



## **Business Law with UCC Applications, 15th edition**

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### **Important Changes to the 15<sup>th</sup> Edition**

#### **CHAPTER 1: Ethics and the Law**

- A new Opening Case, *Ziglar v. Abbasi*, 582 U.S. ----- (2017), which focuses on the conflict between preserving national security and protecting human rights.
- A new look at the ethical decision-making process by explaining the difference between being tolerant and being nonjudgmental. The material focuses on the illogical and self-contradictory nature of nonjudgmentalism.
- A creative look at the threat of failed and unstable states on the international scene with an emphasis on the difference between the duty to protect one's own citizens and the duty to protect the citizens of a nation whose government threatens those citizens, as is the case in the current civil war in Syria.
- A novel example discussing the relationship between promoting human rights and dealing with nation-states that fail to do so yet, on another level, are helping to eliminate an even greater evil.
- A note on the new Responsibility to Protect (R2P) protocol instituted and supported by the United Nations.

## CHAPTER 2: Sources of the Law

- A new Opening Case, *States of New York, et al. v. Trump*, Civil Action No. 17-CV-5228 (2017), which involves 15 states and the District of Columbia that filed a joint lawsuit in the U.S. District Court asking that court to grant an injunction that would stop the enforcement of what they called President Trump's unconstitutional DACA order.
- A new take on the development of the two central theories of legal interpretation, textualism and pragmatism.
- A new major addition that explains the nature of executive orders, looks at the types of executive orders, examines the various theories of presidential power, and explores the current challenges to executive power.
- The introduction of a new feature entitled *Business Law with UCC Applications—and Now the Applications*. The installment in Chapter 2 takes a look at the dangers associated with placing legislative power in the hands of a semi-independent body such as the Uniform Law Commission.
- A new section that examines the nature of the Deep State from historical and contemporary points of views, explores the motives of the Deep State agents, and looks at how to counteract the effects of the Deep State.
- A new section that studies the goals and the operation of the Regulatory Flexibility Act.

## CHAPTER 3: The Judicial Process and Cyber-Procedure

- A new Opening Case, *The European Community (EC) v. RJR Nabisco, Inc. (RJR)*, 579 U.S. ----- (2016), in which the European Community (EC), acting for itself and for its members, brought suit in federal court in New York against the American corporation RJR Nabisco under the Racketeer Influenced and Corrupt Organizations (RICO) Act, claiming that RJR had, in furtherance of its illegal scheme, committed numerous acts of money laundering, wire fraud, mail fraud, and violations of the Travel Act. For good measure, the EC added several allegations of wrongdoing under the state laws of New York.
- A discussion about how to determine whether a non-nation-state configuration qualifies as a "foreign state" and, thus, has the right to bring a lawsuit in U.S. District Courts. These non-nation-state configurations include non-governmental organizations, unified international institutions, and conglomerates.
- A discussion about choosing which law applies in a lawsuit in the context of the new Defend Trade Secrets Act (DTSA).
- An examination of *Bristol-Myers Squibb v. Superior Court of California*, a landmark case that redefines the nature of forum shopping in class action lawsuits.
- A look at the new amendments to the federal rules of civil procedure that are designed to limit the amount of information gathering that is conducted by both sides in a civil case.
- Some new details that explore what happens during an arrest in a criminal case, including a look at the exclusionary rule, the fruit of the poisonous tree rule, the attenuation doctrine, the independent source rule, and the inevitable discovery doctrine.
- The addition of new material on the jury selection process as it occurs in a criminal trial.
- The addition of new material on the consequences of a hung jury and about what happens when the judge declares a mistrial.

## **CHAPTER 4: Alternative Dispute Resolution and Cyber-ADR**

- A new Opening Case, *Considie v. Brookdale Senior Living, Inc.*, 124 F. Supp 3d 83 (2015), which discusses whether arbitration can ever be truly mandatory.
- A look at the Federal Arbitration Act (FAA), which is designed to make sure that properly initiated arbitration agreements are enforced by the courts.

