

Common Topic for Externship in March 2018

Common Topic

Ms. A, a foreign designer, planned to open a boutique of silk products. Mr. B and Ms. C, domestic entrepreneurs, collaborated with Ms. A by investing USD 20,000 respectively for Ms. A's plan. They agreed to establish their group named "Monsoon Textile [MT]" and begin to prepare for opening the boutique. Mr. B borrowed a house from Mr. D for the office and boutique of MT with the rent of USD 1,000 per month, and borrowed USD 20,000 from Bank E for operating fund of MT. These contracts were concluded by Mr. B in the name of a representative of MT. Ms. C bought silk fabric from Company F at the price of USD 5,000, and ordered Ms. G to produce 30 pieces of carpet by using the silk fabric at the price of USD 200 per one piece. These contracts were concluded by Ms. C as an agent of MT. Ms. G delivered 30 pieces of silk carpets to MT. MT sold 20 pieces to customers at the price of USD 1000 per one piece.

MT became default and its remaining asset was only USD 5,000 and 10 pieces of silk carpets. Creditors of MT were Mr. D for the unpaid rent of USD 1,000; Bank E for the lent money of 2,000; Company F for the price of silk fabric of USD 5,000; and Mr. G for the unpaid contract price of USD 3,000. What claims can D, E, F, and G make against MT, A, B, and C for the performance of contractual obligations?

1. What is the nature of group MT?

Partnership or association, or any other possibilities?

Various cases may be available.

2. Are Ms. A, Mr. B, and Ms. C individually responsible for the debt of MT?

3. Do Mr. D, Bank E, Company F, and Ms. G have the same rights to the remaining assets of MT consisting of money USD 5,000 and 10 pieces of carpets?

Monsoon Textile (MT)

