Questions: Answers and Explanations](#)
2. [Chapter 43: Administrative Law](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Administrative Law in a Business Context](#)
 4. [Sources of Administrative Law](#)
 1. [The U.S. Constitution](#)
 2. [Enabling Statutes](#)
 3. [The Administrative Procedure Act \(APA\)](#)
 4. [Common Law](#)
 5. [Primary Functions of Administrative Agencies](#)
 1. [Rulemaking](#)
 2. [Licensing](#)
 3. [Investigation and Enforcement](#)
 4. [Adjudications](#)
 5. [Administering Public Benefits](#)
 6. [Limits on Administrative Agencies](#)
 1. [Legislative Oversight](#)
 2. [Executive Control](#)

3. [Judicial Review](#)
 4. [Public Accountability](#)
 7. [State Administrative Law](#)
 8. [Thinking Strategically](#)
 1. [Responding to an Administrative Investigation](#)
 9. [Key Terms](#)
 10. [Case Summaries](#)
 1. [CASE SUMMARY 43.1 American Medical Association v. United States Internal Revenue Service, 887 F.2d 760 \(7th Cir. 1989\)](#)
 2. [CASE SUMMARY 43.2 Federal Express Corporation v. Holowecki, 128 S. Ct. 1147 \(2008\)](#)
 3. [CASE SUMMARY 43.3 Ranchers Cattlemen Action Legal Fund United Stockgrowers of America v. U.S. Department of Agriculture, 499 F.3d 1108 \(9th Cir. 2007\)](#)
 11. [Chapter Review Questions](#)
 12. [Quick Quiz Answers](#)
 13. [Chapter Review Questions: Answers and Explanations](#)
3. [Chapter 44: Consumer Protection](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [State Lemon Laws](#)
 4. [Deceptive Trade Practices](#)
 1. [False Advertising](#)
 2. [Telemarketing and the Do Not Call Registry](#)
 3. [CAN-SPAM Act](#)
 4. [Consumer Review Fairness Act of 2016](#)
 5. [Food and Drug Safety](#)
 6. [Automobiles](#)
 1. [Odometers](#)
 7. [Consumer Debt](#)
 1. [Credit Transactions](#)
 2. [Debt Collection](#)
 8. [Thinking Strategically](#)
 1. [Negative Online Reviews](#)
 9. [Key Terms](#)
 10. [Case Summaries](#)
 1. [CASE SUMMARY 44.1 Phoenix of Broward, Inc. v. McDonald's Corp., 489 F.3d 1156 \(11th Cir. 2007\)](#)

2. [CASE SUMMARY 44.2 Barrer v. Chase Bank USA, 566 F.3d 883 \(9th Cir. 2009\)](#)
 3. [CASE SUMMARY 44.3 Myers v. LHR, Inc., 543 F. Supp. 2d 1215 \(S.D. Cal. 2008\)](#)
 4. [CASE SUMMARY 44.4 U.S. v. Facebook, Inc., Case No. 19-cv-2184 \(D.D.C. 2019\)](#)
 11. [Chapter Review Questions](#)
 12. [Quick Quiz Answers](#)
 13. [Chapter Review Questions: Answers and Explanations](#)
 4. [Chapter 45: Criminal Law and Procedure](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Criminal Law versus Criminal Procedure](#)
 4. [Criminal Law and Civil Law](#)
 1. [Burden of Proof](#)
 5. [Criminal Liability](#)
 1. [Act Requirement](#)
 2. [Mental Requirement](#)
 3. [Defenses](#)
 4. [Types of Crimes](#)
 6. [Criminal Law and Business Entities](#)
 1. [Individual Liability for Business Crimes](#)
 2. [Responsible Corporate Officers: The Park Doctrine](#)
 7. [White-Collar Crime](#)
 1. [Fraud](#)
 2. [Ponzi Schemes](#)
 3. [Conspiracy](#)
 4. [Obstruction of Justice](#)
 5. [Racketeer Influenced and Corrupt Organizations Act](#)
 6. [Securities Crimes](#)
 7. [Foreign Corrupt Practices Act](#)
 8. [Computer Fraud and Abuse Act](#)
 8. [The Criminal Justice System](#)
 1. [Investigation](#)
 2. [Adjudication](#)
 9. [Criminal Procedure](#)
 1. [Searches and Arrest](#)
 2. [Expectation of Privacy](#)
 3. [Plain View Doctrine](#)

