

Takem's appliances and electronics



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Abstract

I would like to start my research paper and point out the legality and the validity of the contract that Takem's Appliances and Electronics LLC. used to sell their electronics as he had this new idea of selling them door-to-door which was a success and that lead to take advantage of this success by increasing his prices to 30% more if he delivers them to the customer's house. Also, I will explain the ethical consequences that the procedure Takem used in the region he lived in.

Also, explaining the meaning of breach of the contract and what constitutes the lowest requirements in search of remedies in these kinds of circumstances. And for the sales to be permissible, they must encounter every sector of the legal criteria. Also, Takem must have ethicalaccountabilitythat takes place under the socialresponsibilityto the small community he lives in.

The legal case of Sally Walker vs. Takem's Appliances and Electronics, LLC will be analyzed and investigated regarding weather if the conclusion of this case is it legal, is it moral/ethical? IntroductionThe world of commerce and

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most business relationships are initiated on a contract. Understanding of contract law is crucial for all businesspeople, owners, and managers. Since most commercial arrangements are constructed on contractual relationships.

A decent preliminary point would be an empirical definition of a contract. Contracts include more than an arrangement or an agreement between two or more parties. " A contract is a promise or a set of promises for the breach of which the law gives a remedy, or the performance of which the law in some way recognizes as a duty" (Restatement (Second) of contract chapter 1 meaning of the term). The contract can be simply described as a voluntary exchange of promises, creating obligations that, if defaulted on or failed to pay, can be enforced and remedied by the courts.

It is imperative that we understand as when agreeing to terms of a contract, entities are created and defining their particular rules and obligations. This differs from other areas of the law, such as torts, where rules and obligations are imposed on them. Furthermore, a valid contract can create a situation in which parties to the contract can predict, with some certainty, their upcoming relationship because each party knows that the courts will hold them to their agreement.

Despite the fact courts will enforce a valid contract after it has been created, what the parties agree to in the first place is commonly unrestricted. Mr. Takem's Business Model is it Legal? When we study contract law, the focus is usually on the problems that can arise. It may therefore appear that most contractual relationship experiences complications. In fact, most contracts are privileged or resolved to the mutual satisfaction of the parties, and the

courts become elaborate in a slight amount of contractual agreements, when an unfeasible dispute arises.

Hence, addressing our case study in this project we need to outline some basic terminology that we discussed above and trying to apply it to our client, named Takem's Appliances and Electronics, LLC. Takem's Appliances and Electronics, LLC owned and operated by Tommy Takem. Tommy Takem owns Takem's Appliances and Electronics, LLC that participates in what might give the impression to some to be a very profitable business.

However, we need to read through the surrounding circumstances and the case scenario to see and advise our client what are the best business practice he could proceed with his business, and whether we agree with his business practices or not, our constrain her in this case is to provide a legal guiding in this section and then will see how to evaluate, and explain to him the legal consequences as well as his potentials, nevertheless from the first glance and the studying we can see that most of our client Mr. Takem and his business activities obeying to law, but still need to be examined, and also we to talk about some ethics practice that could prime unexpected results. Which is something we will cover in more detail later, in our case study.

Takem's business (Takem's Appliances and Electronics, LLC) is located in a rural area of Southwest Virginia, and the majority of its customers are poorer residents of the Appalachian regions of Virginia, Tennessee, Kentucky, and West Virginia. According to our case, Sally Walker vs. Takem's Appliances and Electronics, LLC, our client, Tommy Takem. interested in concentrate his business around these rural areas because due to different reasons, there

isn't much competition for his business which was an opportunity for his business.

But the disadvantage was, most of the people who lived in these areas were relatively uneducated enough to understand, poor credit, unsophisticated, and other reasons. Moreover, there was a demand for appliances and electronics. And because there weren't many appliances stores around those areas, people needed to buy them. Tommy took advantage of that and increased his prices between 10-20%. This process adapted by our client is widening the precise meaning of the contractual law.

Tommy's business has been doing so well after the increase in the prices. Tommy newly came up with an idea for expanding his business. He decided to begin selling his appliances and electronics door-to-door in the above-described regions. Until recently, it had been working great. He hired some great salespeople who really know how to "apply the pressure and turn up the heat." Further, since he is providing a service to these societies by transporting the goods to their homes, he charges about 30% more than he would if the customers came to the store. Apparently, the salespeople do not mention this fact to the customers.

Lately, Tommy received a letter from a disgruntled customer named Sally Walker (an elderly widow lady who lives alone in the hills of Southwest Virginia—her children and grandchildren have all moved out of the area.) She has fallen behind on her payments on her new laptop computer, and Tommy had started collection efforts. He had not yet referred it to a lawyer.

