# Fact Pattern 1

Mrs. Crocker loves to bake cookies and cakes. She bakes for her children and neighbours whenever she can. One day Mrs. Crocker decides that she is going to start baking as a business. Mrs. Crocker does not have any business expertise or legal training, but that doesn’t stop her from following her dream. She goes to her local grocery store and buys all the raw ingredients she needs to start baking.

Initially, Mrs. Crocker sets up a stand on her driveway with a small sign advertising her cookies and cakes for sale. The neighbourhood already loves her cookies and cakes so she sells out immediately. Mrs. Crocker realizes that she is going to need to make a lot more product if she is going to keep up with demand. She contacts a local food supplier and tries to buy all her raw ingredients directly from them, rather than from the grocery store. The food supplier tells her that they do not sell baking products by the pound, rather they sell it by the ton. Mrs. Crocker does not have enough money to buy baking supplies by the ton, so she goes to her local bank to see what they can do for her. Mrs. Crocker’s banker is able to get her a Visa that is unsecured and another loan secured against her house. With the new credit Mrs. Crocker has received she is able to buy her raw materials by the ton and ramps up her production.

Mrs. Crocker keeps selling her cookies and cakes from her drive way. The neighbourhood cannot get enough of them. People start driving from all over the city to Mrs. Crocker’s home to buy her cookies and cakes. One of her new customers is Warren. Warren buys cookies and cakes every Sunday from Mrs. Crocker. However, Warren has noticed that the quality of her products are starting to slip. One of the cakes Warren bought from Mrs. Crocker was raw on the inside and Warren had to bake it himself when he got home. Warren approaches Mrs. Crocker about the lack of quality in the cake. Mrs. Crocker apologies and says that she is overwhelmed with her business. She knows how to bake good cookies and cakes but she doesn’t know how to operate a business and is struggling to keep up with orders and keep up with her quality. Warren offers to invest in her business and thinks they will make a perfect partnership as Mrs. Crocker can take care of all the baking and Warren can take care of the operations of the business.

Warren comes up with a business proposal for Mrs. Crocker. Warren will invest $100,000 into the business for 50% ownership. This $100,000 will be used to lease out a commercial space and hire employees. Mrs. Crocker will still be responsible for purchasing the raw materials. With their new location and employees Mrs. Crocker will be able to dramatically increase their production. Warren then wants to open up 5 more stores within the next 6 months. After that he wants to take the baking store nationwide. He wants to have a Mrs. Crocker bakery on every street corner across the country.

1. Mrs. Crocker approaches you as her lawyer and says she need to set up a business in order to carry out Warren’s plan. Based on the information contained in the fact pattern above, identify the pros and cons to each other following business structures and how they apply to Mrs. Crocker.*(10 marks)*

Sole Proprietorship

Partnership

Limited Partnership

Corporation

1. Which business structure would you recommend to Mrs. Crocker and why?*(5 marks)*
2. Mrs. Crocker asks you what are the legal implications of accepting Warrens offer and what are the legal implications if she does not accept. What do you tell Mrs. Crocker?*(10 marks)*
3. 6 months go by and Mrs. Crocker business is not doing well. She is behind on all her bills as well as the loans she took out from the bank. She asks you what her creditors could do to her and what options she has available to her. What do you tell her? *(10 marks)*

**End of questions relating to fact pattern 1**

# Fact Pattern 2

Mr. J is a 65 year old senior citizen that lives in Markham Ontario. Mr. J suffers from an addiction to alcohol and is a frequent visitor to the local hospital. The local hospital knows of Mr. J’s condition and provides treatment to him whenever he is brought in. The hospital recommends treatment for Mr. J addiction, which Mr. J never follows. The hospital will also provide treatment for other issues that Mr. J has. As a result of his drinking issue, Mr. J overall health is pretty poor.

One night Mr. J is brought into the hospital by an ambulance. Mr. J went to a local bar, had too much to drink and passed out. The bar owners called 911 and the paramedics brought Mr. J into the hospital. The doctors at the hospital determined that Mr. J needed some time to sober up and gave him a bed to sleep on and gave him some IV to help bring down his blood alcohol level.

While in the hospital bed Mr. J woke up and was confused. He wasn’t sure where he was and how he got there. He tried to remove his IV and jump out of bed. The nurses in the hospital tried to calm Mr. J down but he wouldn’t listen. He started pushing and shoving the nurses who became concerned for their safety. The nurses called security to help them restrain Mr. J and left his room. The nurses locked his room door so he could not leave until security arrived.

When security arrived they came into Mr. J’s room and found him face down on the floor. Mr. J was trying to escape out of the room when he slipped fell and fractured his skull. The security guards got Mr. J medical attention.

When Mr. J was released from the hospital he went and consulted a lawyer. Mr. J said that if he was left alone in the bar he would have woken up and gone home. Instead he ended up in the hospital and had a fractured skull. Mr. J wants to hold the hospital accountable for their actions.

1. Did the hospital have a duty of care towards Mr. J? Did the hospital breach the duty of care? Explain your rational *(15 Marks)*
2. Based on your analysis from question 1, if Mr. J entitled to damages? If so, how would you determine those damages? If not, explain why?*(15 Marks)*

**End of questions relating to fact pattern 2**

# Fact Pattern 3

During March of 2020 Covid 19 breaks out across the globe. Prime Minister Justin Trudeau and Premier Doug Ford want to start enacting laws in order to help stop the spread of the virus.

Immediately Premier Ford announces that he will pass laws that make it illegal for any company to import face masks from the United States and that the Province of Ontario will not send any of their face mask stock piles to other Provinces in Canada. In addition Premier Ford announces that he will pass a Criminal law stating that anyone who violated social distancing can be sentenced to up to 5 years in prison.

Prime Minister Trudeau announces that he will be passing laws that state all high schools and courts will be closed until June 2020. The Prime Minister also says that he will be ordering all hospitals to discharge non-critical patients in order to free up hospital beds, so that hospitals can treat the new Covid patients that the country is expecting.

1. Based on the fact pattern above, identify any legal issues you can see with the actions of the Prime Minister and the Premier. Explain why these actions are a problem and explain what the Prime Minister and Premier should do.*(10 Marks)*
2. To help with social distancing Prime Minister Trudeau wants to pass a law that states that all Canada Post (the Canadian postal service) offices will be closed to walk in traffic. Under this new law anyone wanting to send mail will have to leave it at their mailbox for pickup. The Prime Minister approaches you and asks what he should do to get this law passed. He also tells you that he is worried that this law could be challenged in court and wants to know how that could play out if the law was challenged in court. What is your advice to the Prime Minister? *(25 Marks)*

**End of questions relating to fact pattern 3**