4. [Search Incident to Arrest](#)
 5. [Search of Business Premises](#)
 6. [Self-Incrimination](#)
 7. [Production of Business Records](#)
 10. [Exclusionary Rule](#)
 1. [Good Faith Exception](#)
 11. [Thinking Strategically](#)
 1. [Developing Corporate Compliance Programs](#)
 12. [Key Terms](#)
 13. [Case Summaries](#)
 1. [CASE SUMMARY 45.1 Bear Stearns & Co. v. Wyler, 182 F. Supp. 2d 679 \(N.D. Ill. 2002\)](#)
 2. [CASE SUMMARY 45.2 Lamb v. Philip Morris, Inc., 915 F.2d 1024 \(6th Cir. 1990\)](#)
 3. [CASE SUMMARY 45.3 United States v. Osborn, No. 3:12-cr-00047-M \(N.D. Tex. 2012\)](#)
 4. [CASE SUMMARY 45.4 State v. Yenzer, 195 P.3d 271 \(Kan. Ct. App. 2008\)](#)
 14. [Chapter Review Questions](#)
 15. [Quick Quiz Answers](#)
 16. [Chapter Review Questions: Answers and Explanations](#)
5. [Chapter 46: Insurance Law](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [The Insurance Business](#)
 4. [Types of Insurance Policies](#)
 5. [Insurance Contracts](#)
 6. [Insurance Pricing](#)
 7. [Insurance Regulation](#)
 8. [Thinking Strategically](#)
 1. [Insurer's Duty to Settle a Claim in Good Faith](#)
 9. [Key Terms](#)
 10. [Case Summaries](#)
 1. [CASE SUMMARY 46.1 Balentine v. New Jersey Insurance Underwriting Association, 966 A.2d 1098 \(N.J. Super. Ct. App. Div. 2009\)](#)
 2. [CASE SUMMARY 46.2 Eyebaster, Inc. v. Federal Insurance Co., 613 F.3d 797 \(8th Cir. 2010\)](#)
 3. [CASE SUMMARY 46.3 Papudesu v. Medical Malpractice](#)

[Joint Underwriting Association of Rhode Island, 18 A.3d 495 \(R.I. 2011\)](#)

11. [Chapter Review Questions](#)
12. [Quick Quiz Answers](#)
13. [Chapter Review Questions: Answers and Explanations](#)
6. [Chapter 47: Environmental Law](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Impact of Environmental Law on Business](#)
 4. [Origins and Sources of Environmental Law](#)
 5. [Government Enforcement](#)
 6. [Citizen Suit Provisions and Watchdog Groups](#)
 7. [National Environmental Policy Act](#)
 1. [NEPA Coverage and Procedures](#)
 2. [Procedural Steps](#)
 8. [The Clean Air Act](#)
 1. [Stationary Sources of Air Pollution](#)
 2. [Market-Based Approaches](#)
 3. [Economic Incentive Theory](#)
 4. [Mobile Sources of Air Pollution](#)
 9. [Water Pollution Control](#)
 1. [The Clean Water Act](#)
 2. [Water Quality Regulation](#)
 3. [Oil Spills](#)
 4. [Drinking Water](#)
 10. [Regulation of Solid Waste and Hazardous Materials Disposal](#)
 1. [Resource Conservation and Recovery Act](#)
 2. [Toxic Substances Control Act](#)
 11. [Comprehensive Environmental Response, Compensation, and Liability Act](#)
 1. [Superfund](#)
 2. [Removal and Remedial Responses](#)
 3. [Liability of Principally Responsible Parties \(PRPs\)](#)
 4. [Consent Decrees](#)
 5. [Allocation of Liability](#)
 6. [Defenses to Liability](#)
 12. [Thinking Strategically](#)
 1. [Avoiding Environmental Liability in Land Acquisitions](#)
 13. [Key Terms](#)

