

Case Study

Mr. and Mrs. Smith have decided to open a new bakery. They currently own 3 bakeries in their area. One bakery is the main store (referred to as the “Main Store”) that both bakes the goods and sells them. The second location is a retail only unit (referred to as the “Retail Store”) that is delivered the goods each morning from the main bakery. Once they sell out of goods, they usually close down for the day (since most of their bakery items are morning goods). The Smith’s have a third bakery that sells strictly online (referred to as the “Online Store”). This is run out of a small back office of the main bakery, with a separate entrance. Their daughter Celeste runs the online store. Celeste has no responsibility over any of the other stores. She has been to them several times, but only with her parents. The main item sold online are specialty cakes and desserts. These are sold all over the world and are the biggest money maker for the Smith’s.

The Smith’s lease the Retail Store from a large land management group in their community. The building is hidden in the corner of a retail strip mall. The Smith’s have never met the owner of the complex. However, they do have a good relationship with the management group since their Main Store is managed by the same company.

Last week, Celeste was at the Retail Store and noticed that there was an icy patch near the entry door. She alerted the manager of the Retail Store. The Retail Store manager replied, “Yes, we know. It is coming from water that drips off the awning. At night it usually freezes. Every once and a while I warn the customers to watch their step when they leave.” Celeste is very concerned about the icy patch, but does nothing else.

Yesterday she noticed her parents were very worried. And inquired. The Smith’s explained that a delivery person had slipped on the ice, but wasn’t hurt “too badly.” Celeste suggested to her parents that they contact the management group that leases them the building. Mrs. Smith replies, “I did call them about a month ago and they said that they were looking into it. I am just too busy to take care of their building, too.” Celeste then suggested that they put a warning sign on the door, “Something like Beware of Ice.” Her parents listen and they ask their Retail Store manager to put up the sign.

Today Celeste is manning the Main Store phones for her parents when a disgruntled customer, Sam, calls. He claims he just slipped and fell at the Retail Store and demands to talk to the owners.

Discussion Questions:

- a. What do you think the company did well?
- b. What do you think the company did poorly?
- c. Does Sam have a negligence case against the owners?
- d. Does Sam have a negligence case against the Bakery?
- e. Does Sam have a negligence case against the building owner or management group?
- f. How would you have prevented the liability?