Rules of an Employer

Student’s Name

Institution Affiliation

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Employees have apparent authority to act on behalf of the company in operations. Typically, corporate officers are assumed to have a legal mandate to serve and bind to a business operation. Again, since the two employees are contracting under the name of the brokerage firm, it is proper to think that they had full authority to act on behalf of the business and that the principles of the company are aware of the transaction. Therefore, rather than suing them individually, the customers can go ahead and sue the brokerage firm.

In my opinion, the judgment on the suit against the brokerage firm will be in favor of the plaintiff (the customers). Going by the principle of vicarious liability, the heads or owners of the business are jointly responsible for the behavior or misconduct did within the operations of the employees or agents. This notion is because they are given the full mandate to represent the business, and the business heads/ employers have the legal power to control the employees. The vicarious liability also referred to as “imputed negligence” attributes to a legal doctrine that holds responsible a person that did not commit an act of negligence but has a direct legal relationship with the offender (Kraakman, 2009).

In the case above, the owner of the brokerage firm is bound by the employer-employee contract and therefore will be legally held responsible for the sale of the worthless goods. More so, the two employees were acting within the scope of their employment to sell the stock. On another note, the buyers ought to get a quality product for their money. The fact that they were unsuspecting and that the stock malfunctioned deserves them a replacement or a refund.

# References

Kraakman, R. H. (2009). *Vicarious and corporate civil liability.* Tort law and economics.