14. [Case Summaries](#)
 1. [CASE SUMMARY 47.1 Sierra Club v. El Paso Gold Mines, Inc., 421 F.3d 1133 \(10th Cir. 2005\)](#)
 2. [CASE SUMMARY 47.2 United States v. Southeastern Pennsylvania Transportation Authority, 235 F.3d 817 \(3d Cir. 2000\)](#)
 3. [CASE SUMMARY 47.3 William Paxton v. Wal-Mart Stores, Inc., 176 Ohio App. 3d 364 \(2008\)](#)
 4. [CASE SUMMARY 47.4 Beverly E. Black and James A. Black v. George Weston & Stroehmann Bakeries, Inc., U.S. Dist. Ct. \(W.D.N.Y. 2008\)](#)
 5. [CASE SUMMARY 47.5 No Spray Coalition, Inc. v. City of New York, 2000 WL 1401458 \(S.D.N.Y. 2000\)](#)
15. [Chapter Review Questions](#)
16. [Quick Quiz Answers](#)
17. [Chapter Review Questions: Answers and Explanations](#)
9. [Unit Eight: Property](#)
 1. [Chapter 48: Personal Property, Real Property, and Land Use Law](#)
 1. [Unit Eight: Property](#)
 2. [Introduction](#)
 3. [Chapter Overview](#)
 4. [Definition and Categories of Property](#)
 1. [Tangible Property](#)
 5. [Bailments](#)
 1. [Leased Personal Property: UCC Article 2A](#)
 6. [Real Property](#)
 1. [Ownership Rights](#)
 2. [Forms of Ownership Interests in Real Property](#)
 3. [Sale of Real Property](#)
 4. [Adverse Possession](#)
 7. [Landlord-Tenant Law](#)
 1. [Tenant Rights and Remedies](#)
 2. [Landlord Rights and Remedies](#)
 8. [Assignment and Subletting](#)
 9. [Governmental Regulation of Land Use](#)
 1. [Zoning Ordinances](#)
 2. [Environmental Regulations](#)
 10. [Eminent Domain](#)
 1. [Procedure](#)

2. [Public Use](#)
11. [Thinking Strategically](#)
 1. [Leveraging a Commercial Lease](#)
12. [Key Terms](#)
13. [Case Summaries](#)
 1. [CASE SUMMARY 48.1 Singer Co. v. Stott & Davis Motor Express, Inc. and Stoda Corp., 79 A.2d 227 \(N.Y. App. Div. 1981\)](#)
 2. [CASE SUMMARY 48.2 Chaplin v. Sanders, 676 P.2d 431 \(Wash. 1984\)](#)
 3. [CASE SUMMARY 48.3 Dayenian v. American National Bank and Trust Co. of Chicago, 414 N.E.2d 1199 \(Ill. App. Ct. 1980\)](#)
 4. [CASE SUMMARY 48.4 Amoco Oil Co. v. Jones, 467 N.W.2d 357 \(Minn. Ct. App. 1991\)](#)
 5. [CASE SUMMARY 48.5 Automobile Supply Co. v. Scene-In-Action, 172 N.E. 35 \(Ill. 1930\)](#)
14. [Chapter Review Questions](#)
15. [Quick Quiz Answers](#)
16. [Chapter Review Questions: Answers and Explanations](#)
2. [Chapter 49: Wills, Trusts, and Estates](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [Key Terms in Wills, Trusts, and Estates](#)
 1. [Decedent](#)
 2. [Estate](#)
 3. [Last Will and Testament \(Will\)](#)
 4. [Codicil](#)
 5. [Executor](#)
 6. [Intestacy](#)
 4. [Freedom of Disposition](#)
 5. [Probate](#)
 6. [The Strategic Advantages of Trusts](#)
 1. [Trusts](#)
 2. [Probate Avoidance: Strategic Aspects of Trusts](#)
 7. [Death Taxes](#)
 8. [The Uniform Codes and the Restatements](#)
 9. [Thinking Strategically](#)
 1. [Prince's Vault](#)