## **CHAPTER 5: Criminal Law and Cybercrimes**

- A new Opening Case, *United States v. Hearst*, 563 F.2d 1313 (9th Cir. 1978), in which the world-renown defense attorney F. Lee Bailey uses the creative defense of coercive persuasion in an ill-fated attempt to earn a not-guilty verdict for heiress-turned-urban guerilla Patty Hearst.
- An ethics feature that focuses on the infamous “texting suicide case” in which a teenage boy killed himself by carbon monoxide poisoning after being told on his cell phone by his girlfriend to “get back in the car.”
- A detailed reexamination of the nature of “recklessness” in the law in the context of the Philadelphia Amtrak Derailment tragedy that killed eight people.
- A consideration of the controversial third requirement that some states have added to the three-step test of corporate criminal liability. The third requirement adds that the directors or officers of a corporation must have authorized, approved, or recklessly tolerated the criminal actions of the employees.
- A reconsideration of corporate criminal liability in the context of the Grenfell Tower fire in London, the worst fire in England for more than 100 years.
- A look at the unintended consequences that can emerge from variations in the law that exist from jurisdiction to jurisdiction, especially at the international level.
- A new examination of several legal theories under which corporations can be held criminally liable for their conduct.
- A new study of the dangers of guns in schools and attempts at both the state and federal level to enact laws that will protect school children from gun-related violence.
- An in-depth look at the global cyber-crime wave in cyber-extortion, using malware, ransomware, and other serious cyber-attack strategies.
- A look at the civil cause of action available under the Computer Fraud and Abuse Act (CFAA).
- An examination of state and federal legislation designed to regulate drone activity.
- A discussion of the Stockholm syndrome and coercive persuasion as defenses to criminal liability.

## **CHAPTER 6: Tort Law and Cybertorts**

- An introduction to the case of *Jailynn Brown, et al. v. Andre T. Harris Sr., et al*, Appellate Case No. 27069, Trial Court Case No. 2014-CV-5144 (2014) which examines the issue of duty, the nature of negligence, and the viability of the defense of assumption of the risk.
- A new examination of the concept of the temporary public figure (also known as the limited-purpose public figure) as it was involved in a false story about the the University of Virginia printed in *Rolling Stone Magazine*.
- The introduction of the two relatively new intentional torts of civil theft and food disparagement.
- A discussion of the actual malice test in a defamation case as it played out in the story of an anti-

violence editorial published in the *The New York Times* that falsely accused Sara Palin's political action committee of inspiring the shooting of Democratic Congresswoman Gabby Giffords in 2011.

- A look at the Federal Employers Liability Act (FELA), which established a negligence standard for railroads that all but eliminates the foreseeability causation doctrine in such cases.
- An examination of the doctrine of *ferae naturae* (wild nature) that helps determine the liability of a property owner when people are injured on the owner's property by wild animals.
- A new discussion of the Federal Torts Claims Act, sovereign immunity, and public duty doctrine.
- A new Case Study for Part I, *Barbara Schneider, Plaintiff-Appellant v. Mark Kumpf, Defendant-Appellee*, Court of Appeals of Ohio Second District, Montgomery County, No. 26855. Decided July 29, 2016, 2016-Ohio-5161.

## **CHAPTER 7: The Essentials of Contract Law**

- A new Opening Case, *Grondin v. Rossington*, 690 F. Supp. 200, which discusses some of the essential elements of a written contract.
- Another installment of the new feature, *Business Law with UCC Applications—and Now the Applications*, which takes a look at the conflicts that can arise when the parties to a contract are not sure whether a contract is for the sale of goods or for services rendered.

## **CHAPTER 8: Offer, Acceptance, and Mutual Assent**

- A new Opening Case, *B.J. Kadrmas, Inc. v. Oxbow Energy LLC*, 727 N.W. 2d 279 (2007), which discusses the nature of offer and acceptance.
- Another installment of the new feature, *Business Law with UCC Applications—and Now the Applications*, that focuses on UCC 2-204 (1) and (3), which explain the simple nature of a contract and, in doing so, help establish a sane and stable economy.
- A discussion of a new statute titled The Fair and Accurate Credit Transactions Act (FACT Act). The FACT Act, which is actually an amendment to the Fair Credit Reporting Act (FCRA), is designed to cut down on identity theft related to the use of credit and debit cards.
- The examination of a new type of identity theft called catfishing. Catfishing is not identity theft, *per se*. Instead, catfishing involves the creation of an entirely new online identity, a cyber-ghost, who then snags a gullible, but innocent, victim who becomes involved with the cyber-ghost and is then deliberately conned out of large amounts of money.

