

WEST'S BUSINESS LAW

TEXT AND CASES

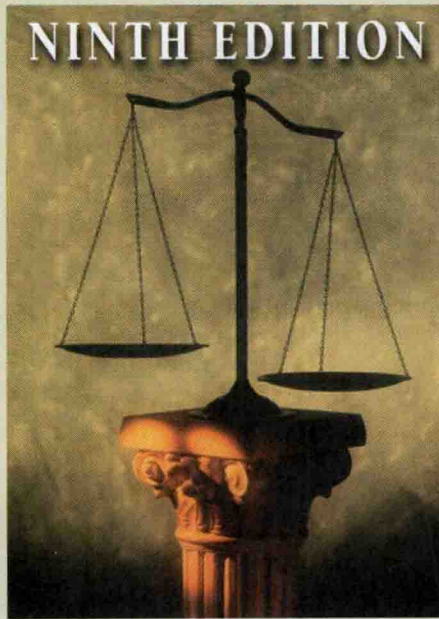


Legal, Ethical, International,
and E-Commerce Environment

CLARKSON MILLER JENTZ CROSS

NINTH EDITION

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WEST'S BUSINESS LAW

**TEXT
CASES**

Legal, Ethical, International, and E-Commerce Environment

Kenneth W. Clarkson

University of Miami

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In recognizing that not all students have the same learning style, we have developed numerous learning tools both internal and external to the body of the text to enhance the learning experience.

THE FOLLOWING TOOLS ARE AVAILABLE TO ACCOMPANY THE TEXT:

PRINT SUPPLEMENTS

INCLUDED WITH EVERY NEW TEXT:

- *Online Legal Research Guide* (updated for the Ninth Edition).

AVAILABLE TO STUDENTS AT AN ADDITIONAL COST:

- *Study Guide*
- *Business Law and the CPA Exam*

AVAILABLE TO STUDENTS AT NO ADDITIONAL COST WHEN BUNDLED WITH THE TEXTBOOK:

- *Handbook on Critical Thinking and Writing in Business Law and the Legal Environment*
- *Handbook of Landmark Cases and Statutes in Business Law and the Legal Environment* (Revised Edition)
- *Guide to Personal Law* (Revised Edition)

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AVAILABLE TO STUDENTS AT AN ADDITIONAL COST:

- *West's Business Law, Interactive CD-ROM Edition*
- *Web Tutor* (on WebCT or Blackboard) Features chat, discussion groups, testing, student progress tracking, and business law course materials.

AVAILABLE TO STUDENTS AT NO ADDITIONAL COST WHEN BUNDLED WITH THE TEXTBOOK:

- *InfoTrac® College Edition*
- *Drama of the Law* videos on CD-ROM

AVAILABLE TO STUDENTS WHO HAVE PURCHASED THE TEXTBOOK:

- PowerPoint slides
- *Product Support Web site at <http://wbl.westbuslaw.com>*

PLEASE CONTACT YOUR WEST LEGAL STUDIES IN BUSINESS REPRESENTATIVE FOR FURTHER DETAILS ON THESE SUPPLEMENTS OR ABOUT BUNDLING ARRANGEMENTS.





Preface to the Instructor

Business law and, more generally, the legal environment of business have universal applicability. A student entering virtually any field of business must have at least a passing understanding of business law 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 business law and legal environment course. In fact, every individual throughout a lifetime can use a knowledge of contracts, real property law, landlord-tenant relationships, and other topics. Consequently, we have fashioned this text as a useful “tool for living” for all students (including those taking the CPA exam).

Key Areas of Emphasis

To make sure that instructors and students alike can rely on the coverage, accuracy, and applicability of *West's Business Law*, Ninth Edition, we emphasize the following elements throughout the text.

E-COMMERCE

In the last several years, cyberspace has become a normal part of the business environment. For that reason, instead of treating cyberlaw in a separate chapter, we have integrated coverage of Internet law throughout the text. Students will learn how existing laws are

being adapted to the online environment with respect to specific topics. They will also be introduced to new legislation that has been necessary to address some of the unique issues posed by e-commerce. In addition, we have included an entirely new chapter, entitled “E-Contracts” (Chapter 18), that focuses on contracting in the electronic environment.

