

FACTS:

BusyWork, Inc. (BW) contracts with employers who out source corporate tasks, but especially those that outsource the entire function of their personnel department. Ruth, Edward, and Clem are BW's only human assets. Edward is a State licensed CPA, the payroll manager of BW, and an 11% shareholder of BW. Ruth owns 89% of BusyWork's shares, is the sole member of BW's Board of Directors (BoD), and is the sole Officer of BW. Clem is a very experienced personnel clerk.

Edward is very frugal and always brown bags lunch at his desk while working on Edward's passion: creating computer games. Jealous of his ownership rights, Edward avoids the web, but over the years has displayed his games at conventions of gamers. Edward's latest game, *Pillage*, is about corporate greed and is drawing rave reviews. The protagonist of *Pillage* is Zaphod, the HR manager of an acquired company. The evil CEO, Marvin, puts Zaphod under constant pressure to downsize. Two diametrically opposed strategies can be used to win the game of *Pillage*: Zaphod either can be scrupulously moral or viciously amoral. (Typically, however, Zaphod is slightly self serving, slightly self centered, and slightly unscrupulous.) Edward's programming --of the business realities and personalities, the multiple alternative strategies and tactics, as well as the bottom line organizational consequences-- is flawless.

On March 1, GigaProfits, a major game distributor, faxes Edward at BusyWork a signed 3-page offer to buy *Pillage* for the cash price of \$1,000,000. GigaProfits offer is contingent on GigaProfits obtaining full and exclusive ownership of *Pillage*. Edward immediately phoned GigaProfits and accepted GigaProfits' offer. Next, Edward walked into Ruth's office and informed Ruth of Edward's good fortune and immediately resigned his BW job.

On April 1, Edward goes to GigaProfits' office with his daughter, Kate, who is his attorney. Both Edward and GigaProfits sign GigaProfits' original offer for *Pillage* and GigaProfits negotiates a \$1,000,000 cashier's check to Edward. Then GigaProfits grants Edward an exclusive license to use *Pillage* to serve the niche market of HR training. The exclusive license requires GigaProfits to provide Edward with 24/7/365 technical support via the web at zero price and requires Edward to pay GigaProfits 5% of Edward's quarterly gross revenues from such HR training. At the end of business on April 1, GigaProfits issues a press release including a photo of Edward about its purchase and the exclusive license. A local business newspaper prints the entire press release on April 2.

On May 1, BusyWork sends GigaProfits and Edward certified "cease and desist" letters asserting full ownership of *Pillage*.

***Several of the questions below call for a "list".
When the question calls for a list,
then each item in the list shall start on its own line.
Rarely, should list entries consume more than one line.***

QUESTIONS:**1. CONTRACTS:**

- [A]** List all of the "contracts" in the FACTS, by transaction, to which Edward is a party either personally or in a representative capacity.
- [B]** Identify the contract that is most, as well as the contract that is least, likely to be enforceable by Edward personally.
- [C]** Justify your answer in [B].

2. TORTS:

- [A]** List all torts in the FACTS by legal name and by wrongful action for which GigaProfits is a party.
- [B]** From the torts listed in [A] identify one tort where GigaProfits is a plaintiff and one tort where GigaProfits is a defendant.
- [C]** Analyze the torts in [B] for the purpose of giving GigaProfits advice on whether GigaProfits should settle and the likelihood of a profitable settlement.

3. PROPERTY:

- [A]** List all property in the FACTS that is owned by BW; in that list first identify the property's legal category (e.g., real property; fixture; personal property) and then the piece of property.
- [B]** Identify that piece of property that is most, as well as that piece of property that is least, likely to be owned solely by BW.
- [C]** Justify your answer in [B].

4. CRIMES:

- [A]** Identify a crime in the FACTS.
- [B]** Identify a defendant for that crime.
- [C]** Analyze that defendant's legal circumstances.

5. ETHICS:

- [A]** Identify a person in the FACTS.
- [B]** Identify an act by that person that is both legal and unethical.
- [C]** Justify your characterization in [B].