10. [Key Terms](#)
11. [Case Summaries](#)
 1. [CASE SUMMARY 49.1 Eyerman v. Mercantile Trust Co., 524 S.W.2d 210 \(Mo. Ct. App. 1975\)](#)
 2. [CASE SUMMARY 49.2 Estate of Garrett, 94 A.2d 357 \(Pa. 1953\)](#)
 3. [CASE SUMMARY 49.3 Riggs v. Palmer, 115 N.Y. 506, N.Y. Court of Appeals \(1889\)](#)
 4. [CASE SUMMARY 49.4 North Carolina Department of Revenue v. The Kimberley Rice Kaestner 1992 Family Trust, 588 U.S. ____ \(2019\)](#)
12. [Chapter Review Questions](#)
13. [Quick Quiz Answers](#)
14. [Chapter Review Questions: Answers and Explanations](#)
3. [Chapter 50: Intellectual Property](#)
 1. [Introduction](#)
 2. [Chapter Overview](#)
 3. [The Relationship between Intellectual Capital and Intellectual Property](#)
 4. [Protecting Trade Secrets](#)
 1. [Trade Secret Requirements](#)
 2. [Infringement through Misappropriation](#)
 3. [Criminal Sanctions](#)
 4. [Exclusive Rights for Unlimited Duration](#)
 5. [Patents](#)
 1. [Patent Prosecution](#)
 2. [Types of Patents](#)
 3. [Patent Eligibility Standards](#)
 4. [Requirements for Design Patents](#)
 5. [Business Method Patents](#)
 6. [Trade Secret versus Patent](#)
 7. [Infringement](#)
 8. [Notice, Enforcement, and Remedies](#)
 6. [Copyrights](#)
 1. [Required Elements of a Work](#)
 2. [Rights Granted](#)
 3. [Registration and Notice](#)
 4. [Copyright Infringement](#)
 5. [Defenses to Infringement Claims](#)

7. [Trademarks](#)
 1. [Trade Dress](#)
 2. [Classifications of Trademarks](#)
 3. [Acquiring Rights](#)
 4. [Applications and the USPTO](#)
 5. [First Amendment Concerns](#)
 6. [Maintaining the Mark](#)
 7. [Policing the Mark](#)
 8. [Trademark Infringement](#)
 9. [Trademark Dilution](#)
8. [Thinking Strategically](#)
 1. [Responding to a Cease and Desist Letter](#)
9. [Key Terms](#)
10. [Case Summaries](#)
 1. [CASE SUMMARY 50.1 Harvey Barnett v. Shidler, 338 F.3d 1125 \(10th Cir. 2003\)](#)
 2. [CASE SUMMARY 50.2 In re Reed Elsevier, Inc., 2007 WL 1086403 \(Fed. Cir. 2007\)](#)
 3. [CASE SUMMARY 50.3 KSR International v. Teleflex, 550 U.S. 398 \(2007\)](#)
11. [Chapter Review Questions](#)
12. [Quick Quiz Answers](#)
13. [Chapter Review Questions: Answers and Explanations](#)
4. [Capstone Case Studies 1](#)
 1. [Capstone Case Study 1](#)
 1. [Overview and Objectives](#)
 2. [THE BLACK BEAR MICRO ROASTERY](#)
 3. [A CALL FROM GOLIATH](#)
5. [Capstone Case Studies 2](#)
 1. [Capstone Case Study 2](#)
 1. [Overview and Objectives](#)
 2. [THE ODWALLA JUICE COMPANY'S ORIGINS](#)
 3. ["SOIL TO SOUL"](#)
 4. [CRISIS ON THE COAST](#)
 5. [FALLOUT](#)
 6. [ODWALLA TODAY](#)
6. [Capstone Case Studies 3](#)
 1. [Capstone Case Study 3](#)
 1. [Overview and Objectives](#)

