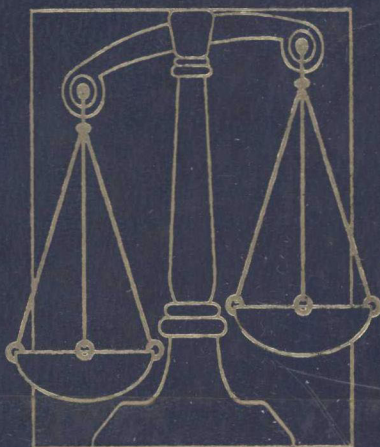


WEST'S LEGAL ENVIRONMENT OF BUSINESS

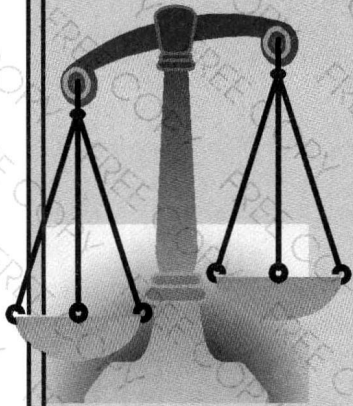
Text
Cases
Ethical, Regulatory,
and International Issues



SECOND EDITION

Frank B. Cross

Roger LeRoy Miller



SECOND EDITION

WEST'S LEGAL ENVIRONMENT OF BUSINESS

Text
Cases
Ethical, Regulatory,
and International Issues

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A study guide has been developed to assist you in mastering the concepts presented in the text. The study guide includes brief chapter introductions, lists of key points in each chapter, outlines of the principles covered in each chapter, study tips, and review questions. This study guide is available from your local bookstore under the title, *Study Guide to Accompany West's Legal Environment of Business*, prepared by Roger LeRoy Miller and William Eric Hollowell.

For more information on the study guide, please see the preface of this text where it is explained in greater detail.

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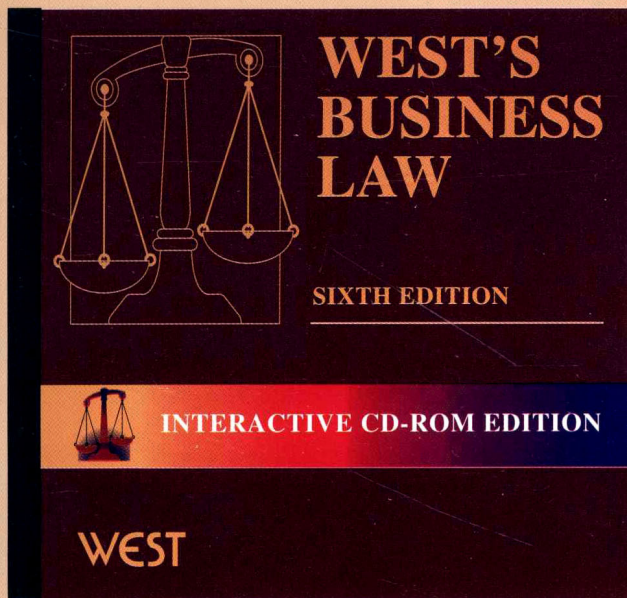
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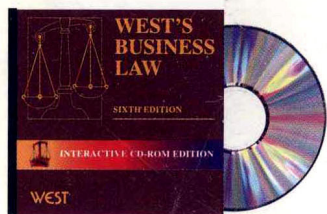
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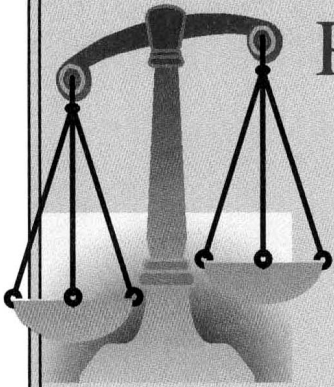
WEST'S LEGAL ENVIRONMENT OF BUSINESS

**Text
Cases
Ethical, Regulatory,
and International Issues**

SECOND EDITION

**USED
BOOK**

This book was originally distributed as a sample copy by the publisher for academic review, then legally purchased by a book dealer. Your bookstore then purchased it to offer you the savings and value of a used book. All chapters and pages are included.



