

BUS 307 Final Project Guidelines and Rubric

Overview

Business law plays an integral part in both our personal and professional lives. A solid grasp of essential business law concepts is critical for the successful navigation of complex and diverse business environments. You will assess relevant legal issues as well as apply the discipline-specific knowledge necessary to successfully address real-world business situations such as business formation and management, liability issues, and compliance with government and industry regulations, as well as to effectively communicate issues and facts to peers and professionals.

The final project represents an authentic competency, as you will have the opportunity to present your analysis of the legal and ethical issues involved in three hypothetical business scenarios as well as to evaluate and make recommendations to avoid such issues in the future.

This assessment addresses the following course outcomes:

- Apply the law regarding business relationships, such as agency law, partnership, and corporate law as strategies for appropriate and effective business management
- Analyze issues of real and personal property as they pertain to business formation and management
- Determine the legal rights and duties of the parties to commercial paper for their impact on fundamental business operations
- Analyze the rights and duties of the parties in credit transactions, including secured transactions and bankruptcy law, as they apply to fundamental business operations
- Evaluate the impact of government regulation on business practices for strategic and compliance purposes

Prompt

The final project for this course consists of two milestones and the final project submission. Milestones One and Two take the form of short answers crafted in memo format from the perspective of a corporate attorney making recommendations to a client. For Case Studies 1 and 2, craft a professional memo for each, appropriate in format, tone, and content, to send to your clients Fred and Sally, with your preliminary thoughts on the issues within. Your memos should illustrate the issues and relevant law, apply the facts, and support your conclusions with regard to each issue. Always remember to be clear, kind, and professional in your communications. The third element, Case Study 3, will be a short, 2–3-page essay in APA format that will require you to independently issue-spot as well as provide a factual analysis of relevant law and recommendations. You will receive feedback on both milestones and the initial element of Case Study 3. Make any necessary revisions and then include them all in the final submission, where you will label them as Case Study 1, 2, and 3.

Case Study 1

Fred is well known in his town for his homeopathic cough syrup. After years of encouragement, he has decided to take his miracle cough remedy to market as “Fred’s Miracle Cough Syrup.” While his cough syrup is homeopathic, one of the key ingredients causes a severe reaction when taken in conjunction with aspirin. Fred plans to make and bottle his cough syrup in an outbuilding on the family farm. His son, Sam, has been raving to the locals about his father’s cough syrup for years, and the local drug store and grocer have contacted Fred to place orders as a result. Sam also intends to approach several national chains in an effort to secure supply contracts for Fred’s cough syrup. Fred has asked Sam to assist him with deliveries, as Sam has a van. Fred would like Sam to be involved with the

business as an employee initially, with the option of making him a partial owner at a later time. Fred and his wife Sally have two children, Sam and Lilly. Both live in cabins on the family farm with their spouses and children. Fred and Sally engage you as their attorney to assist with the formation of the new business, including determining the appropriate business entity type, management issues, product liability issues, and estate planning for both the business and family property. After your initial meeting, you identify and research the following issues.

Specifically, the following critical elements must be addressed:

- I. Describe the main types of **business entities** and their defining characteristics.
- II. Apply **product liability** law and determine what issues are present. How would you advise your client to mitigate those issues?
- III. Apply the elements and characteristics of an **agency relationship** to Sam's actions. Does Sam's involvement prior to the business formation, as well as his anticipated role once the business is formed, create an agency relationship? Why or why not?
- IV. Identify potential **real property** issues based on the location of the business on the family farm. Justify each potential issue.
- V. Does the **manufacture** of Fred's Miracle Cough Syrup on the family farm necessitate a formal transfer of ownership or possessory rights? Defend your response.
- VI. Identify potential **personal property** issues based on the use of Sam's personal vehicle to deliver the product. Justify each potential issue.
- VII. Does the use of Sam's personal vehicle in the course of business expose Sam or the business to any **liability issues**? Defend your response.
- VIII. Identify potential **estate planning** issues with regard to the business and the family farm. Justify each potential issue.
- IX. What estate planning vehicles are available to Fred and Sally should they desire to **transfer ownership** in the business and family farm, respectively, to Sam and Lilly equally? What are the advantages and disadvantages to each?
- X. Applying your analysis of the issues above, which type of **business entity** do you recommend for Fred's Miracle Cough Syrup and why?