## **CHAPTER 9: Consideration and Cyber-Payments**

- A new Opening Case, *Stein v. Gelfand*, 476 F. Supp. 2d. 427 (2007), which explores what happens when the amount of consideration is not known at the time that a contract is made.
- An introductory discussion about a new form of consideration called bitcoin, which is actually a subset of cryptocurrency.

## **CHAPTER 10: Capacity and Legality: The Final Elements**

- A new Opening Case, *AK Steel Corp. v. ArcelorMittal USA, L.L.C.*, 2016-Ohio-3285 (Court of Appeals, 12th Appellate District of Ohio, Butler County), which looks at the nature of restrictive employment agreements.

- A new, more detailed, more complete discussion of noncompete agreements (also referred to as restrictive employment covenants).

## **CHAPTER 11: Written Contracts and Cyber-Commerce**

- A new Opening Case, *Charlotte Eastland Mall LLC v. Sole Survivor Inc.*, No. COA03- 1422, Court of Appeals of North Carolina (October 19, 2004), which looks at those contracts must be in writing to be enforceable.
- Another installment of the new feature, *Business Law with UCC Applications—and Now the Applications*, which takes a look at the conflicts that can arise when the parties to a contract for specially manufactured goods have not reduced that contract to writing.

## **CHAPTER 12: Third Parties, Discharge, and Remedies**

- A new Opening Case, *Lake Ridge v. Carney*, 66 Ohio St. 3d 376, No. 2464, which looks at the concept of contract repudiation.

## **CHAPTER 13: Sales Contracts: Formation, Title, and Risk of Loss**

- A new Opening Case, *ePresence, Inc. v. Evolve Software, Inc.*, 190 F. Supp. 2d 159 U.S. District Court, D. Massachusetts (February 27, 2002), which looks at the differences between service contracts and sale of goods contracts.
- Another installment of the new feature, *Business Law with UCC Applications—and Now the Applications*, which takes a look at the question of when to apply the UCC to a case and when to look to other forms of contract law such as common law, consumer protection law, real property law, employment law, or the United Nations Convention on Contracts for the International Sale of Goods.

## **CHAPTER 14: Sales Contracts Rights, Duties, Breach, and Warranties**

- A new Opening Case, *Hooten Equipment Company v. Trimat, Inc.*, 4th District
- No. 03CA16 2004-Ohio-1128), which explores the nature of nonconforming goods.
- Another installment of the new feature, *Business Law with UCC Applications—and Now the Applications*, which takes a look at the standards used to measure when, under the UCC, a buyer's rejection of the goods purchased in a sales contract has been effective.

## **CHAPTER 15: Product Liability and Consumer Protection**

- A new Opening Case, *Peter Macrie, Sr., Peter Macrie, Jr. and Toni Marie Macrie, Plaintiffs-Appellants v. SDS Biotech Corp., Aka Fermenta Plant Protection, Defendant- Respondent*, 267 N.J. Super. 34, which examines the duty to warn and the concept of risk analysis.
- A new in-depth discussion of the the Consumer Finance Protection Bureau (CFPB, or simply the Bureau) and its troubled history.
- An ethical study that focuses on a new Deep State attack on the authority of the president. This attack challenged the power of the president to appoint a new director for the Consumer Finance Protection Bureau.
- The addition of a section on the Military Lending Act (MLA), a statute enacted to protect members the military, especially those on active duty, as well as their spouses and dependents,

from being targeted by certain financial organizations and institutions that use questionable lending strategies to take advantage of military personnel who often find themselves in a vulnerable position because of their highly mobile, somewhat unpredictable lifestyles.

- New Case Study for Part 3, *Norcold, Inc. v. Gateway Supply Company*, 298 N.E. 2d 618, 154 Ohio App. 594 (2003).