ACCESS TO TECHNOLOGY

Just as the content of *West's Business Law* is up to date, so, too, is the manner in which the content can be accessed. Your students can use *West's Business Law Interactive CD-ROM Edition* (discussed below) to complement the printed text. Additionally, every chapter ends with a feature entitled *Law and the Web*, in which students are directed to useful online resources as well as Internet activities that they can perform to explore specific legal sources on the Web. Also, every *Focus on Legal Reasoning* and *Emerging Trends* feature (described below) presented in this text concludes with a brief section that refers students to relevant Web sites.

To facilitate online research efforts by students, every new copy of *West's Business Law*, Ninth Edition, is packaged with a booklet entitled *Online Legal Research Guide*. Additionally, qualified adopters of this book have free access to ten hours on Westlaw®.

Finally, extensive online legal resources keyed to the text are found at the *West's Business Law* Web site at <http://wbl.westbuslaw.com> (discussed below).

SMALL BUSINESS

Chapter 54 (“Law for Small Business”) allows your students to see how various laws discussed throughout the book apply to small-business enterprises in a real-world context. This chapter has been thoroughly revised to reflect the changing legal environment for small-business owners.

ETHICS AND CORPORATE ACCOUNTABILITY

In addition to an extensive discussion of ethics and business decision making in Chapter 42, every unit ends with a *Focus on Ethics*. The *Focus on Ethics* concluding the first unit explores the concept of corporate social responsibility. In subsequent features, we present a number of examples of the interrelationship between ethics and business law. Throughout these features, we emphasize the importance of ethics in business decision making. Additionally, one chapter in every unit includes *A Question of Ethics* at the end of the *Questions and Case Problems* section.

The Sarbanes-Oxley Act of 2002. In a number of places in this text, we refer to the Sarbanes-Oxley Act of 2002 and the corporate scandals that led to the passage of that legislation. For example, in Chapter 40 we discuss this act in the context of securities law and present an exhibit (Exhibit 40–1) containing some of the key provisions of the act relating to corporate accountability with respect to securities transactions. Chapter 42, which focuses on ethics and business decision making, contains an entire section examining the deceptive accounting practices of Enron Corporation and the requirements of the Sarbanes-Oxley Act relating to confidential reporting systems. Finally, in Chapter 52, we again look at provisions of the Sarbanes-Oxley Act as they relate to public accounting firms and accounting practices.

Enron Web Project. We have created a special Web project, entitled “Inside Look,” focusing on Enron. This project can be accessed on the Web at <http://insidelook.westbuslaw.com>. There you will find in-depth articles and expert analysis concerning the events leading to Enron’s collapse and the continuing investigation of that company. Inside Look provides analysis from all angles by using an interdisciplinary approach emphasizing accounting, business law, and management disciplines.

CRITICAL THINKING AND LEGAL REASONING

Your students’ critical-thinking and legal-reasoning skills will be increased as they work through the numerous pedagogical devices within the book and its *Study Guide*. Questions concluding the *Emerging Trends* and *Focus on Ethics* sections encourage critical thinking about the topics covered in those features.

We have also added to the Ninth Edition an entirely new feature, titled *Contemporary Legal Debates*, that is specifically designed to elicit critical thought and discussion concerning controversial issues in today’s legal arena. Additionally, the *Focus on Legal Reasoning* features at the end of each unit will help your students develop skills in the areas of legal reasoning and analysis, as well as critical thinking. Finally, each unit concludes with a *Cumulative Business Hypothetical*—a set of questions relating to topics covered throughout the unit. **Suggested answers to all critical-thinking questions can be found in the *Answers Manual* that accompanies this text.** (The full title of this manual is *Answers to Questions and Case Problems and Alternate Problem Sets with Answers*.)

