Example of case study on cases

Business, Company

The legal issue of ABC partners entailed negligence having set a company beyond their jurisdiction and failed to register a company. ABC is liable to pay damages to Robert Knight. This case is tortuous liability due to the wrongful act of abandoning an oil well and failing to secure a place. This results in Robert having an injury due to the negligent act. The legal rule of Tort holds that one who suffers in case of negligence of another party can claim damages. In this case, ABC partners owe a duty of care to Robert Knight who suffers injury due to their act of negligence. They ought to have put precautionary measures prior to leaving the oil well. ABC can also be held for operating with no registration in State B since they only have authority to operate in state A. The exception to this rule will succeed upon ABC bringing sufficient proof that will justify that the accident happened due to subsequent conscious violation by third parties.

The legal issue between Conway and Gilroy is to ascertain whether the partnership deed in Skylight Studios provided for goodwill distribution in the event of dissolution. Where partners fail to treat the unfunded pension plan as a liability in the financial statements they cannot succeed in the claim. Partners can benefit from the distribution of goodwill. Courts have to make considerations between commercial and professional partnerships while the general rule cites of no goodwill distribution in case of winding up of a partnership. The courts regard goodwill as a presumptive asset of the partnership. In the judicial precedent of Sidall v. Keating (1959), one can only claim goodwill upon overcoming presumption in the express and implied agreement. In this case, the court determined law partnership to be of no consequence basing on the behavior of the firm. In this view, the court found that the firm deemed the goodwill in the express language and the agreement of partners in the business dealing.

The legal rule is that a partnership deed must reflect on the issue of goodwill and pension plan so as to enable proper disposition. Ethically the law argues that the distribution of goodwill involves an unethical practice of splitting money. A professional partnership as a rule does not attract goodwill. Case law reveals that, for ethical and theoretical basis, it is not necessary to recognize goodwill in a partnership. In this case, the winner is Gilroy who dissolves the partnership and opens up his own.

Limited liability and separate identity apply in the creation of Parent and subsidiary associations. The subsidiary acts in a controlling interest while the parent has the protection of limited liability. The court pierces the corporate veil to remedy injustices of the corporate structure to ensure they do not escape liability. The court will ignore the legal personality of the parent and hold it liable for the injury suffered to the subsidiary. Piercing the veil of incorporation is a legal decision where the courts treat the duties of the corporation as the rights of the members. A corporation is a separate legal person with limited liability towards the creditors. Common law prescribes to this law unless in exceptional cases that deem fit to lift the veil of incorporation. The court addresses the fraud perpetrated by company directors to sue them for breach of contract. Legally, a corporation has a separate legal entity but in reality, the status of the corporation does nothing with issue of shareholder's limited liability. In this scenario, CBS is liable for injustices perpetrated to Berger by contracting Steward for the same contract. The legal rule is that a parent such as CBS is liable for the conduct of the subsidiaries. It will create transparency in the contracts. Berger has to prove the sham CBS has involved itself in for the courts to lift the veil of incorporation.