PRACTICAL SKILLS EXERCISE

ASSIGNMENT & DELEGATION

Problem 9-1, p. 742

Yellow Teams: persons whose names begin with A - J
Break into teams of 4 with 1 person to play each of the following roles:

1. Francis Fallon, Franchisee
2. Lawyer for Francis Fallon
3. Prospective buyer Carlos Cruz (current store manager)
4. Prospective buyer Teresa Fallon (21 years old, Francis’ daughter)

Blue Teams: persons whose names begin with L - Z
Break into teams of 3 with 1 person to play each of the following roles:

1. Business representative, Gigantic Corporation, which acquired Captain Donut and all of its franchises.
2. Lawyer for Gigantic Corporation
3. Business representative for Captain Donut, who has been hired as expert consultant to help in transition to Gigantic Corporation and ongoing supervision of Captain Donut franchises

Before Tuesday’s class, meet within your team and evaluate the following issues. In class on Tuesday you will be asked to negotiate an agreement in principle under which Fallon transfers his franchise rights to one of the prospective buyers, and provides adequate assurance to Captain Donut and Gigantic Corporation of ongoing, quality performance.

1. Study the law of assignment & delegation as it applies to:
   a. sale of Captain Donut to Gigantic Corporation. Are the franchises assignable? Does the assignment change any important rights or duties of the franchisees?
   b. prospective transfer of Francis Fallon’s franchise to either Carlos Cruz or Teresa Fallon. What are legitimate concerns that Gigantic Corporation might raise in objecting to such a proposed transfer?

2. Can Francis Fallon, Franchisee simply retire from the doughnut business, and terminate the franchise without liability to Captain Donut or Gigantic Corporation?