Case Study 2

Fred's Miracle Cough Syrup has hit the market and become a huge success with the burgeoning integrative medicine demographic. Per your advice, Fred has patented his famous concoction and trademarked the Fred's Miracle Cough Syrup name and logo. Demand is so high that Fred and Sally are working full-time on the business. Their children, Sam and Lilly, and their respective spouses, Jane and Tim, have joined the company full-time as well. In fact, Fred and Sally have made Sam and Lilly part owners of the business. Fred, Sam, and Tim handle the production, sales, and delivery. Sally and Lilly handle the majority of the administrative and business management tasks, while Jane acts as the bookkeeper. Sally and Fred are the only authorized signatories on the corporate account.

Sally and Lilly have been hard at work securing a new production facility and distribution chain to accommodate an upcoming contract with a national chain. After locating a large warehouse on several acres, Sally and Lilly approach their local credit union for a loan. The business has only one business credit card used to purchase supplies for the production of Fred's Miracle Cough Syrup, and there is a small mortgage outstanding on the family farm. Personal debts of the individual family members consist of small credit-card balances for Fred, Sally, Sam, and Lilly as well as an auto loan on Sam's van.

During the commercial loan accounting review process, Sally and Lilly discover that Jane has been siphoning off large amounts of corporate money and "cooking the books" to hide her actions. Jane has written several checks from the corporate account and forged both Sally's and Fred's signatures. Jane has made out all but one of the forged checks to Don, a local loan shark, in an effort to repay her gambling debts. The check Jane did not deliver to Don was made out to "Cash," which she slipped into the collection box at church in an effort to absolve her guilt. The embezzlement was so severe that the family fears that Fred's Miracle Cough Syrup is now on the brink of bankruptcy. Meanwhile, Sam's refusal to enter into an exclusive distribution deal with the local drugstore has enraged Bob, the owner. Bob has now reverse engineered Fred's cough syrup recipe and has posted it online in an act of vengeance.

As Fred and Sally tearfully recount the events of the past month, you reassure them that you are on the case, and you begin to ponder the legal issues at hand.

Specifically, the following critical elements must be addressed:

- I. What **legal defenses** might Fred and Sally raise with regard to the checks written by Jane to Don? Why do you believe they will be successful or unsuccessful?
- II. What legal defenses might Fred and Sally raise with regard to the check written by Jane and delivered to the **church**? Why do you believe they will be successful or unsuccessful?
- III. What, if any, **civil claims** do Fred and Sally have against Jane based on her actions? Why do you believe they will be successful or unsuccessful?
- IV. Analyze the forms of **bankruptcy** available to the business in this instance (assume the business entity is the same form as you chose in Case Study 1). What form is most appropriate and why?
- V. Analyze the implications of a potential bankruptcy action on the **business assets** (assume the business entity is the same form as you chose in Case Study 1). Explain which, if any, are subject to forced sales, liens, or forfeiture.
- VI. Analyze the implications, if any, of a potential bankruptcy action by the business on the assets of the individual **family members** (assume the business entity is the same form as you chose in Case Study 1). Explain if the assets of business owners are subject to forced sale, liens, or forfeiture.
- VII. What legal recourse does Fred have against Bob for infringement of **intellectual property rights**? Do you believe he will be successful? Why or why not?

Case Study 3

Both Fred's family and the business have rebounded from their prior issues. Jane sought counseling for her gambling issues and has worked hard to mend her relationships with the family. Prior to cashing the forged checks from Jane, Don was struck by lightning and experienced a spiritual enlightenment. He willingly returned the checks to Fred and Sally and promptly joined the Peace Corps. Likewise, when the church found out the donated check was a forgery, it was immediately returned. Bob's wife (also Sally's best friend) found out about Bob's online sabotage and promptly remedied the situation. Once Fred's Miracle Cough Syrup was back on track, the company's growth was exponential. Featured on a widely viewed talk show starring a prominent doctor, online orders and demands from big-box chains nationwide skyrocketed. Fred and Sally have been told that now would be an ideal time to take Fred's Miracle Cough Syrup public. The only distressing issue at hand involves Tammy, a local girl who had been working as a delivery girl for the company. She applied for Jane's former job as bookkeeper. Fred and Sally hired Ted, an experienced accountant, instead, and Tammy has filed a claim of sex discrimination against the company and Fred personally. Fred and Sally are seeking your advice regarding Tammy and the possibility of taking the company public.

Complete a legal analysis of the given facts, including the following elements.

Specifically, the following critical elements must be addressed:

- I. Evaluate three current or potential **legal and/or regulatory issues** apparent in this fact pattern that might impact a public offering.
- II. Determine whether Fred's Miracle Cough Syrup is in compliance with government regulations involving public offerings by analyzing relevant laws and using the appropriate **legal test** and facts given.
- III. Support your conclusions and provide **recommendations** to improve compliance and strategies for corporate growth.

