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# Partnership between Amy, Bob and Carl

Partnership is refer to more than two person or association enter into an agreement to carry on business and share the profit . The partnership does not require to be in writing. For any responsibilities that results during the business of the partnership, every partner share liabilities jointly and severally. but the partnership assets have to be exhausted first. So, the partners only liable for any responsibilities after the assets of partnership have been exhausted. there Here, Amy, Bob and Carl they are operates under a general agreement, and they are partners in the ABC law firm. Anything happened during the scope of the business is the responsibility of their partnership, as long as they are represent the partnership when the accident occurred.

Here, ABC required their partners to communicate with their clients promptly, and they required to carry their work- provided cell phones with them at all times and all clients emails must be responded to immediately. That is one of the reason of the accident, Amy recived an urgent email from an ABC client and she has to comply with the ABC policy to respond immediately during the driving. Because Amy is in the business of the ABC law firm, thus ABC law firm should be responsible for the damage of the accident.

# Sam's liability

Here, Sam is an attorney works closely with ABC, but he does not a party to the written ABC partnership agreement and Sam was charged for \$3,000 per month for the lease agreement with ABC. Paying rent will not consititute a partnership between Sam and ABC, because they did not share any profit with each other. Although Sam use the ABC firm name and telephone number on his letterhand, it can show he has the actual authority of ABC law firm but it do not indicate Sam is a partner for ABC.

### **Actual authority**

There are apparent authority and actual authority, implied authority in the agency relationship. Here Sam is appeared as an acutal authority of ABC law firm. Because there are proves that ABC is welcomed Sam as a party of them and they believes that Sam's presence will raises the profile and prestige of ABC. Besides, Sam is allowed to use ABC firm name and telephone number on his letterhead. The ABC receptinonist greets all clients of ABC and Sam only another side to prove Sam own an acutal authority of ABC firm.

### Sam as a partner of ABC

As discussed above, to be a partnership, the element to be a party in the partnership agreement is not important. The element they share profit is the determinable factor to be a partner. Here, Sam bills his clients directly for his services but he also receives 10% of the annual profits of ABC in recognition of his value to the firm. Thus, Sam can be considered as a partner of ABC law firm.

# Amy's liability

Here, Amy was driving to attend a baseball game after work, she was distracted during the traffic when she is attempted to answer the urgent email of an ABC client. Her negligent driving

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is the actual and proximate cause of serious injuries of Priya. Thus she should liable for damages arising from Priya's car accident.

However, because she is doing this in order to comply with the policy of ABC firm and for the benefit of ABC firm. Therefore ABC firm should also responsible for the damage arising from Priya's car accident.

But, for the responsibilities between partners and partnership, if the partners negligent casued the damage and he or she should be personal liable for any damages caused by its behavior, the partnership will be able to get compensation from any liabilities they have been taken for such damages. Therefore, Amy should take the most responsibility for Priya's damage and the ABC firm will be compensated if they have provide more than their propotionate of the damage they should taken for Priya's damage.

#### Conclusion

Amy , ABC , Bob, Carl and Sam are all responsible for Priya's injuries in the car accident. However, Amy should responsible for most of the damages caused by her conduct. And Priya is not allowed to ask Bob, Carl, Sam for any compensation before ABC assets have been exhausted. Since they are jointly and severally liable for Priya's damages, if ABC has paid Priya for her damages, ABC will be able to compensated form Amy for the part of her responsibilities.

Question #1 Final Word Count = 744

### **END OF EXAM**