PREFACE TO THE INSTRUCTOR

The legal, regulatory, and international environment of business has universal applicability. A student entering virtually any field of business must have at least a passing understanding of the legal environment in order to function in the real world. Additionally, students preparing for a career in accounting, government and political science, economics, and even medicine can fruitfully use much of the information they learn in a legal environment course. Finally, every individual throughout a lifetime can use knowledge of contracts, real property law, landlord-tenant relations, and the like. Consequently, we have fashioned this text as a useful “tool for living” for all students.

Some of you who are familiar with our previous textbooks will notice a similarity in the “look and feel” between *West’s Legal Environment of Business* and *West’s Business Law*. This similarity is by design. We have kept all of the features that the users of *West’s Business Law* have told us are strong points, including its thoroughness and flexibility for different types of teaching philosophies.

KEY AREAS OF EMPHASIS

To make sure that instructors and students alike can rely on *West’s Legal Environment of Business*, we emphasize the following throughout this text:

- **Comprehensiveness**—Virtually every important topic in the legal and regulatory environment is covered in this book. We have made the text extremely comprehensive to allow instructors complete flexibility in choosing those areas of the legal and regulatory environment that they wish to emphasize.
- **Authoritativeness**—Virtually every aspect of the legal, regulatory, ethical, and international environment has been fully researched for inclusion in this text. Instructors can rely on its accuracy, and can find references to case and statutory law for any needed external authority. Complete parallel citations are given throughout the text, and there is an extensive set of appendices. Accuracy is the watchword of *West’s Legal Environment of Business*.

- **Ethics**—Because of the importance of ethics, there is an early chapter on the subject, with continuing references to ethics throughout. (See below.)
- **International**—As the world gets smaller, a knowledge of the international and comparative aspects of the law must become part of any student's background. To this end, *West's Legal Environment of Business* includes a full chapter on comparative law (Chapter 7); international considerations at the end of certain cases in every chapter; and finally, a full chapter on international law (Chapter 8).
- **AACSB Curriculum Requirements**—This text explicitly addresses the AACSB's broad array of curriculum requirements by focusing on the global, political, ethical, social, environmental, technological, and cultural diversity context of many of the cases presented. Specifically, these special cases are preceded by a *Historical and Social Setting*, which places the case in a particular political, ethical, or social context. Additionally, there are many *Company Profiles* that precede special cases in this edition. Finally, the materials in all units explore virtually every facet of the AACSB's curriculum requirements. To be sure, the AACSB's emphasis on the global and ethical context of the law is addressed throughout the rest of the text through *International* and *Ethical Considerations* plus the *Focus on Ethics* sections found at the end of each unit.

WEST'S LEGAL ENVIRONMENT OF BUSINESS MAKES THE LEGAL ENVIRONMENT COME ALIVE

Perhaps the most exciting aspect of *West's Legal Environment of Business*, Second Edition, is that the subject matter comes alive for your students. Within the text itself, the *Company Profiles*, *Historical and Social Settings*, *International Considerations*, *Ethical Considerations*, and extensive use of real-world examples throughout guarantee a high-interest level, even when the topic under study is somewhat technical.

The text itself does not, though, stand alone. Student users of this text have an impressive list of supplements that further make the study of the

legal and regulatory environment come alive. These supplements include: audiocassettes of actual arguments before the Supreme Court (with Justice Stephen Breyer); videos ranging from a simulated Supreme Court case, *The Making of a Case* with L.A. Law's Richard Dysart, to twenty original dramatizations (*The Drama of the Law, Parts I and II*) made specifically by the *West's Legal Environment of Business* author/editorial team to demonstrate the application of legal environment principles to common business situations. Students can also further develop their understanding of the legal environment by using some of the extensive interactive software programs currently available with this text.

EMPHASIS ON THE INTERNATIONAL SIDE OF THE LAW

As already mentioned, because our world is becoming smaller, we feel that legal environment students must have more than a passing understanding of the international aspects of the law. Consequently, we have emphasized international and comparative law throughout the entire book. Your students will find the following special features:

- **Comparative Law:** All of Chapter 7 in Unit Two is devoted to comparative law. There your students will see how different countries treat contract law, employment law, and the like.
- **International Considerations:** There are numerous *International Considerations* judiciously placed at the end of appropriate cases throughout the text. Your students can quickly learn about how other countries treat similar legal issues.
- **Special Appendices:** There are appendices on the General Agreement on Tariffs and Trade (GATT) [Appendix Q] and on the North American Free Trade Agreement (NAFTA) [Appendix R].