INTERNATIONAL AND COMPARATIVE LAW

Chapter 53 (“International and Comparative Law”) helps your students gain a background in the international and comparative aspects of the law, an increasingly important subject. In addition, several cases in the text are preceded by a special section entitled *Historical and International Setting*, and various other cases end with *International Considerations*. We have also included in many of the chapters a concluding section dealing with the international dimensions of the area of law covered in the chapter. Finally, the entire unit on the law of sales and lease contracts integrates the United Nations Convention on Contracts for the International Sale of Goods (CISG).

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 context of many of the cases presented. Specifically, selected cases are preceded by a *Historical and [Social, Economic, Political, Technological, Environmental, or International] Setting*,

which places the case in a particular political, ethical, social, or other setting. Additionally, *Company Profiles* precede many of the cases in this edition. Finally, the materials in Units One and Two (Chapters 1 through 8) and in the chapter on business ethics (Chapter 42) explore virtually every facet of the AACSB's curriculum requirements. The AACSB's emphasis on the global and ethical context of the law is addressed throughout the rest of the text in features already mentioned, including the *International Considerations* that follow selected cases and the *Focus on Ethics* section found at the end of each unit.

West's Business Law on the Web

When you visit our Web site at <http://wbl.westbuslaw.com>, you will find a broad array of teaching/learning resources, including the following:

- A continually updated set of new cases, specifically keyed to each chapter in the text.
- A sample answer for each *Case Problem with Sample Answer* (the answers are located in the “Interactive Study Center” on the text's Web site).
- A thoroughly revised set of Internet exercises, including at least two exercises for every chapter in *West's Business Law*, Ninth Edition (located in the “Interactive Study Center”).
- Interactive quizzes for every chapter in the text.
- URLs that you and your students can use to access information on topics discussed in *Emerging Trends* features throughout the text (located in the “Interactive Study Center”).
- A “Talk to the Authors” feature that allows you and your students to e-mail your questions about *West's Business Law* to the text's authors.
- Links to legal resources available for free on the Web.

The West's Business Law Interactive CD-ROM Edition

Students using the *West's Business Law Interactive CD-ROM Edition* will find more than the entire text. This edition of the CD-ROM retains the video segments, audio segments, and other resources and organizes the information in an appropriate, pedagogically sound manner. Your students will find sections on *Content*, *Chapters*, and *Applications*. In addition, the Ninth Edition CD-Rom contains a series of newly cre-

ated videos. No other business law and legal environment text offers such advanced learning capacity.

An Effective Case Format

To ensure that *West's Business Law*, Ninth Edition, meets the needs of instructors and students alike, we have devoted significant efforts to finding cases that not only provide on-point illustrations of the principles of law discussed in the text but also are of high interest to students. Our selection includes some classic, landmark cases as well as numerous cases from the early 2000s to provide modern examples of business law.

For those instructors who would like to see the entire court opinions for cases presented in the text, we also offer a supplement called *Case Printouts to Accompany West's Business Law*, Ninth Edition. This supplement contains the output from Westlaw (without headnotes) for virtually every case that is included in each chapter. If the instructor wishes, the full court opinions may be copied and handed out to students.

BASIC CASE FORMAT

Each case in *West's Business Law* is presented in the following basic format:

- *Case Title and Full Case Citation*—The case title and full case citation (including all parallel citations) are presented at the beginning of each case. When available, a URL for a Web site that includes the case is given.
- *Background and Facts*—This section contains a summary, in the authors' own words, of the events leading up to the lawsuit.
- *In the Language of the Court*—Following the summary of the background of the case, an excerpt from the actual court opinion is presented—in a contrasting typeface 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, we provide a brief explanation of the term in brackets.* When important phrases and sentences are italicized, bracketed notes clearly indicate that the emphasis was added by the authors, not by the court.
- *Decision and Remedy*—In this section, we summarize, in our own words, the outcome of the case.