## **CHAPTER 16: The Nature of Negotiable Instruments**

- A new Opening Case, *N. E. Guthrie, Petitioner v. National Homes Corporation* 394 S. W. 2d 494 (1965); *N. E. Guthrie, Appellant v. National Homes Corporation, Appellee*, 387 S. W. 2d 158, which looks at the nature of promissory notes.
- A more in-depth discussion of section UCC 3-106, which explains in detail the characteristics that make an instrument unconditional and, therefore, a negotiable instrument.

## **CHAPTER 17: Holders in Due Course, Defenses, and Liabilities**

- A new Opening Case, *Williams v. Stansbury*, 649 S.W.2d 293, Supreme Court of Texas (1983); and, in the Texas appellate court, *Williams v. Stansbury* 634 S.W.2d 924, (Tex. App. 1982), which takes a look at the relationship between promissory notes and garnishment orders.
- The addition of new material on consumer credit contracts and the FTC legend.
- Another installment of the new feature, *Business Law with UCC Applications—and Now the Applications*, which examines the question of whether the addition of UCC 1-106 (d) to Article 3 makes obsolete most of the other rules laid down in that article.

## **CHAPTER 18: Bank-Depositor Relationships and Cyber-Banking**

- A new Opening Case, *Spacemakers of America Inc. v. Suntrust Bank*, No: A04A2080 (Court of Appeals of Georgia), which examines the dangers that result from ignoring the activities of those employees who handle the firm's money.
- A new, more detailed discussion clarifying the changing roles of a bank from creditor to debtor and back again.
- A new, more detailed discussion clarifying the roles of a bank as agent and principal.
- A new section on Project Sheltered Harbor, a national protocol designed to stave off a potentially catastrophic run on the banks of the country, similar to the ones that ushered in the Great Depression of the 20th century.
- New Case Study for Part 4, *Read v. South Carolina National Bank*, 86 S. C. 534, 335 S.E.2d 359, Supreme Court of South Carolina.

## **CHAPTER 19: Insurance**

- A new Opening Case, *State Farm Fire and Casualty Company v. Ramsey*, 719 F.Supp. 1337 (1989) United States District Court, S.D. Mississippi, E.D., which highlights the need to be able to distinguish between tenants-in-common and tenants by the entirety.
- A new discussion of the four types of co-tenancy: tenancy in common, joint tenancy, community property, and tenancy by the entirety.
- A new discussion of the homestead, a type of ownership unique to American law.
- A new discussion of the homestead exemption.

- A new discussion of the proof of loss form, which is designed to detail the personal property destroyed during an incident that gives rise to an insurance claim.
- A new discussion of renters' insurance, which protects tenants against the damage or loss of personal property, stolen personal property, liability for a visitor's personal injury, and liability for negligent destruction of the rented premises.
- A new discussion on the changes that have been made to the federal Affordable Care Act.
- A new discussion on the nature and the extent of cyber insurance coverage.

## **CHAPTER 20: Mortgages, Land Contracts, and the 21<sup>st</sup>-Century Financial Crisis**

- A new Opening Case that was literally ripped from the morning headlines, found in James Leggate, "Cincinnati Sues Company over 'Predatory' Land Sales Contracts, Blighted Properties," *WCPO Cincinnati* (April 14, 2017), which examines the dangers associated with manipulating land contracts.
- A new section explaining land contracts.
- An addition to the discussion of the 21st-century financial crisis and the backlash against the Dodd–Frank Act.
- A new section that discusses the plan, introduced by the administration and the Senate, to alter the operation of both Fannie Mae and Freddie Mac, in order to minimize the role that the federal government has in overseeing the operation of these two government-sponsored enterprises (GSEs).

## **CHAPTER 21: Bankruptcy Law: In Theory, in History, and in Practice**

- Updated, in-depth coverage of the current state of bankruptcy law in the United States.
- New coverage of the changes in Chapter 13 Bankruptcy filings as initiated under the authority of the Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA).

## **CHAPTER 22: Agency Law**

- A new Opening Case, *Latty v. St. Joseph's Society*, 17 A.3d 155 (2011), 198 Md. App. 254 (2011), which explores the nature of agency law and the extent of vicarious liability under tort law principles.
- Addition of new material on agency law in the health care setting that includes a look at living wills, durable health care power of attorney, DNR identification, and anatomical gift documents.
- Additional material on agency in the health care setting, including the legal definitions of death, terminal condition, and a permanently unconscious state.

