Contemporary Business Law: Applying concepts of Contract and Tort Law Case #1: Smith vs. Jones Mary Smith was the records custodian at ABC Security, Inc. About four times a week Gene Jones, the vice-president of operations for ABC, complimented Smith on her appearance. Onone occasion, he measured the length of her skirt to judge its compliance with the company’s dress code and then told her that she looked "really good." In addition to regularly telling Smith how attractive he found her, Jones made references to his physical fitness to indicate he was an attractive person desired by females. He repeatedly remarked to Smith that if he had a wife as beautiful as Smith, he would not permit her to work around so many men. Jones also had a security camera installed in Smith’s office in a way that permitted him to observe her as she worked. Smith reported this behavior to her immediate supervisor, who simply responded, "Boys will be boys." 1. Analyze whether Jones’ actions constituted legally actionable sexual harassment of Smith. 2. Analyze what ethical obligations, regardless of whether Jones violated the law, did Smith’s supervisor have to protect her from Jones’ behavior. What is the business lesson to be learned? 3. Analyze whether Smith has any actionable tort claims, besides sexual harassment, and what they may be and against whom. Case #2: Happy Produce, Inc. v. Henry Bonnie Miller hired Andy Henry to sell organic produce for her company Happy Produce, Inc. Four months later Miller, as the manager of Happy, promoted Henry to sales manager. Soon after, he signed a non-compete agreement in which he agreed “not to directly or indirectly compete with the business … for two years following termination of employment.” Later, Happy Produce, Inc. encountered financial difficulties, and Henry left to go into business with another former employee to compete against Happy Produce, Inc. in the sale of produce in the same part of the state. Happy sued to enforce the non-compete agreement. Henry argues that the non-compete agreement is invalid and unenforceable because the contract lacks validconsideration. Happy contends that Henry’s salary and continued employment supplied sufficient consideration. 1. Analyze whether Happy Produce, Inc. has a valid breach of contract claim against Henry. 2. Assuming that Happy Produce, Inc.’s claim against Henryis invalid for lack of consideration, analyze how the company acting through its agent, Miller, might have obtained a noncompete agreement from Henry that would have been enforceable. What is the business lesson to be learned? Case #3: Great Homes Group v. Best Advertising, Inc. Great Homes Group contracted with Best Advertising to run advertisements in the Miami Herald newspaper. The contract required Great Homes to designate the size of each ad and stated that Best Advertising would print them and “bill for the exact space published.” The agreement also permitted Best to “revise, alter, or reject any advertisement for any reason, but no change in advertising copy will be made without the customer’s prior consent.” After three years, Great Homes Group brought suit against Best for breach of contract, because the printed ads were 10% smaller than the copy Great had submitted. 1. Analyze whether Great Homes Group has a valid claim for breach of contract or whether Best Advertising, Inc. substantially performed. 2. Assume that Best Advertising, when it submitted the ads, was told by the Miami Herald newspaper that the documentation was too large for publication and would need to be reduced by 10% to fit the page. What should Best have done at this time? Why? What is the business lesson to be learned? Case #4: Davis v. TBC David Davis and a group of friends regularly participated in the extreme sport of “lake jumping,” in which the goal is to ride one’s bike off a jump into a lake. Davis had done lake jumping 25–30 times and even maintained a webpage showing videos of himself and his friends engaging in the activity. In 2015, Davis bought a used TBC “Off Road” bike over the internet from Jay Ball, who was the bike’s original purchaser. TBC is a well-known bike manufacturer that advertises its products as intended for “extreme” sports. At the time of Davis’ purchase, the TBC bike was almost brand new and included all the original tags, manuals, and warning stickers. Both the bike’s manual and tags contained the following: “Avoid jumping. Bicycles are not made for jumping. Doing so may cause your [bike] frame to fail.” Despite these warnings, the bike was used regularly and continually for the next three years by Davis and his friends for their “lake jumping” exploits. In 2018, Davis’ friend Mike Miller was severely and permanently injured when the bike’s frame broke as a result of a lake jump. 1. Analyze TBC’s liability for Miller’s injuries, if any. What is the business lesson to be learned? 2. Analyze Davis’ liability for Miller’s injuries, if any. 3. Analyze Ball’s liability for Miller’s injuries, if any.