OTHER SPECIAL FEATURES OF THIS TEXT

In addition to offering coverage of the topics of special concern discussed above, our text provides many other unique features for you and your students.

CASES

Special attention is given in *West's Legal Environment of Business* to case selection and presentation, as well as to simplifying the task of finding and analyzing case law.

CLASSIC AND CONTEMPORARY CASES You will find a diverse selection of case excerpts in the chapters. We have attempted to provide classic and landmark cases, as well as some of the most modern examples of the legal environment. There are over fifty cases in this edition from 1992, 1993, and 1994.

AN EFFECTIVE STANDARD CASE FORMAT Each case presented in *West's Legal Environment of Business* follows a standard format:

- **Case Title and Full Case Citation**—The case title and full case citation (including all parallel citations) are presented in the margin at the beginning of each case.
- **Background and Facts**—This section contains a summary, in the authors' own words, of the events leading up to the lawsuit.
- **Case Excerpt**—Following the summary of the background to the case, an excerpt from the actual court opinion is presented—in a contrasting type size to differentiate it from the surrounding textual material. Whenever the court opinion contains a term or phrase that may be difficult for the student to understand, a brief explanation is provided in brackets. Important phrases and sentences are italicized, and a bracketed note clearly indicates that the emphasis was added by the authors, not by the court.
- **Decision and Remedy**—In this section, the authors summarize, in their own words, the outcome of the case.

ADDITIONAL ASPECTS OF THE CASES Many cases have additional sections added, some of which have already been described.

- **Company Profile**—Two dozen companies are profiled before appropriate cases. A history and makeup of the company involved in the particular case are presented to give your students the real-world background of these cases.
- **Historical and Social Settings**—When appropriate, these *Settings* focus on the global, political, ethical, social, environmental, tech-

nological, or cultural diversity context of a case.

- **Comments**—Sometimes a special comment is needed that the authors add following the *Decision and Remedy* section.
- **Ethical Considerations**—These sections discuss ethical aspects of the law or laws under consideration.
- **International Considerations**—As explained above, these sections let your students know about how the particular issue at bar is treated in other countries.

CASE CITATIONS FULLY EXPLAINED In Chapter 1, we use a comprehensive format to explain case citations. In addition to our explanatory text, we offer an exhibit in four-color graphics to lead the student to a full understanding of how to read and understand case citations in this text and in other legal references.

CASE BRIEFING ASSIGNMENTS Some professors like to have their students brief a few cases. To make these assignments more manageable for both students and professors, we provide in Appendix A a short explanation of how to brief a case, followed by cases for briefing. Case briefing assignments, including questions that should be answered for each of the cases chosen for briefing, are found at the ends of the problem sets in six of the chapters in the text (two for Unit Three and one for each other unit). Sample answers to the questions listed in the case briefing assignments are found in the *Answers to Questions and Case Problems* manual.

ETHICS

The teaching of ethics has become an integral part of every introductory course in the legal and regulatory environment of business. To satisfy the increased interest in ethical questions, we have integrated ethics throughout this text.

AN EARLY CHAPTER ON ETHICS Chapter 2 sets the tone for ethical analyses throughout the remainder of the text.

CASE ETHICAL CONSIDERATIONS As already mentioned, numerous cases contain special concluding sections called *Ethical Considerations*. These sections expose and define the ethical issues brought out in the cases.

A QUESTION OF ETHICS Every chapter of *West's Legal Environment of Business*, Second Edition, has a special problem at the end of the chapter entitled *A Question of Ethics*. A real-world case is summarized, and then ethical questions are presented for the student to answer. Suggested answers to these questions are included in the *Answers to Questions and Case Problems*.

FOCUS ON ETHICS At the end of each of the five units in this text is a special section entitled *Focus on Ethics*. Each of these sections addresses ethical aspects of the legal environment discussed in the preceding unit. While these sections are not intended to substitute for a course in ethics, each section is designed to elicit comments and discussion from the student-readers on ethical issues. For this reason, each *Focus* ends with a set of discussion questions. Further comments on, and references for, these sections are given in the *Instructor's Manual*.

