



Southern New Hampshire University
BUS 307 Case Study 2 Guidelines and Rubric

For this case study, craft a professional memo, appropriate in format, tone, and content, to send to your clients Fred and Sally, with your preliminary thoughts on the issues within. Your memo 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

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?

Rubric

Guidelines for Submission: Your submission should be a four to seven page memo, double-spaced, use 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 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	14
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	14
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	14
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	15
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	14



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	15
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	14
Earned Total					100%