2. [MCDONALD'S PROMOTIONAL GAMES](#)
 3. [McDONALD'S STRATEGY](#)
 4. [SIMON LAWSUIT AND COUNTERSUIT](#)
 5. [SETTLEMENTS AND AFTERMATH](#)
7. [Appendix A: The Constitution of the United States of America](#)
 1. [The Constitution of the United States of America](#)
8. [Appendix B: Uniform Commercial Code \(Articles 1, 2, 2a and 3\)](#)
 1. [Uniform Commercial Code \(Articles 1, 2, 2a, and 3\)](#)
9. [Appendix C: Excerpts from the Sarbanes-Oxley Act of 2002](#)
 1. [Excerpts from the Sarbanes-Oxley Act of 2002](#)
10. [Glossary](#)
 1. [Glossary](#)
11. [Case Index](#)
 1. [case index](#)
 1. [A](#)
 2. [B](#)
 3. [C](#)
 4. [D](#)
 5. [E](#)
 6. [F](#)
 7. [G](#)
 8. [H](#)
 9. [I](#)
 10. [J](#)
 11. [K](#)
 12. [L](#)
 13. [M](#)
 14. [N](#)
 15. [O](#)
 16. [P](#)
 17. [R](#)
 18. [S](#)
 19. [T](#)
 20. [U](#)
 21. [V](#)
 22. [W](#)
 23. [Y](#)
 24. [Z](#)
12. [Subject Index](#)

1. [subject index](#)

1. [A](#)
2. [B](#)
3. [C](#)
4. [D](#)
5. [E](#)
6. [F](#)
7. [G](#)
8. [H](#)
9. [I](#)
10. [J](#)
11. [K](#)
12. [L](#)
13. [M](#)
14. [N](#)
15. [O](#)
16. [P](#)
17. [Q](#)
18. [R](#)
19. [S](#)
20. [T](#)
21. [U](#)
22. [V](#)
23. [W](#)
24. [Y](#)
25. [Z](#)

13. [Additional Student Resources](#)

1. [Additional Student Resources](#)

14. [Accessibility Content: Text Alternatives for Images](#)

1. [Figure 1.1 Text Alternative \(Chapter 1\)](#)
2. [Venn Diagram Depict Text Alternative \(Chapter 2\)](#)
3. [What's Your Life Worth Text Alternative \(Chapter 2\)](#)
4. [Figure 2.1 Text Alternative \(Chapter 2\)](#)
5. [Figure 3.1 Text Alternative \(Chapter 3\)](#)
6. [Figure 3.2 Text Alternative \(Chapter 3\)](#)
7. [Figure 3.3 Text Alternative \(Chapter 3\)](#)
8. [Figure 4.1 Text Alternative \(Chapter 4\)](#)
9. [Figure 4.2 Text Alternative \(Chapter 4\)](#)
10. [Figure 4.3 Text Alternative \(Chapter 4\)](#)