EMERGING TRENDS

A number of chapters include a feature entitled *Emerging Trends*. These two-page spreads emphasize policy issues that have arisen, or will arise, with respect to certain aspects of legal environment. Each feature concludes with the following two sections:

- *Implications for the Businessperson*—A list of the steps that businesspersons might take to prevent legal problems in the particular area being discussed.
- *For Critical Analysis*—A set of two or three questions that require the student-reader to critically analyze aspects of the emerging trend being discussed.

The following *Emerging Trends* are included in this edition:

- The Institutionalization of Ethics (Chapter 2)
- Copyright Infringement in the Electronic Age (Chapter 15)
- Getting Tougher on Corporate Crime (Chapter 13)
- Where Punitive Damages Are Headed (Chapter 14)
- Revising the Bankruptcy Code: Chapter 11 under Attack (Chapter 16)
- The Expanding Scope of the ADA (Chapter 21)
- Limited Liability Companies (LLCs) (Chapter 17)

- Lender Liability under Superfund (Chapter 24)
- The Global Application of U.S. Antitrust Laws (Chapter 8)

CONCEPT SUMMARIES

Whenever key areas of the law need additional emphasis, we provide a *Concept Summary*. There are many such summaries, including the following:

- Pretrial Procedures (Chapter 3)
- Intentional Torts (Chapter 12)
- Comparison of Negligence and Strict Liability in the Area of Product Liability (Chapter 14)
- Environmental Law (Chapter 24)

EXHIBITS

When appropriate, we have illustrated important aspects of the law in graphic or summary form in exhibits. Numerous exhibits are now featured in *West's Legal Environment of Business*, Second Edition, including the following:

- *Exhibit 1–6* How to Read Case Citations
- *Exhibit 2–1* Ethical Decision Making
- *Exhibit 3–5* Stages in a Typical Lawsuit
- *Exhibit 7–2* The Legal Systems of Nations
- *Exhibit 8–1* Multilateral International Organizations in Which the United States Participates
- *Exhibit 24–1* Federal Environment Statutes
- *Exhibit 28–3* Comparison of Coverage, Application, and Liabilities under Rule 10b-5 and Section 16(b)

VOCABULARY STRESSED

In addition to including bracketed explanations of difficult terms and phrases within the court opinions presented in the text, this edition has been completely edited to ensure that every important legal term used by the authors is fully defined when it is first introduced.

At the end of each chapter, all terms that were boldfaced within the chapter are listed in alphabetical order under the heading *Terms and Concepts to Review*. The page on which the term is defined is given after each term. Students can briefly examine the list to make sure they understand all important terms introduced in the chapter and can immediately review terms that they do not completely understand by referring to the page number given. All boldfaced terms are listed and again defined in the *Glossary* at the end of the text.

QUESTIONS AND CASE PROBLEMS

Every chapter of this text ends with a combination of ten to fourteen questions and case problems. The first three to six are hypothetical questions. The remainder are actual case problems, of which over fifty throughout the book are from 1992, 1993, and 1994. Many of the case problems are based on cases that can be found in their entirety in the LEGAL CLERK Research Software System (discussed below). Complete answers are given in a separate manual for all questions and case problems in the text, including the ethical questions and case briefing assignments. The *Answers to Questions and Case Problems* is free to adopters and can be placed on reserve in the library, if desired.

APPENDICES

Because the majority of students keep their legal environment texts as a reference source, we have included a full set of appendices. They are as follows:

- A. Briefing Cases—Instructions and Selected Cases
- B. The Constitution of the United States
- C. The Administrative Procedure Act of 1946 (Excerpts)
- D. The Uniform Commercial Code (Excerpts)
- E. The National Labor Relations Act of 1935 (Excerpts)
- F. The Sherman Act of 1890 (Excerpts)
- G. The Clayton Act of 1914 (Excerpts)
- H. The Federal Trade Commission Act of 1914 (Excerpts)
- I. The Robinson-Patman Act of 1936 (Excerpts)
- J. Securities Act of 1933 (Excerpts)
- K. Securities Exchange Act of 1934 (Excerpts)
- L. Title VII of the Civil Rights Act of 1964 (Excerpts)
- M. Civil Rights Act of 1991 (Excerpts)
- N. Americans with Disabilities Act of 1990 (Excerpts)
- O. The Uniform Partnership Act
- P. The Revised Uniform Partnership Act (Excerpts)
- Q. The General Agreement on Tariffs and Trade of 1994 (Excerpts)
- R. The North American Free Trade Agreement of 1993 (Excerpts)
- S. A Guide to Research in Legal Environment—Including Using the Internet

T. Spanish Equivalents for Important Legal Terms in English

THE RESEARCH GUIDE AND USING THE INTERNET

You will notice that we have included Appendix S on research in the legal and regulatory environment of business. For those instructors who require their students to do research projects covering legal topics, this is an invaluable research guide.