ADDITIONAL SECTIONS IN THE CASES

Many cases include one or more of the following sections, some of which have already been described:

- *Company Profiles*—Numerous companies are profiled before appropriate cases. Each profile, which describes the history of the company involved in a particular case, is designed to give your students the real-world context of the case before the court. When available, the URL for the profiled company's Web site is given.
- *Historical and [Social or Other] Settings*—When appropriate, the global, political, ethical, social, environmental, technological, or cultural context of a case is presented just before the *Background and Facts* section.
- *What If the Facts Were Different?*—For one case in each chapter, we have added this special concluding section. The student is asked to decide whether and how a specified change in the facts of the case would alter the outcome of the case.
- *International Considerations*—As explained earlier, these sections let your students know how the particular issue before the court is treated in other countries.
- *Comment*—For selected cases, we have added this special section in which we discuss subsequent developments relating to the case.

Other Special Features of This Text

We have included in *West's Business Law*, Ninth Edition, a number of additional pedagogical devices and special features, including those discussed here.

EMERGING TRENDS

Presented throughout this text are a number of features titled *Emerging Trends*. These features examine new developments in business law and the legal environment and their potential effect on businesspersons. Here are some examples of these features:

- Mandatory Arbitration in the Employment Context (Chapter 2).
- Bankruptcy Reform (Chapter 30).
- Employment Issues in the Virtual Workplace (Chapter 33).

CONTEMPORARY LEGAL DEBATES

For the Ninth Edition of *West's Business Law*, we have added a special feature called *Contemporary Legal*

Debates. Each feature introduces the student to a controversial issue that is currently being debated within the legal community. A *Where Do You Stand?* section concluding each feature asks the student to identify his or her position on the issue. Some examples of these features are as follows:

- Copyright Law versus Free Speech Rights (Chapter 7).
- Promissory Estoppel and Employment Contracts (Chapter 11).
- Environmental Takings (Chapter 45).

CONCEPT SUMMARIES

Whenever key areas of the law need additional emphasis, we provide a *Concept Summary*. These summaries have always been a popular pedagogical tool in this text. There are now more than fifty of these summaries, including the following:

- Schools of Jurisprudential Thought (Chapter 1).
- E-Signatures (Chapter 18).
- Liability of Accountants and Other Professionals (Chapter 52).

EXHIBITS

When appropriate, we have illustrated important aspects of the law in graphic or summary form in exhibits. In all, over ninety exhibits are featured in *West's Business Law*, Ninth Edition, including the following:

- A Click-On Agreement (Exhibit 18–1).
- A series of exhibits showing requirements relating to secured transactions under the Revised Article 9 of the Uniform Commercial Code (Chapter 28).
- Some Key Provisions of the Sarbanes-Oxley Act of 2002 Relating to Corporate Accountability (Exhibit 40–1).

QUESTIONS AND CASE PROBLEMS

Every chapter in this text ends with nine or ten questions and case problems. Normally, the first three to five of these are hypothetical questions. The remainder are actual case problems, many of which are from the early 2000s.

In response to those instructors who would like students to have sample answers available for some of the case problems, we have added to the Ninth Edition of *West's Business Law* a special problem in each chapter entitled *Case Problem with Sample Answer*. This prob-

lem, which is the first case problem presented in each *Questions and Case Problems* section, directs the student to the “Interactive Study Center” on the text’s accompanying Web site (at <http://wbl.westbuslaw.com>) for a sample answer to the problem.

Concluding each *Questions and Case Problems* section is another special problem entitled *In Your Court*. This problem poses a hypothetical situation and then asks a series of questions that requires the student to engage in legal reasoning and analysis. In selected chapters, *A Question of Ethics* is also included at the end of the *Questions and Case Problems* section. **Complete answers for all questions and case problems in the text are given in the *Answers Manual* accompanying this text.**

ALTERNATE PROBLEM SETS WITH ANSWERS

To expand the number of case problems available to instructors, for each chapter of *West’s Business Law*, Ninth Edition, we have created a set of five or more alternate case problems. These alternate case problems, along with their answers, are included at the end of the *Answers Manual* accompanying this text. The alternate case problems and their answers are presented on perforated pages for easy removal and copying.