The letter is very well written (which would be unexpected since Sally is not very well educated.) It indicates that her granddaughter, who recently graduated with an MS in Accounting from Liberty University Online helped her with it. It argues that the entire deal is unconscionable and therefore unenforceable. Moreover, the letter emphasizes that Sally has paid enough for the computer that she purchased and will not pay any more.

Finally, the letter indicates that if Tommy pushes the matter more, Sally threatens to sue for punitive damages and write letters to the editors of various local papers throughout the region to ruin his reputation. As we can see from the above surrounding circumstances and from the definition of the contract, our client has been operating with the compliance in accordance with the law and legality in most of his business transaction, as general roles, " The foundations of Corporate Governance demand that organizational practice follows the legal requirements.

In current times, news reviews of industry wrongdoings have forged uncertainty on the bottom line that submission is definitely the widespread procedure. "(Realistic Hypothetical Legal Scenarios Business Law for Accountants", 2013) despite the allegation letter from Ms. Walker, and despite the ethical conduct regarding the transparency in the new adapted policy and increase of 30% on the delivered items in this section, but there is however still an exception to the legality of the later mentioned of the 30% this should be communicated to the other parties of the contract.

Whether the Argument in the Letter has any Merit? In response to a letter recently received which was written by Sally Walker's granddaughter of one

of his customer, from lawyer standpoint of view, the indication of Sally's letter concerning and arguing the unconscionable act of our client (Takem's Appliances and Electronics, LLC) by excessively charging their customers. In analyzing the precedent there could be three potential legal obligations: first one, if Ms. Walker is serious enough about bringing this case to the court, the court may look upon the contract from the unconscionability part of it, while court applies this point very scarcely, but still feasible defense to the plaintiff side due to Ms. Walker conditions.

The second one is that Ms. Walker could recall for the punitive damage claim, as explained below. The third one is regarding the undisclosed charges for the delivery services. Typically, court will enforce a valid contract after it has been formed, " In deciding the validity of consideration, courts will not look to the amount or type of considerations or the relative bargaining power of the parties (except in the rare case of a contract so burdensome on one party as to indicate unconscionability)" (ABLA, 2017).

My concern here is to provide my client with a reasonable and accurate sound legal standpoint and preventing him from a further and a future legal consequence. On the other hand, when Ms. Walker's proclaimed that the installment and the amount she has paid for the computer so far, is enough, I see this all was agreed upon before forming the agreement with her.

Obviously, I would advise that each one of us should read and go through any kind of contract in a way that can clear and remove any ambiguous completely, read through your paper one two or whatsoever, moreover,

always seek for an expertise advise in most of your relationship areas, and save yourself of being an unexpected position.

Should he Take the Threats Seriously? As react with caution in determining whether my client should take Ms. Walker's letter in a serious manner because we are afraid that the court might rule to her advantage. " When it is claimed or appears to the court that the contract or any clause thereof may be unconscionable the parties shall be afforded a reasonable opportunity to present evidence as to its commercial setting, purpose and effect to aid the court in making the determination. (106).

The Restatement also has a similar rule which tracks the UCC provision. (107) The purpose of the unconscionability doctrine is to expressly allow courts to police contracts for terms they deem unconscionable. (108) Though " unconscionable" is not defined by the UCC, some definitions give a feel for what the originators of the doctrine may have intended. One court has defined it as " that which 'affronts the sense of decency.'" (109)

One dictionary definition is " lying outside the limits of what is reasonable or acceptable: shockingly unfair, harsh, or unjust." (110)" (Bar-Gill, O., Ben-Shahar, O., ; Marotta-Wurgler, F. 2017). Another word from the law that needs to be added here is that the procedure in which my client (Takem's Appliances and Electronics, LLC) following by charges 30% more to delivering the appliances and electronics to the customer's door-to-door and the fact that his salespeople intended or might have been instructed by Mr. Takem not to mention it to the customers.

Despite the fact that my client, Mr. Takem, intentionally instructed them to mention the 30% increase or not, while he is the owner of the business and all of his employees should follow his instructions. The court might obtain this conclusion from his business conduct and count this against him as a form of misleading, uncommunicated as one of the criteria to validate a contract, misrepresentation, misrepresentation fraudulent or other entrance to breach this contract or similar contract since the court will incline for the advantage of the plaintiff (Ms. Walker) party of this contract against my client (Mr. Takem).

