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P v. ABC, A, B, C

General Partnership (GP)

GP exists when two or more person have an intent to carry on the business for sharing profits. General partners are jointly severally liable for the debts or the tort/contractual liability if GP's employee are engaged while exercising within the scope of employment. although law firm is generally considered LLP so each professional partner is not liable, it must file and register the Secretary of State.

Here, A, B, C are partners in the ABC law firm under a general partnership agreement, thus it is GP partners. A had a negligence to cause a car accident while answering the urgent email on her work-provided cellphone by following ABC's policy. A's negligence is occurred within the scope of her employment because ABC has a policy that all firm attorneys must carry their work-provided cell phones with them at all times and that all client emails must be responded to immediatly. Since A's tortuous act arises while the scope of her employment, ABC and its general partners, A, B, C are jointly and severally liable for A's negligence.

Agent-principal relationship

every partner is an agent of principal, GP and must act on behalf of the principal in the best interests of principal.

Here, A, B, C are partners thus they are agents of ABC law firm, principal.

Actual authority

The agent has actual authority when the principal specifically grants such authority to the agent.

Here, ABC has a policy that all firm attorneys must carry their work-provided cell phones with them at all times and that all client emails must be responded to immediatly. It specifically authorizes A to such acts.

Therefore, A has actual authority.

P v. Sam

General partners

General partners are jointly severally liable for the debts or the tort/contractual liability. However, just leasing property used by the GP doesn't render general partners. General partners must

share profits.

Here, Sam may argue that he is not a party to the written ABC partnership agreement and just leased an office in the suite of offices used by ABC, for which ABC charges Sam \$3,000 per month, thus he is not a general partner and not liable for negligence. However, the fact that S receives 10% of the annual profits of ABC indicates that S also share the profits with other general partners.

Therefore, S is deemed as general partner and is liable for damages.

Apparent authority

If the third person reasonably believes that the agent still has authority despite his authority terminated, it is lingering authority and bind the principal liable unless principal gives a notice to the third person.

Here, although S is not a party to the written ABC partnership agreement, other people would reasonably think that S is a partner of ABC law firm because the ABC receptionist greets S and S uses the ABC firm name and telephone number on his letterhead.

Thus, even though S might not have actual authority, S does have apparent authority.

Question #1 Final Word Count = 500

END OF EXAM