11. [Figure 5.1 Text Alternative \(Chapter 5\)](#)
12. [Figure 5.2 Text Alternative \(Chapter 5\)](#)
13. [Figure 6.1 Text Alternative \(Chapter 6\)](#)
14. [Figure 9.1 Text Alternative \(Chapter 9\)](#)
15. [Figure 12.1 Text Alternative \(Chapter 12\)](#)
16. [Figure 12.2 Text Alternative \(Chapter 12\)](#)
17. [Figure 12.3 Text Alternative \(Chapter 12\)](#)
18. [Figure 12.4 Text Alternative \(Chapter 12\)](#)
19. [Figure 13.1 Text Alternative \(Chapter 13\)](#)
20. [Figure 13.2 Text Alternative \(Chapter 13\)](#)
21. [Figure 14.1 Text Alternative \(Chapter 14\)](#)
22. [Figure 15.1 Text Alternative \(Chapter 15\)](#)
23. [Pie Chart Depicting Text Alternative \(Chapter 16\)](#)
24. [Figure 17.2 Text Alternative \(Chapter 17\)](#)
25. [Figure 17.4 Text Alternative \(Chapter 17\)](#)
26. [Power Sellers Text Alternative \(Chapter 18\)](#)
27. [Figure 18.2 Text Alternative \(Chapter 18\)](#)
28. [Airborne Text Alternative \(Chapter 18\)](#)
29. [Figure 19.2 Text Alternative \(Chapter 19\)](#)
30. [Figure 19.6 Text Alternative \(Chapter 19\)](#)
31. [Fabulous Leather Creations Text Alternative \(Chapter 19\)](#)
32. [Front and Back Sides Text Alternative \(Chapter 20\)](#)
33. [Holder in Due Course Requirements Text Alternative \(Chapter 20\)](#)
34. [Figure 21.2 Text Alternative \(Chapter 21\)](#)
35. [Takeaway Concepts Text Alternative \(Chapter 21\)](#)
36. [Figure 22.2 Text Alternative \(Chapter 22\)](#)
37. [Figure 22.3 Text Alternative \(Chapter 22\)](#)
38. [Figure 23.1 Text Alternative \(Chapter 23\)](#)
39. [Figure 23.2 Text Alternative \(Chapter 23\)](#)
40. [Figure 24.1 Text Alternative \(Chapter 24\)](#)
41. [Takeaway Concepts Text Alternative \(Chapter 24\)](#)
42. [Takeaway Concepts Regarding Collection Regarding Collection Text Alternative \(Chapter 24\)](#)
43. [Figure 27.1 Text Alternative \(Chapter 27\)](#)
44. [Figure 28.4 Text Alternative \(Chapter 28\)](#)
45. [Figure 28.5 Text Alternative \(Chapter 28\)](#)
46. [Figure 29.1 Text Alternative \(Chapter 29\)](#)
47. [Figure 29.2 Text Alternative \(Chapter 29\)](#)

48. [Figure 29.3 Text Alternative \(Chapter 29\)](#)
49. [Figure 30.1 Text Alternative \(Chapter 30\)](#)
50. [Figure 30.2 Text Alternative \(Chapter 30\)](#)
51. [Takeaway Concepts Text Alternative \(Chapter 30\)](#)
52. [Figure 31.6 Text Alternative \(Chapter 31\)](#)
53. [Figure 31.7 Text Alternative \(Chapter 31\)](#)
54. [Figure 32.3 Text Alternative \(Chapter 32\)](#)
55. [Figure 36.2 Text Alternative \(Chapter 36\)](#)
56. [Figure 36.4 Text Alternative \(Chapter 36\)](#)
57. [Figure 36.5 Text Alternative \(Chapter 36\)](#)
58. [Figure 38.2 Text Alternative \(Chapter 38\)](#)
59. [Figure 38.3 Text Alternative \(Chapter 38\)](#)
60. [Figure 38.4 Text Alternative \(Chapter 38\)](#)
61. [Figure 39.1 Text Alternative \(Chapter 39\)](#)
62. [Figure 40.1 Text Alternative \(Chapter 40\)](#)
63. [Figure 41.1 Text Alternative \(Chapter 41\)](#)
64. [Negligence Analysis Text Alternative \(Chapter 42\)](#)
65. [Figure 43.1 Text Alternative \(Chapter 43\)](#)
66. [Figure 43.2 Text Alternative \(Chapter 43\)](#)
67. [Figure 43.3 Text Alternative \(Chapter 43\)](#)
68. [The label from the Fair Text Alternative \(Chapter 43\)](#)
69. [Figure 44.4 Text Alternative \(Chapter 44\)](#)
70. [Criminal Law Text Alternative \(Chapter 45\)](#)
71. [Figure 45.1 Text Alternative \(Chapter 45\)](#)
72. [Thinking Strategically Text Alternative \(Chapter 46\)](#)
73. [Figure 47.1 Text Alternative \(Chapter 47\)](#)
74. [Figure 47.2 Text Alternative \(Chapter 47\)](#)
75. [Figure 49.2 Text Alternative \(Chapter 49\)](#)
76. [Figure 50.1 Text Alternative \(Chapter 50\)](#)
77. [Figure 50.4 Text Alternative \(Chapter 50\)](#)

1. [Page i](#)
2. [Page ii](#)
3. [Page iii](#)
4. [Page iv](#)
5. [Page v](#)
6. [Page vi](#)
7. [Page vii](#)
8. [Page viii](#)