Additionally, your students can find out how to do legal research using the Internet. This unique section presents what is currently available on the “electronic superhighway” as it relates to the legal environment.

THE COMPLETE SUPPLEMENTS PACKAGE

While some of the supplements have already been mentioned, there are numerous other supplements that make up the complete teaching/learning package for *West's Legal Environment of Business*, Second Edition.

A PLANNING GUIDE

To simplify and make more efficient the work effort of the instructor using *West's Legal Environment of Business*, Second Edition, we have developed a unique guide that integrates all of the print, video, CD-ROM, and computer software supplements. For each chapter in this guide, you will find helpful suggestions on what parts of the complete learning/teaching package to use.

PRINTED SUPPLEMENTS

The printed supplements for *West's Legal Environment of Business* have a single goal in mind: to make the task of teaching and the task of learning more enjoyable and more efficient.

INSTRUCTOR'S MANUAL The *Instructor's Manual* has been written by text author Roger LeRoy Miller together with William Eric Hollowell. Having one of the authors of the main text co-write the *Instructor's Manual* has resulted in complete agreement between what is stressed in the text and what is fully outlined in the *Instructor's Manual*. A computerized version of the *Instructor's Manual* is now also available (this version is described below, under software).

STUDY GUIDE A study guide has been prepared by text author Roger LeRoy Miller together with William Eric Hollowell. This study guide contains an introductory study skills section, a guide to briefing cases, and a chapter-by-chapter review of *West's Legal Environment of Business*. The chapter-by-chapter review offers the following for each chapter of the text:

- A list of key points in the chapter.
- Brief chapter introduction.
- Chapter outline.
- Study tips.
- True-false questions.
- Fill-in questions.
- Multiple-choice questions.
- Short essay problems (with answers in the *Instructor's Manual*).
- Hypothetical fact problems involving key issues covered in the chapter.

A computerized version of this study guide—called *Microguide*—is also available (see below, under software supplements).

CASE PRINTOUTS Most of the cases in the main body of the text have been reprinted in *their entirety* and published in a separate booklet, called *Case Printouts to Accompany West's Legal Environment of Business*. This booklet is available free to adopters.

ANSWERS MANUAL A complete answers manual entitled *Answers to Questions and Case Problems* is available to all adopters. Each answer is presented in a standard format.

- *Area of Law*—The area of law to which the problem relates is first stated in boldface.
- *Section Reference*—The area of law is followed by the chapter section number in which the law is discussed.
- *Answer*—A specific answer to the question or problem is then given.

ADVANCED TOPICS AND CONTEMPORARY ISSUES: EXPANDED COVERAGE A specially prepared paperback text entitled *Advanced Topics and Contemporary Issues: Expanded Coverage to Accompany West's Legal Environment of Business* has been created by text author Frank B. Cross. The book is available to students free of charge at their instructor's option. *Advanced*

Topics provides supplemental detailed coverage as follows:

1. Business Ethics
2. International Business Law
3. Individual Employee Rights
4. Employee Discrimination Law
5. Occupational Safety and Workers' Compensation
6. Accounting and the Law
7. Securities Law and Regulation
8. Mergers and Acquisitions
9. Insurance Law
10. Real Estate Finance and Liability
11. Bank Regulation and Liability
12. Unfair Competition
13. Advertising Law
14. Environmental Liability
15. Health-care Law
16. Sports and Entertainment Law
17. Hospitality Management Law
18. Communications Law
19. Government Contracts
20. Legal Representation of Business

Additionally, each chapter ends with *Ethical Perspectives* and *International Perspectives*.

HANDBOOK OF SELECTED STATUTES This supplement is available for your students upon request. It includes excerpts from the following statutes.