SPECIAL UNIT-ENDING MATERIALS

Each of the eleven units in this text concludes with the following special features:

- *Cumulative Business Hypothetical*—In addition to the hypotheticals in the *Questions and Case Problems* sections, we include at the end of each unit a *Cumulative Business Hypothetical*. This feature first posits a scenario—such as a small business just getting under way—and then poses a series of questions for the student to answer. The questions provide an excellent means of reviewing legal concepts covered throughout the unit. **Suggested answers for these hypotheticals are also included in the *Answers Manual*.**
- *Focus on Legal Reasoning*—Just after the *Cumulative Business Hypothetical*, we present an extended case study entitled *Focus on Legal Reasoning*. The subtitle of each *Focus* gives the full case title of the case being studied. The feature opens with *Introduction* and *Case Background* sections, which are followed by excerpts from the court’s majority and dissent-

ing opinions (including legal sources cited by the court). A series of questions then asks students to perform tasks involving legal research, legal analysis, critical thinking, and case briefing. The feature concludes with a *Going Online* section, in which students are referred to a series of Web sites for further study of the case or the issue it addresses. Three questions for each *Focus on Legal Reasoning* are included in the *Test Bank*.

- *Focus on Ethics*—The unit-ending materials conclude with a *Focus on Ethics*. This section addresses ethical aspects of the law discussed in the preceding unit. Each section is designed to elicit comments and discussion on ethical issues from the student-readers. For this reason, each *Focus* ends with a set of discussion questions. Three questions for each *Focus on Ethics* are included in the *Test Bank*.

APPENDICES

Because the majority of students keep their business law texts as a reference source, we have included a full set of appendices. In all, *West’s Business Law*, Ninth Edition, includes the appendices listed below. Appendices O, P, Q, and R are all new to the Ninth Edition.

- A How to Brief Cases and Analyze Case Problems.
- B The Constitution of the United States.
- C The Uniform Commercial Code (including excerpts from the proposed amendments to Article 2).
- D The United Nations Convention on Contracts for the International Sale of Goods (Excerpts).
- E The Uniform Partnership Act.
- F The Revised Uniform Partnership Act (Excerpts).
- G The Revised Uniform Limited Partnership Act.
- H The Revised Model Business Corporation Act (Excerpts).
- I The Uniform Limited Liability Company Act (Excerpts).
- J The Securities Act of 1933 (Excerpts).
- K The Securities Exchange Act of 1934 (Excerpts).
- L Title VII of the Civil Rights Act of 1964 (Excerpts).
- M The Americans with Disabilities Act of 1990 (Excerpts).
- N The Administrative Procedure Act of 1946 (Excerpts).
- O The Electronic Signatures in Global and National Commerce Act of 2000 (Excerpts).
- P The Uniform Electronic Transactions Act (Excerpts).
- Q The Uniform Computer Information Transactions Act (Excerpts).

- R The Digital Millennium Copyright Act of 1998 (Excerpts).
- S Spanish Equivalents for Important Legal Terms in English.

The Most Complete Supplements Package Available Today

This edition of *West's Business Law* is accompanied by a vastly expanded number of teaching and learning supplements. We have already mentioned the supplemental resources available on the *West's Business Law* Web site at <http://wbl.westbuslaw.com>, as well as the CD-ROM Edition and the Enron Web project ("Inside Look," at <http://insidelook.westbuslaw.com>). In addition, there are numerous other supplements, including those listed below, that make up the complete teaching/learning package for the Ninth Edition. For further information on the *West's Business Law* teaching/learning package, contact your local West sales representative. An additional source of information is our *West's Business Law* Web site.

