

BUSN623 Week 6 Assignment

Case Studies Selection

The following three Case Studies are hypothetical simulations related to business tort situations. Choose ONE of these to complete your Week 6 Assignment. References to support your analysis and conclusion for recommendations should be drawn from your research using relevant Course Learning Materials and additional research from other credible sources. The Assignment directs sources that must be used as well as your own research.

Guiding questions are provided with each Case Study to assist you. These questions are NOT meant to be answered as a sequence or a “list” in your PPT. These are provided to assist your analysis to prepare your ORIGINAL presentation about the case study you select. Follow the directions in the Main Prompt of the Assignment along with the Case Study to organize a cohesive PPT presentation.

Case Study - Scenario 1

Slip and Fall on Business Premises **[Common Law Tort Applies]**

Fact Pattern:

Floria Fortune, a 45-year-old customer, visits a popular café owned by your company. While walking to her table, she slips on a wet tile floor, falls, and fractures her wrist. The café’s own policy requires "Caution: Wet Floor" signs after cleaning, but on this occasion, the sign was missing due to an oversight by a new employee.

Security footage reveals Jane was distracted by her phone while walking at the time of the fall and therefore may not have noticed the *visibly* damp floor. Jane files a lawsuit against the company alleging negligence, seeking \$10,000 in medical expenses and \$25,000 for pain and suffering.

What is the company’s liability?

The café’s insurance company raises the possibility of arguing comparative negligence as a mitigating defense, because of Jane’s distraction on her phone. Is that a viable defense?

The case also raises proximate cause questions: was the café’s failure to display the sign the sole cause of her injuries? Was the sign required?

Evaluate the café's legal risks illustrated by the case study including ethical implications of blaming a customer. Recommend a legal and ethical resolution.

Questions to incorporate into your presentation:

The following guidance will help you develop your analysis of this case study for the elements outlined in the Assignment.

Evaluate law & legal risk (CO-1, LO-1.2, LO-1.5):

- What tort principles apply?
- What are the primary legal risks under tort law associated with this incident?
- How does the principle of proximate cause apply to the café's liability?
- What elements of negligence are present in this case? Was the café's failure to display the "Wet Floor" a breach of duty?
- How might the concept of comparative negligence influence the outcome of the case? Is the insurance company's suggestion something the company should consider?

- What ethical considerations arise from potentially blaming the customer for the accident?
- How should the café balance legal defenses with maintaining customer trust and goodwill?

Recommend a resolution (CO-5, LO-5.3):

- Recommend a resolution for this case to minimize legal liability, align with ethical standards, and action going forward for the company from lesson learned from this event.

Research:

- Lingwall course text – Week 5 reading/torts
- Weiss course text for ethics guidance
- At least one court case
- See Week 5 Lesson

See Assignment for PPT help videos and Grading Rubric

Case Study - Scenario 2

Manufacturing Defect & Warning Label Accuracy [Product Liability Tort]

Fact Pattern:

Your company, a mid-sized appliance manufacturer, launched a best-selling blender. However, complaints have arisen about the blender's blade assembly detaching during use, causing injuries.

Henry Halloran, a customer, files a product liability claim against your company after the blender blade broke during operation, resulting in his suffering severe hand lacerations that required surgery.

An internal review identifies a defect in the supplier-provided blades, but the issue was flagged during your company's quality control, and the units were shipped anyway due to tight production deadlines. Complicating matters, the blender's user manual did not include a specific warning about checking the blade assembly for looseness before use.

Henry seeks \$500,000 in damages, including medical costs, lost wages, pain & suffering, and punitive damages. Meanwhile, a consumer advocacy group is pushing for a recall, which could cost the company millions.

Consider the legal and ethical implications of the company's failure to act on quality control warnings and whether the lack of a warning label exacerbates liability. Also consider the question of recall. What are your recommendations?

Questions to incorporate into your presentation:

The following guidance will help you develop your analysis of this case study for the elements outlined in the Assignment.

Evaluate legal risk & tort law principles (CO-1, LO-1.2, LO-1.5):

- What tort law principles apply?
- What legal risks does the company face from the defective blade assembly?
- How does the failure to act on quality control warnings impact legal liability? Ethics?
- Could the absence of a specific warning label increase the company's exposure to litigation or damages?
- On what basis might punitive damages be awarded? What factors in this case could influence this decision?

Integrate Legal Compliance and Ethics (CO-5, LO-5.1, LO-5.2):

- What ethical obligations does the company have to its customers in light of the defect?
- How should the company address the consumer advocacy group's concerns?

Recommend a Resolution (CO-5, LO-5.3) -- consider:

- Should the company initiate a recall? Why or why not?
- What steps can the company take to rebuild customer trust while managing financial risk?
- Should the company be taking other inhouse steps going forward?
- What should be the approach to this lawsuit?
- Recommend a resolution for this case to minimize legal liability, align with ethical standards, and action going forward for the company from lesson learned from this event.

Research:

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For Case Study -Scenario 3

Case Study - Scenario 3

Business Defamation

[Common Law]

Fact Pattern:

Your company, a regional electronics retailer, is accused in a viral online post of selling counterfeit smartphones. The post, made by “Rocky H,” a recently terminated employee, alleges that the company knowingly stocks counterfeit products and engages in deceptive sales practices. Although the allegations are false, the post gains traction, leading to a 20% sales decline in two weeks.

Your investigation reveals that Rocky H was fired for stealing store inventory. The company’s internal records show all products were purchased from verified suppliers. However, Rocky H has contacted a local journalist, who is preparing a story based on his allegations.

You must assess the legal and business risks of pursuing a defamation lawsuit against Rocky H and possibly the journalist and her publisher if they publish the story.

Can you prove the employee acted with actual malice, especially if the journalist publishes a story before the suit is filed? Do you need actual malice?

Additionally, consider the costs of litigation versus the potential reputational damage to your company resulting from a public trial.

Your legal team also suggests alternative measures, such as issuing a public rebuttal and requesting retraction of the defamatory statements.

Overall – what are the legal issues and options and related ethical implications?

Questions to incorporate into your presentation:

The following guidance will help you develop your analysis of this case study for the elements outlined in the Assignment.

Evaluate law and legal risk (CO-1, LO-1.2, LO-1.5):

- What tort principles apply?
- What are the defamation elements that apply in this case (including the issue of actual malice)?
- What are the legal risks of pursuing a defamation lawsuit?
- Consider both Rocky H and the journalist’s publications separately.

- Does the social medial viral aspect of the story affect the company's analysis?

Integrate Legal Compliance and Ethics (CO-5, LO-5.1, LO-5.2):

- What ethical considerations arise in balancing the company's reputation with the risks of public litigation?
- Should the company focus on repairing its reputation rather than pursuing legal action?

Recommend a Resolution (CO-5, LO-5.3):

- What strategies can the company use to mitigate reputational damage?
- Would issuing a public statement or seeking a retraction be more effective than filing a lawsuit?

Research:

- Lingwall course text – Week 5 reading/torts
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