- The Federal Trade Commission Act of 1914
- The National Labor Relations Act of 1935
- The Occupational Safety and Health Act of 1970
- The Privacy Act of 1974
- The Foreign Corrupt Practices Act of 1977
- The Electronic Fund Transfer Act of 1978
- The Counterfeit Access Device and Computer Fraud and Abuse Act of 1984
- The Electronic Communications Privacy Act of 1986
- The False Claims Reform Act of 1986
- The Family and Medical Leave Act of 1993

PERSONAL LAW HANDBOOK The *Personal Law Handbook* is a practical guide to an application of the law to personal, financial, business, and consumer problems. Under no circumstances do we ever suggest that the student act as his or her own attorney. Indeed, the maxim that “he who

acts as his own attorney has a fool for a client'' is stressed at the beginning of the handbook. The topics we have chosen to cover in the Personal Law Handbook are as follows:

- Renting a Home
- Family Law (including divorce settlements)
- Consumer Law
- Employment Law
- Owning and Operating Motor Vehicles
- Criminal Law
- Jury Duty

This booklet is available upon request.

HANDBOOK ON CRITICAL THINKING AND WRITING A booklet entitled *Handbook on Critical Thinking and Writing in the American Legal Environment* provides students with an overview of techniques used in critical thinking. It allows students to examine and analyze legal assumptions and arguments. Copies are available to adopters and their students when requested.

A COMPREHENSIVE TEST BANK To ensure consistency between the teaching materials and the text, one of the authors, Roger LeRoy Miller, has co-written the examination bank. There are approximately 1,000 multiple-choice questions with answers and 950 true-false questions with answers. These questions are available in booklet form or, as discussed below, on software.

TRANSPARENCY ACETATES The supplements package contains over thirty transparency acetates for overhead projection in the classroom. Included in this package are key actual business forms.

REGIONAL REPORTERS West's regional reporters cover all state appellate court decisions. Qualified adopters may select one of the following reporters: Pacific, North Western, South Western, North Eastern, Atlantic, South Eastern, and Southern.

CITATION-AT-A-GLANCE This handy reference card provides a quick, portable reference to the basic rules of citation for the most commonly cited sources, including judicial opinions, statutes, and secondary sources such as Restatements, encyclopedias, and legal periodicals. Citation-At-A-Glance uses the rules set forth in *A Uniform System of Citation*, 15th Edition, 1991. Classroom quantities are available to qualified adopters.

SOFTWARE SUPPLEMENTS

Software supplements represent an increasingly significant portion of the *West's Legal Environment of Business* teaching/learning package.

LEGAL CLERK SOFTWARE The LEGAL CLERK Research Software System is an interactive software package that introduces students to the rudiments of computer-aided legal research and simultaneously reinforces the underlying concepts of legal environment. LEGAL CLERK provides a valuable learning tool to help your school meet AACSB recommendations for using microcomputers in legal environment courses.

LEGAL CLERK covers three subject areas of the legal environment: (1) UCC/Article 2—Sales, (2) Government Regulation and the Legal Environment of Business, and (3) Contracts. Instructors may select one version or all three versions for their classes. Cases appearing in LEGAL CLERK are clearly identified in the text with a computer logo. The logos are color coded to help users easily identify which version of LEGAL CLERK contains specific cases.



Uniform Commercial Code/Article 2—Sales (Version 1.0)



Government Regulation and the Legal Environment of Business (Version 1.0)



Contracts (Version 1.0)

Each version is accompanied by an *Instructor's Resource Guide* and, for student purchase, a *Student User's Guide*.

LEGAL REVIEW SOFTWARE This software allows students to review legal concepts found in all three LEGAL CLERK versions: A *LEGAL REVIEW Student User's Manual* can be purchased by the student.

COMPUTERIZED INSTRUCTOR'S MANUAL For those instructors who wish to modify the *Instructor's Manual* by adding their own notes or to print some of the class enrichment materials, we provide a fully computerized version of the *Instructor's Manual*. You may order the manual in any popular format.

COMPUTERIZED STUDY GUIDE—MICROGUIDE The questions in the printed study guide are on

diskette, allowing your students to practice taking computerized tests. Multiple-choice, true-false, and fill-in test questions are included. *Microguide* runs on IBM PCs and compatible microcomputers or Macintosh microcomputers (with Hypercard).