Milestones

Milestone One: Case Study 1

In **Module Three**, you will read Case Study 1 of the final project and respond in “memo” format to the client, addressing the listed critical elements. **This milestone is graded with the Case Study 1 Rubric.**

Milestone Two: Case Study 2

In **Module Five**, you will view the video resource on [bankruptcy basics](#). Then, you will read Case Study 2 of the final project and respond to the client in “memo” format, addressing the listed critical elements. **This milestone is graded with the Case Study 2 Rubric.**

Final Submission: Case Studies 1, 2, and 3

In **Module Seven**, you will read the module resources and then respond to the remaining Case Study 3 critical elements, incorporating your feedback from the Module Six discussion topic. Submit the case study in a 4-7 page essay. Include rewrites of Milestones One and Two, and submit all three case studies as a final submission. **This submission is graded with the Final Project Rubric.**

Final Project Rubric

Guidelines for Submission: Your three “memos” should be 4-7 pages each, double-spaced, with 12-point Times New Roman font, and follow APA 6th edition format for layout and citations.

Critical Elements	Exemplary (100%)	Proficient (85%)	Needs Improvement (55%)	Not Evident (0%)	Value
Case Study 1: Business Entities	Meets “Proficient” criteria and offers insight into the nuances of each type of business entity in relation to one another	Describes the main types of business entities and their defining characteristics	Describes the main types of business entities, but does not describe their defining characteristics	Does not describe the main types of business entities or their characteristics	4.8
Case Study 1: Product Liability	Meets “Proficient” criteria and cites specific, applicable rules of law	Applies product liability law to determine issues and recommends mitigating actions	Applies product liability law, but does not recommend mitigating actions	Does not apply product liability law to determine issues	4.8
Case Study 1: Agency Relationship	Meets “Proficient” criteria and provides a thorough, step-by-step analysis with specific supporting evidence applied to each element of the relevant legal test	Applies elements and characteristics of an agency relationship to actions to determine if an agency relationship was created and provides justification	Applies elements and characteristics of an agency relationship to actions, but does not determine if an agency relationship was created, or justification is not logical	Does not apply elements and characteristics of an agency relationship to actions to determine if an agency relationship was created	4.8
Case Study 1: Real Property	Meets “Proficient” criteria and cites specific, applicable rules of law	Identifies potential real property issues based on the location of the business on the family farm and provides justification for each	Identifies potential real property issues based on the location of the business on the family farm, but does not provide justification for each	Does not identify potential real property issues	4.8
Case Study 1: Manufacture	Meets “Proficient” criteria and offers insight into the nuances of real property issues as they pertain to business	Determines if the manufacturing necessitates a formal transfer of ownership or possessory rights and defends response	Determines if the manufacturing necessitates a formal transfer of ownership or possessory rights, but does not defend response	Does not determine if the manufacturing necessitates a formal transfer of ownership or possessory rights	4.8
Case Study 1: Personal Property	Meets “Proficient” criteria and cites specific, applicable rules of law	Identifies potential personal property issues based on the use of Sam’s personal vehicle to deliver the product and provides justification for each	Identifies potential personal property issues based on the use of Sam’s personal vehicle to deliver the product, but does not provide justification for each	Does not identify potential personal property issues	4.8
Case Study 1: Liability Issues	Meets “Proficient” criteria and offers insight into the nuances of personal property issues as they pertain to business	Determines if the use of a personal vehicle exposes Sam or the business to any liability issues and defends response	Determines if the use of a personal vehicle exposes Sam or the business to any liability issues, but does not defend response	Does not determine if liability issues are present	4.8
Case Study 1: Estate Planning	Meets “Proficient” criteria and cites specific, applicable rules of law	Identifies potential estate planning issues and provides justification for each	Identifies potential estate planning issues, but does not provide justification for each	Does not identify potential estate planning issues	4.8