## **CHAPTER 23: Employment Law**

- A new Opening Case, *Kimberly Hively v. Ivy Tech Community College*, No. 15-1720 (2017), which explores the question of whether sexual orientation qualifies as gender discrimination under the Civil Rights Act of 1964.
- New coverage concerning what questions can and cannot be asked by an employer during a job interview process.
- Coverage concerning new guidelines issued by the Occupational Safety and Health Administration (OSHA) concerning what employers can and cannot do in relation to drug and

alcohol testing after workplace injuries.

- New coverage concerning the status of private collective actions filed under the Fair Labor Standards Act.
- New coverage concerning the status of the overtime minimum salary increase proposal made by the administration under the FLSA.
- New coverage concerning the Working Families Flexibility Act of 2017.
- New coverage concerning the Strategic Enforcement Plan of the EEOC. The goal of this initiative is to make certain that the legal system is open and accessible to all.
- New coverage concerning the stated objectives of the new Strategic Enforcement Plan.

## **CHAPTER 24: Labor Law**

- A new Opening Case, chronicled in “About the IDG,” *IDG The Independent Drivers Guild*, <https://drivingguild.org/about> (2017), which involves a look at the new Uber Drivers’ Union, the Independent Drivers Guild (the IDG or the Guild).
- A new “Soon to Be a Classic Case” feature on *Janus v. AFSCME*, in which the governor of Illinois challenged a state statute that gave public unions like the American Federation of State, County, and Municipal Employees (AFSCME) the exclusive authority to represent all state employees, even those who were opposed to the very idea of a union.
- New Case Study for Part 5, *Evans v. Georgia Regional Hospital*, 803 F.3d 1248, U.S. Court of Appeals, Eleventh Circuit.

## **CHAPTER 25: The Business Entity: An Introduction**

- A new Opening Case, *Van Hooser, et al. v. Keenoin, et al.*, 271 S.W. 2d 270 (Court of Appeals of Kentucky), which involves a study of the differences between a partnership and a corporation.
- The addition of material on a new corporate structure known as the private, religiously based corporate entity.
- The addition of material on a new breed of business entities known collectively as economic development special-purpose entities (EDSPEs), including such diverse corporate structures as special improvement districts, port authorities, new community authorities, joint economic development districts, municipal utility districts, and community improvement corporations.

## **CHAPTER 26: The Corporate Entity**

- A new Opening Case, *Messick v. Moring* 514 So. 2d 892 (the Supreme Court of Alabama), which involves a close examination of the corporate law doctrine of piercing the corporate veil.
- New coverage of the “Delaware Factor,” which is an attempt to explain why many promoters still flock to Delaware to incorporate, despite the fact that most other states have incorporation statutes that are just as easy, economical, effective, and efficient as Delaware’s original ground-breaking statute.

## **CHAPTER 27: Managing the Corporate Entity**

- A new Opening Case, *Unocal Corporation v. Mesa Petroleum Company*, 493 A. 2d 946, (1985), which involves a close examination of the Business Judgment Rule.
- New coverage that examines the many recent challenges to the Sarbanes–Oxley Act.



- Coverage of a new concept known as American legal imperialism.
- New coverage of the unintended consequences that have emerged in the wake of the passage of the Sarbanes–Oxley Act.
- New coverage that examines the environmental, social, and governance (ESG) movement in support of stakeholder corporate control.
- New coverage of the Wells Fargo compensation recovery case, a case that is the most vivid example of a change in corporate policy motivated by a shareholder proposal that was never voted upon.
- New coverage of the Financial Choice Act of 2017 (FCA), which is an attempt to limit the number of shareholders eligible to submit shareholder proposals.

## **CHAPTER 28: Government Regulation of the Corporate Entity**

- A new Opening Case, *Asadi v. GE Energy (USA) L.L.C.*, No. 12-20522, U.S. Court of Appeals for the Fifth Circuit (October 8, 2013), which involves the use of a textualist approach to statutory interpretation from the bench.
- The addition of the Jumpstart Our Business Startups (JOBS) Act, a federal law designed to empower small businesses to raise capital more efficiently, economically, and effectively.
- New coverage of the SEC’s Regulation Systems Compliance and Integrity (REG SCI) protocols, an innovative system designed to short-circuit potential cyber interruptions of the stock exchange system in the future.