COMPUTERIZED TEST BANK—WESTEST

The test bank is available on the latest version of WESTEST, a highly acclaimed computerized testing system, which is offered for IBM PCs and compatible microcomputers or for the Macintosh family of microcomputers.

INTERACTIVE SOFTWARE—CONTRACTS AND SALES

For those students who have their own computers or who have access to computers through friends, libraries, or learning labs, we have developed unique interactive programs for the teaching and learning of contracts and sales. These programs use HyperText and allow for flexibility in learning the subject matter based on each user's level of understanding.

“YOU BE THE JUDGE” This feature provides case problems for ten topic areas. The user is supplied with the facts, and is then asked how the issue should be decided. A word processor, integrated in the software, allows the user to key in his or her response and print it. A glossary of key legal terms is also included.

CASE-PROBLEM CASES ON DISKETTE Virtually all the case-problem cases found at the ends of all chapters of the text are now available in ASCII format on diskette. These can be imported into any word-processing program, such as Microsoft Word or WordPerfect.

WESTLAW WESTLAW, the premiere computerized legal-research system, is renowned for its ability to help law professors, law students, attorneys, and paralegals do research in the law. Qualified adopters of *West's Legal Environment of Business*, Second Edition, are allowed free hours of WESTLAW. Contact your West sales representative for more details.

CD-ROM RESOURCES FOR BUSINESS LAW & LEGAL ENVIRONMENT

This CD-ROM was designed to aid in your class preparation by providing instant and easy access

to important cases, key legislation and regulation, relevant articles of UCC, and more. This CD-ROM includes West's PREMISE® software, which allows you to search for and retrieve specific items in a matter of seconds. Here are the six sections (or books) in this CD-ROM.

- Selected Congressional Acts
- Selected Constitutions
- Selected Federal Regulations
- Selected Uniform Laws
- Selected Business Law and Legal Environment Cases
- The North American Free Trade Agreement (NAFTA)

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- *Shearson/American Express, Inc. and Mary Ann McNulty v. Eugene McMahon et al.*
- *Chemical Waste Management, Inc. v. Guy Hunt, Governor of Alabama et al.*
- *Feist Publications, Inc. v. Rural Telephone Service Company, Inc.*
- *Sedima, S.P.R.L. v. Imrex Company, Inc., et al.*
- *Keith Jacobson v. United States*
- *Summit Health, Ltd., et al. v. Simon J. Pinhas*
- *Kirkpatrick & Co., Inc. v. Environmental Tectonics Corp., International*

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FOR USERS OF THE FIRST EDITION

First of all, we want to thank you for helping make *West's Legal Environment of Business* one of the best-selling legal environment texts in America today. Second, we want to make you aware of the numerous additions and changes we have made in this edition. The major additions and changes are summarized below.

NEW CHAPTERS

To keep pace with current legal trends and developments, we have added new materials to each edition of *West's Legal Environment of Business*. To ensure that the Second Edition is as up-to-date as possible, we have added several new chapters on topics of special interest today. These new chapters are as follows:

- Chapter 7 (Comparative Law)
- Chapter 10 (Contracts: Part II)
- Chapter 21 (Employment Discrimination)

CHAPTERS THAT HAVE BEEN EXTENSIVELY REVISED

- Chapter 5 (Constitutional Law) has been extensively revised. The chapter now offers more detail on the relative powers of the federal government and state governments under the commerce clause, and the concept of preemption is given fuller treatment. The section on freedom of speech has been expanded to present a fuller discussion of the types of speech that are (or are not) protected under the First Amendment. Additionally, the coverage of due process has been expanded, and a new section on the

privileges and immunities clause has been added to the chapter.