As we go more through Ms. Walker's letter while she emphasizes that she is going to sue for punitive damages, whereas, punitive damages cannot normally be granted in contract disputes, here I wouldn't worry about this phrase either my client (Mr. Takem), as this is merely a threaten word in Ms. Walker's letter.

However, this part in some case could be unpredictable, and because they are usually compensated in addition of the plaintiff's demonstrable injuries, and are awarded only in distinct cases, but to act as a prudent defends of my client (Mr. Takem) we need to supply him with the sound of law regarding this point, as a part of a lawyer due diligence where " Jurors award punitive damages too often.

The amounts they award are erratic and unpredictable, even though they start from shared moral intuitions about the reprehensibility of defendants' conduct. And when they deliberate and decide as juries, both the size and variability of the awards increase." Feigenson, N. R. 2003).

It's ambiguities which need to be corrected proximately before any serious consequences superficial. Furthermore, the major ambiguity in the business operated in this case is the lack of transparency in its transactions with their customers; this absence of transparency is most deceptive in the prices and the percentages of charge that they put on their products and their services. This lack of transparency, when visible, could cause serious issues to any business, and, an educated customer could very easily take them to court for misconduct and misleading if they don't change their method and honestly advise their customers of their business perfect.

Should he Proceed with the Collection?

To give my legal advice, I would recommend that my client (Takem's Appliances and Electronics, LLC) not to proceed with any further steps in collecting the remaining payments from Ms. Walker. However, this might result in having other customers doing the same as Ms. Walker. Which is refusing to pay and threatening Mr. Takem again by suing his business and sending letters to media to ruin his business reputation.

We would advise that Mr. Takem take longer period of time than usual before making any efforts for future collection in general, I would propose that Mr. Takem take an initial step by offering a payment discount for certain customers with some certain conditions with that he can plan ahead of time for his future project of establishing his own financing company, in main time this will participate in reshape his reputation in the area and encourage his customers to pay one time.

" Keeping the aforementioned trends, Takem needs to go beyond the literal meaning of the law and let go of unfair and /or fraudulent corporate conduct; this includes false advertising and/or ambiguous sales deals" "(Realistic Hypothetical Legal Scenarios Business Law for Accountants", 2013)

Would Mr. Takem Set up a Financing Company? And what Should he do to Protect himself? I would strongly recommend that Mr. Takem should go ahead in adopting this step, in order to prevent and protect his business from any future consequences. But the best would be if he can collaborate with an outside financing company to take over this portion of his business, in a separate entity form, to avoid and mitigate future obligations and losing his customers.

Alternatively, seeking for an external collection agency to handle in arrears or uncollected payments. " Seeking a collection agency-or evaluating the one you have-can improve bottom-line results while maintaining your professional image. Overall, be sure to find a company that delivers results and matches the image you want to project. Use this list as a guide of what to expect" (Anonymous, 2015). With this step-in mind Mr. Takem should put more consideration to the law that regulates and the requirement to establish this kind of business from the participation of the comprehensive openness, full disclosure and the complete condition associated with any arrangement.

Finally, he wants to Know What do you Think About his Business Model- Regardless of whether you Conclude that it is Legal, is it Moral/Ethical? I believe the majority of us will agree in response to Mr. Takem's ethics, and

the way he is conducting his business is unethical, according to the given case events. Unethical behavior that is not illegal frequently falls in a grey area between right and wrong that makes it difficult to decide what to do when it is encountered. Furthermore, different people have different perspectives regarding what is ethical and what is unethical. Though, there is sometimes a difference between behaviors that are unethical and activities that are actually illegal.

" The definition of business ethics and the answer to the question of " What is Business Ethics in Sales?" is the principles, morals and standards that guide the behavior in the world of business and in sales relationships too (Spro, 2013). Ethics in sales is receiving a lot of attention over recent years even more so, as it is the correct way to conduct business in the long term and produce long-term sales results for the company and for the sales team.

Moreover, " Business ethics in sales can either come from the company itself, this means that the companies ethics guidelines are written into their policies and therefore can be reflected or reproduced through their sales team management and then the sales team too" (Ivan, C. D. 2014).

Therefore, " Doubt regarding corporate commitment to ethical obligations has always existed, particularly when maximization of profits might be at risk. However, despite such doubt two views have singled hope. First, a view has persisted that corporations at least feel compelled to comply with the law. At times violations of law might occur. However, this was not thought to be the pattern of behavior for corporations generally.

Conscious violation of law was not the behavior expected. Second, a view has begun to be echoed that business corporations are increasingly cognizant of ethical obligations beyond literal compliance with law, and increasingly feel compelled to act accordingly" (Di Lorenzo, V. J Bus Ethics, 2007).