PRINTED SUPPLEMENTS

- *Online Legal Research Guide* (packaged with every new copy of the text).
- *Instructor's Course Planning Guide and Media Handbook* (also available on the *Instructor's Resource CD-ROM*, or IRCD).
- *Instructor's Manual* (also available on the IRCD), including new sections entitled "Additional Cases Addressing This Issue" at the end of selected case synopses.
- *Study Guide* by William Eric Hollowell and text author Roger LeRoy Miller, including essay questions and sample CPA exam questions.
- A comprehensive *Test Bank*, co-written by text author Roger LeRoy Miller (also available on the IRCD)—Contains approximately 1,900 multiple-choice questions with answers, over 1,800 true-false questions with answers, two or more short essay questions per chapter, two multiple-choice questions for every *Emerging Trends* and *Contemporary Legal Debates* feature, and three multiple-choice questions for each *Focus on Legal Reasoning* and *Focus on Ethics* section.
- *Answers to Questions and Case Problems and Alternate Problem Sets with Answers* (also available on the IRCD)—This *Answers Manual* includes answers to all questions presented in the text.
- *Case Printouts* (also available on the IRCD).
- *Handbook of Landmark Cases and Statutes in Business Law and the Legal Environment*, 2004 Edition—This supplement is now included on the *West's Business Law Interactive CD-ROM Edition*, with links to statutes and cases cited in the text.
- *Business Law and the CPA Exam*.
- *Handbook on Critical Thinking and Writing in Business Law and the Legal Environment*.
- *Guide to Personal Law*, 2004 Edition.
- *Instructor's Manual for the Drama of the Law* video series (also available on the IRCD).
- *Wall Street Journal* subscription for one semester—available free to adopters and students.

SOFTWARE, VIDEO, AND MULTIMEDIA SUPPLEMENTS

- *Instructor's Resource CD-ROM* (IRCD)—The IRCD is organized by chapter and lists the supplements that can be used in conjunction with each chapter. The IRCD includes the following supplements: *Instructor's Course Planning Guide and Media Handbook*, *Instructor's Manual*, *Answers Manual*, *Test Bank*, *Case-Problem Cases*, *Case Printouts*, *Lecture Outline System*, *PowerPoint slides*, *ExamView*, and the *Instructor's Manual for the Drama of the Law* video series.
- *ExamView Testing Software* (also available on the IRCD).
- *Lecture Outline System* (also available on the IRCD).
- *PowerPoint slides* (also available on the IRCD).
- *WebTutor* (on WebCT or Blackboard).
- *Case-Problem Cases* (available only on the IRCD).
- *Transparency acetates*.
- *Westlaw* (ten free hours on Westlaw available to qualified adopters).
- *Video Library*—including Court TV® and the *Drama of the Law* videos. (For further information on video supplements, go to <http://www.westbuslaw.com>.)

For Users of the Eighth Edition

First of all, we want to thank you for helping make *West's Business Law* the best-selling business law text in America today. Second, we want to make you aware of the numerous additions and changes that we have

made in this edition. The major additions and changes are summarized below.

EXPANDED COVERAGE OF CYBERLAW AND E-COMMERCE

As discussed earlier in this Preface, cyberlaw coverage has been integrated throughout the Ninth Edition of *West's Business Law*. Whenever relevant, we have added sections discussing the most recent developments in the law as it is being applied to Internet transactions and e-commerce. Additionally, we have included an entirely new chapter (Chapter 18) on electronic contracts, or e-contracts. The chapter discusses the ways in which traditional contract law is being adapted to electronic contracting.

SEPARATE CHAPTERS ON CONSUMER AND ENVIRONMENTAL LAW

For the Ninth Edition, we treat consumer and environmental law in two separate chapters, rather than in one chapter as in the previous edition. This has allowed us to expand and streamline the coverage of each of these topics.