Case Study 1: Transfer Ownership	Meets “Proficient” criteria and offers insight into the importance of estate planning issues in business	Determines estate planning vehicles available to transfer ownership equally and provides advantages and disadvantages of each	Determines estate planning vehicles available to transfer ownership equally, but does not provide advantages and disadvantages of each	Does not determine estate planning vehicle available	4.8
Case Study 1: Business Entity	Meets “Proficient” criteria and offers insight, based on research, as to why the chosen type of business entity would be an appropriate choice for Fred’s Miracle Cough Syrup	Applies legal and factual analysis to form a recommendation on an appropriate business entity and provides rationale	Applies legal and factual analysis to form a recommendation on an appropriate business entity, but does not provide rationale	Does not apply legal and factual analysis to form a recommendation	4.8
Case Study 2: Legal Defenses	Meets “Proficient” criteria and is well supported using appropriate sources	Determines the legal defenses with regard to the checks written by Jane to Don and explains why defenses would be successful or unsuccessful	Determines the legal defenses with regard to the checks written by Jane to Don, but does not explain why defenses would be successful or unsuccessful	Does not determine the legal defenses with regard to the checks written by Jane to Don	4.8
Case Study 2: Church	Meets “Proficient” criteria and is well supported with appropriate sources	Determines the legal defenses with regard to the check written by Jane and delivered to the church and explains why defenses would be successful or unsuccessful	Determines the legal defenses with regard to the check written by Jane and delivered to the church, but does not explain why defenses would be successful or unsuccessful	Does not determine the legal defenses with regard to the check written by Jane and delivered to the church	4.8
Case Study 2: Civil Claims	Meets “Proficient” criteria and provides specific supporting evidence applied to each element of the relevant legal test	Determines civil claims available to Fred and Sally against Jane and evaluates potential for success of those claims	Determines civil claims available to Fred and Sally against Jane, but does not evaluate potential for success	Does not determine civil claims available to Fred and Sally against Jane	4.8
Case Study 2: Bankruptcy	Meets “Proficient” criteria and offers research to illustrate why the chosen types of bankruptcy would be available based on the chosen type of business entity	Analyzes available forms of bankruptcy based on the chosen type of business entity and determines which form is most appropriate and why	Analyzes available forms of bankruptcy based on the chosen type of business entity, but does not determine which form is most appropriate or why	Does not analyze available forms of bankruptcy based on the chosen type of business entity	4.8
Case Study 2: Business Assets	Meets “Proficient” criteria and offers a nuanced insight into the relationship between a bankruptcy action by a business and business assets	Analyzes implications of bankruptcy on business assets and explains which are subject to forced sales, liens, or forfeiture	Analyzes implications of bankruptcy on business assets, but does not explain which are subject to forced sales, liens, or forfeiture	Does not analyze the implications of bankruptcy on business assets	4.8
Case Study 2: Family Members	Meets “Proficient” criteria and offers a nuanced insight into the relationship between a bankruptcy action by a business and personal assets	Analyzes implications of bankruptcy on personal assets of individuals and explains if the assets are subject to forced sale, liens, or forfeiture	Analyzes implications of bankruptcy on personal assets of individuals, but does not explain if the assets are subject to forced sale, liens, or forfeiture	Does not analyze implications of bankruptcy on personal assets of individuals	4.8

Case Study 2: Intellectual Property Rights	Meets “Proficient” criteria and cites specific, applicable rules of law	Determines the legal recourse Fred has against Bob and explains why Fred will be successful or unsuccessful	Determines the legal recourse Fred has against Bob, but does not explain why Fred will be successful or unsuccessful	Does not determine the legal recourse Fred has against Bob	4.8
Case Study 3: Regulatory Issues	Meets “Proficient” criteria, and choices are suitable and well supported	Accurately evaluates three current or potential legal and/or regulatory issues in the fact pattern that might impact a public offering	Evaluates three current or potential legal and/or regulatory issues in the fact pattern that might impact a public offering, but evaluation lacks accuracy	Does not evaluate potential issues in the fact pattern	4.8
Case Study 3: Legal Test	Meets “Proficient” criteria and provides specific supporting evidence applied to each element of each relevant legal test	Accurately determines whether Fred’s Miracle Cough syrup is in compliance by analyzing relevant laws and using the appropriate legal test and facts given	Determines whether Fred’s Miracle Cough syrup is in compliance by analyzing relevant laws and using the appropriate legal test and facts given, but determination lacks accuracy	Does not determine whether Fred’s Miracle Cough syrup is in compliance	4.8
Case Study 3: Recommendations	Meets “Proficient” criteria and uses discipline-specific language to establish expertise	Supports conclusions of law and provides recommendations to improve compliance and strategies for corporate growth	Supports conclusions of law, but does not provide recommendations to improve compliance and strategies for corporate growth	Does not support conclusions of law or provide recommendations	4.8
Articulation of Response	Submission is free of errors related to citations, grammar, spelling, syntax, and organization and is presented in a professional and easy-to-read format	Submission has no major errors related to citations, grammar, spelling, syntax, or organization	Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas	4
Earned Total					100%