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General Partnership

A General Partnership is formed by two or more individuals who associate for profit.

Here, the facts state that Amy, Bob and Carl operate under a general partnership agreement.

Thus, it is a General Partnership.

General Partners Liabilities

General Partners are jointly and severally liable for partnership liabilities.

Here, Amy, a lawyer, was returning an email while driving that resulted in a car accident. The accident occurred while Amy further the partnership business because it was a client email. ABC policy is that all firm attorney's must respond to all client emails immediately.

Thus, all the general partners will be held jointly and severally liable.

Partners Duty of Care - Amy's Email

Partners of a duty not to act negligently or perform intentional wrongful acts.

Here, Amy attempted to answer an email from an ABC client while "briefly stopped in traffic". She was on her way to a baseball game, so she may have been distracted on getting to the game. Further, there was heavy traffic and its foreseeable that many of the other drivers were also focused on getting to the game timely. So it is foreseeable that many of the other drivers may have been rushing to the game. While a safe driver would have pulled over to the side of the road to reply to the clients email, or at least wait to arrive at the game than respond, Amy responded during a brief stop.

Amy will argue that she was acting in furtherance of the firms interest, and replying to a clients "urgent" email. Further, Amy may argue that it is ABC's policy that all firm attorney's must carry their work-provided cell phones with them in situations such as this where a client has an urgent question/email. Amy may further argue that she was just trying to be a good partner/worker in responding to Priya immediately.

Ultimately, the court will find that while Amy was indeed acting in furtherance of the ABC firm interest, however, Amy should not have answered an email while sitting in traffic. Depending of the jurisdiction, emailing during driving may even be a cause for a traffic citation.

Thus, Amy acted negligent for email the client.

Tortfeasor Partner Liability

Creditors shall sue the partnership and tortfeasor prior to suing the other General Partners.

Amy will argue that she was acting in the furtherance of the partnership. As discussed above (see supra), Amy was negligent for email while driving.

Thus, Priya should sue the partnership, than Amy individually. If the balance is not satisfied, than the other general partner.

Sam - Apparent Authority

Apparent authority may be established by the way of title, role, business dealings.

Here, Sam is well known for his highly publicized trials. Further, ABC believes that it is good for business that Sam's presence raises the profile and prestige of ABC. Furthermore, Sam uses ABC firm name and phone number on his letterhead. Sam also receives 10% of the annual profits of ABC in recognition of his value.

Its foreseeable that a client will view Sam as a General Partner in ABC because he is using ABC firm name and phone number on his letterhead. Also, clients are being greeted by the same receptionist as ABC.

Sam will argue that he pays \$3,000 per month for his office to ABC. Further, Sam will say that if he was a partner, he would not be paying rent separate form the other partner. Finally, Sam will point out that he bills his clients directly for his services which is separate from ABC.

Ultimately, Sam will be treated as a partner of ABC because it is foreseeable third parties would view him as a partner. Also, Sam receives 10% of the annual profits of the firm which further illustrates that Sam is much more than a tenant but a partner.

Thus, Sam will be held liable.

Is Sam a Limited Partner?

A limited partnership requires at least one general partner and one limited partner, and requires the partnership to file articles of the limited partnership with the state. Limited Partners are only liable for the capital contribution that they contributed. Unlike general partners, they liability is limited.

Here, there are no facts that state the the firm filed a certificate of limited partnership with the state. Furthermore, the facts stated that ABC is a general partnership.

Thus, Sam is not a limited partner.

In Conclusion,

Pryia should first collect from the General Partnership, then Amy as the tortfeasor partner, then finally all the remaining general partners.

Question #1 Final Word Count = 757

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