- Chapter 6 (Administrative Law) has been reorganized and rewritten as necessary to make the discussion of administrative law and procedures more understandable for students. The chapter now contains a fuller description of the types of administrative agencies. Additionally, an exhibit has been added to clarify the structural relationship between administrative agencies and the federal government. The chapter also now contains a discussion of the relationship between federal and state administrative agencies.
- Chapter 8 (International Law) now contains sections on the regional trade agreements affecting the global business context, including the European Union, the General Agreement on Tariffs and Trade of 1994, and the North American Free Trade Agreement of 1993. An *Emerging Trends* feature has been added on the topic of U.S. antitrust laws in the international arena.
- Chapter 12 (Torts and Strict Liability) now includes subsections on the duty of care as it applies to landowners and professionals, as well as an explanation of the general lack of a duty to rescue. The chapter also contains a new section on special negligence statutes and doctrines, including dram shop acts, Good Samaritan statutes, and negligence *per se*. The section on strict liability has also been expanded.
- Chapter 16 (Creditor-Debtor Relations and Bankruptcy) now places less emphasis on Bankruptcy Code chapter numbers and more emphasis on the type of bankruptcy proceeding—for example, liquidation proceedings, or reorganizations. The concept of debtor in possession is treated more fully, and an *Emerging Trends* feature explores the controversy surrounding reorganizations under Chapter 11 of the Bankruptcy Code.
- Chapter 17 (Business Organizations) contains a new discussion of the limited liability company, and an *Emerging Trends* feature indicates the growing use of this new business organizational form within the business community.
- Chapter 20 (Employment Relationships) has been restructured consequent to the treatment of employment discrimination in the entirely new Chapter 21. Chapter 20 also presents new materials relating to statutory protection for whistleblowers, privacy rights, the requirements

of the Occupational Safety and Health Administration, the Family Medical Leave Act of 1993, the Immigration Act of 1990, and the Consolidated Omnibus Budget Reconciliation Act of 1985.

- Chapter 23 (Consumer Protection) has been significantly revised to reflect current consumer protection law. New sections have been added on fax and telephone advertising and the Consumer Leasing Act of 1988. The section on mail-order merchandise now includes a discussion of the Federal Trade Commission's "Mail or Telephone Order Merchandise Rule" of 1993, and the section on credit protection has been modified as necessary to bring it up to date.
- Chapter 28 (Securities Regulation) has been updated throughout, and the section on exemptions to registration requirements under the 1933 Securities Act has been rewritten to reflect current law.

NEW FEATURES AND SUPPLEMENTS

To make *West's Legal Environment of Business* as useful as possible for both the instructor and the student, we have included in the Second Edition text a number of new pedagogical features and have expanded the supplements package. These new elements are listed below to give you a brief overview of what is new to this edition. Each item has been discussed in greater detail in the preceding sections of this preface.

NEW EMERGING TRENDS There are now eleven *Emerging Trends*, all of which are either completely new or completely revised.

NEW CONCEPT SUMMARIES There are now dozens of concept summaries, many more than in the last edition.

NEW EXHIBITS There are dozens of exhibits in this edition, many of which are new.

NEW CASES Of the over 150 in-text cases, over half are new, of which over 50 are from 1992, 1993, and 1994.

NEW CASE PROBLEMS Of the over 200 case problems, over a third are new to this edition, of which over two dozen are from 1992, 1993, and 1994.

NEW FEATURES IN CASE PRESENTATION

- Company Profiles
- Historical and Social Settings
- International Considerations

NEW SUPPLEMENTS—PRINTED

- Instructor's Manual to accompany *Drama of the Law II*
- Handbook of Selected Statutes
- State supplements
- Personal Law Handbook

NEW SUPPLEMENTS—VIDEO

- *Drama of the Law II* (ten videos)

NEW SUPPLEMENTS—AUDIO

- West's Business Law and Legal Environment Audiocassette Library

NEW SUPPLEMENTS—SOFTWARE

- CD-ROM Resources for Business Law & Legal Environment
- Interactive Software—Sales
- Student's Guided Tour of WESTLAW

NEW APPENDICES

- Appendix C.** The Administrative Procedure Act of 1946 (Excerpts)
- Appendix M.** The Civil Rights Act of 1991 (Excerpts)
- Appendix P.** The Revised Uniform Partnership Act (Excerpts)
- Appendix Q.** The General Agreement on Tariffs and Trade (Excerpts)
- Appendix R.** The North American Free Trade Agreement (Excerpts)

USING THE INTERNET There is information on how to use the Internet to study law in Appendix S (A Guide to Research in Legal Environment).

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All errors are solely our own responsibility. Through the years, we have enjoyed a continuing correspondence with many of you who have found points on which you wished to comment. We continue to welcome all such comments and promise to respond promptly. By incorporating your ideas, we can continue to write a legal environment text that is best for you and best for your students.

F.C.
R.L.M.