SIGNIFICANTLY REVISED CHAPTERS

- Chapter 1 (Introduction to Law and Legal Reasoning)—The chapter now includes a discussion of the importance of ethics in business decision making. The section on the common law tradition has been repositioned so that it follows, rather than precedes, the discussion of the various sources of American law. The chapter also contains a new *Concept Summary* on the jurisprudential schools of thought.
- Chapter 2 (Courts and Alternative Dispute Resolution)—This chapter now has sections on jurisdictional issues in cyberspace, online dispute resolution, and dispute resolution in the international context. Additionally, the exhibit showing the state and federal court systems (Exhibit 2-1) was modified to clarify the relationship between state supreme courts and the United States Supreme Court.
- Chapter 4 (Constitutional Authority to Regulate Business)—We have added more detail on federalism and the U.S. government structure; a more streamlined discussion of the commerce clause, including new materials (and a *Contemporary Legal*

Debates feature) on the dormant commerce clause; and a discussion of online obscenity. The section on privacy rights has been expanded.

- Chapter 5 (Torts and Cyber Torts)—The discussion of cyber torts, which was previously presented in a separate chapter on cyberlaw, now appears in this chapter.
- Chapter 7 (Intellectual Property and Internet Law)—The materials on intellectual property rights and the Internet have been thoroughly revised and updated; they now appear in this chapter as they relate to various forms of intellectual property.
- Chapter 8 (Criminal Law and Cyber Crimes)—Cyber crime is now treated in this chapter.
- Chapter 10 (Agreement)—A final section discussing technology and the rules of acceptance has been added to this chapter.
- Chapter 14 (The Statute of Frauds)—A section discussing the Statute of Frauds in the international context now concludes this chapter.
- Chapter 18 (E-Contracts)—This entirely new chapter includes sections on online offers, online acceptances, e-signatures, partnering agreements, the Uniform Electronic Transactions Act, and the Uniform Computer Information Transactions Act.
- Chapters 19 through 23 (on sales and lease contracts)—Throughout this unit, text or footnotes have been added, whenever relevant, to indicate how the 2002 proposed amendments to Article 2 of the Uniform Commercial Code (UCC) alter existing law.
- Chapters 24 through 27 (on negotiable instruments)—Whenever relevant, footnotes have been added to clarify how the 2002 amendments to Articles 3 and 4 of the UCC affect existing law. Chapter 27 (Checks, the Banking System, and E-Money) now includes sections discussing online banking, e-money, and the Uniform Money Services Business Act.
- Chapter 28 (Secured Transactions)—This chapter was virtually rewritten for the Ninth Edition to base it on the 1999 revision of UCC Article 9. Existing exhibits have been replaced as necessary to reflect concepts and requirements set forth in the revised Article 9.
- Chapter 30 (Bankruptcy Law)—The dollar amounts for the exemptions under bankruptcy law have been updated, and a new *Emerging Trends* feature discusses the bankruptcy reform legislation that is currently pending before Congress.

- Chapter 32 (Liability to Third Parties and Termination)—This chapter now includes a discussion of e-agents and the liability of principals for e-agents' actions.
- Chapter 33 (Labor and Employment Law)—The chapter now opens with a discussion of the employment-at-will doctrine and stresses the importance of agency concepts in the employment context. The section discussing employee privacy rights has been virtually rewritten to bring it up to date with respect to contemporary electronic monitoring practices.
- Chapter 34 (Employment Discrimination)—This chapter has been extensively revised to include the most recent developments in this area, including a number of United States Supreme Court cases decided in the 2000s. Online harassment is now covered in the chapter, and the discussion of affirmative action has been expanded.
- Chapter 35 (Sole Proprietorships and Franchises)—This chapter, which opens the business organizations unit, now focuses on sole proprietorships and franchises, rather than on sole proprietorships and partnerships as in the previous edition.
- Chapter 36 (Partnerships and Special Business Forms)—Special business forms, such as the business trust and the joint venture, now appear in this chapter, rather than at the end of the unit.
- Chapter 37 (CORPORATIONS—Formation and Financing)—This chapter now includes a section on how to locate potential investors online.
- Chapter 40 (CORPORATIONS—Investor Protection and Online Securities Offerings)—The chapter was revised as necessary to reflect the relevant provisions of the Sarbanes-Oxley Act of 2002. Also included is a full-page exhibit describing some of the key provisions of this act that relate to corporate accountability with respect to securities transactions. The chapter now concludes with sections discussing online securities offerings and online securities fraud.
- Chapter 42 (Ethics and Business Decision Making)—Much of this chapter has been virtually rewritten to address ethical concerns in today's business world. The chapter now includes sections on how to set an ethical tone in a business environment, the Enron scandal, and the requirements of the Sarbanes-Oxley Act with respect to corporate compliance. Generally, the revised chapter offers a more practical approach to business and ethical decision making.
- Chapter 44 (Consumer Law)—As already mentioned, consumer law is now treated in a separate chapter. Additionally, this chapter now contains discussions of online marketing and online deceptive practices.
- Chapter 45 (Environmental Law)—Environmental law is now treated in a separate chapter, and the coverage has been updated and streamlined. A *Contemporary Legal Debates* feature addresses the issue of environmental takings.
- Chapter 52 (Liability of Accountants and Other Professionals)—This chapter now includes a discussion (and an exhibit) on the provisions of the Sarbanes-Oxley Act of 2002 that concern public accounting firms and accounting practices.
- Chapter 54 (Law for Small Business)—Formerly entitled "Law for Entrepreneurs," this chapter has been extensively revised to address contemporary concerns faced by small-business owners.