## **CHAPTER 29: Personal Property and Bailments**

- A new Opening Case, *Ritz v. Selma United Methodist Church*, 467 N.W.2d 266, which looks at the differences that exist among lost, abandoned, and mislaid property.
- New coverage of the concept known as natural property.
- New coverage of the concept known as a treasure trove.
- New coverage of some new trends in cultural property protection. Cultural property includes works of art, monuments, and archives that are created by and preserved for a nation, an ethnic group, a tribe, or some other cultural subdivision in order to preserve and celebrate the history, character, religion, and beliefs of that subdivision.

## **CHAPTER 30: Real Property and Landlord and Tenant Law**

- A new Opening Case, *General Electric Credit Union v. Sharon K. Medow*, 2016 Ohio 3266, Court of Appeals of Ohio, First District, Hamilton County (June 3, 2016), which looks at how dower rights relate to life estates.
- New material on the concept of coverture.
- New material on dower and curtesy. Under the right of dower, a wife had an interest in her husband’s property, which she would receive on his death. The husband had a similar right called the right of curtesy.
- New material on spousal rights, which replace dower and curtesy in most states.

## **CHAPTER 31: Wills, Advance Directives, and Trusts**

- A new Opening Case, *Winkfield v. Children’s Hospital and Research Center of Oakland*, Case

Number RG 13707598 (2013), which explores the conflicts that often exist between First Amendment religious rights and the right to die with dignity.

- New, more detailed coverage of living wills.
- New, more detailed coverage of the durable power of attorney for health care.
- A new discussion of the difficulties with advance directives.
- New coverage of the physician order for life-sustaining treatment.
- New coverage of protective medical decision documents.
- New coverage of do not resuscitate orders.
- A new discussion of the right to die and the right to live.
- A new discussion of advance directives and the right to die.

## **CHAPTER 32: Professional Liability**

- A new Opening Case, this one examining the unintended consequences for attorneys that result from the new version of Model Rule 8.4 (g) of the American Bar Association's Code on Ethics and Professional Responsibility.
- Coverage of the new tax code.
- New coverage of financial advisors.
- Coverage of the revised fiduciary rule.

## **CHAPTER 33: Science, Technology, and Law in the 21<sup>st</sup> Century**

- A new Opening Case that examines climate change, carbon footprints, sunspots, a mysterious 1,500-year climate cycle, and the Paris Climate Agreement.
- New coverage of the California Delta Water Twin Tunnel Project and its relationship to the proposed federal science court.
- New coverage of the Solid Waste Act.
- New coverage of the Toxic Substance Abuse Act.
- New coverage of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).
- New coverage of the Oil Pollution Act.
- New coverage of the Paris Climate Agreement.
- New coverage of the concept of stocktake.
- Update on global population figures.
- Update on U.S. population growth figures.
- New coverage of the U.S. Supreme Court Case, *Impression Products, Inc. v. Lexmark International, Inc.*, which greatly affects patent law.
- New coverage of the patent law doctrine of the "right to tinker."

## **CHAPTER 34: International Law and the New World Order**

- A new Opening Case that examines the growing global struggle between liberal democracy and authoritarianism.
- Extensive revision of the technique of predictive political history.
- New up-to-date examples of the emerging new world order.
- The addition of a current real-world example of *Realpolitik* in action.
- The addition of a current real-world example of liberal internationalism in action.
- The addition of a current real-world example of neoconservatism in action.
- The addition of a current real-world example of neoliberalism in action.
- New coverage of the relative effectiveness of liberal democracy and authoritarianism in relation

to economic initial conditions.

- New coverage of the relative effectiveness of liberal democracy and authoritarianism in relation to cultural initial conditions.
- New coverage of the relative effectiveness of liberal democracy and authoritarianism in relation to the hybrid initial conditions.
- New coverage on the competing global political ideologies of liberal democracy and authoritarianism.
- New coverage of the doctrine of the Responsibility to Protect (R2P).