WHAT ELSE IS NEW?

In addition to the changes already noted, we have included a number of new pedagogical features in the Ninth Edition and have expanded the supplements package. The new features and other new elements are listed and described here.

New Features. As mentioned earlier, we have added an entirely new feature for the Ninth Edition entitled *Contemporary Legal Debates*. Additionally, all of the *Emerging Trends* features are either new to this edition or have been substantially rewritten.

New Concept Summaries. For the Ninth Edition, we have created a number of additional *Concept Summaries*. Some of these are new, including those mentioned earlier in this Preface. Others are the result of dividing up some of the lengthier *Concept Summaries* in the previous edition so that they do not extend beyond one page in length or interrupt the progression of the chapter text.

New Exhibits. Several of the more than ninety exhibits in this edition are new, including those listed earlier in the Preface.

New Cases. In all, over 55 percent of the cases in the Ninth Edition are from the early 2000s. A number of classic cases have also been included.

New Case Problems. Of the more than 280 case problems in this text, approximately 100 are new to the Ninth Edition. Virtually all of the new case problems are from the early 2000s. Additionally, we have created fifteen new *In Your Court* questions for the Ninth Edition.

Case Problems with Sample Answers. As already mentioned, for the Ninth Edition we have added to each chapter a *Case Problem with Sample Answer*. Students can find model answers to these questions by going to the “Interactive Study Center” on the text’s Web site.

New Internet Exercises. For the Ninth Edition of *West’s Business Law*, we have created numerous new Internet exercises for the Web site. There are now at least two exercises per chapter.

New Appendices. For the Ninth Edition of *West’s Business Law*, we have included in Appendix C (the Uniform Commercial Code) excerpts from the 2002 proposed amendments to Article 2, as well as the

entire revised version of Article 9. In addition, the following appendices are new to the Ninth Edition:

- *Appendix O*—The Electronic Signatures in Global and National Commerce Act of 2000 (Excerpts).
- *Appendix P*—The Uniform Electronic Transactions Act (Excerpts).
- *Appendix Q*—The Uniform Computer Information Transactions Act (Excerpts).
- *Appendix R*—The Digital Millennium Copyright Act of 1998 (Excerpts).

New Supplements and Other Special Resources.

- A greatly enhanced *West’s Business Law Interactive CD-ROM Edition*.
- A more streamlined Web site at <http://wbl.westbuslaw.com>.
- “Inside Look” (Web project, at <http://insidelook.westbuslaw.com>).
- A free one-semester subscription to the *Wall Street Journal*.
- New videos.

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DEDICATION

To Leslie and Phil,
who introduced me to
some of the finer things
in life. I will always remain
a curious student. Don't
stop teaching me for another
four decades, at least!

R.L.M.

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