

Course: UMUC - ASCM 630 Fall 2019

Assignments: Annotated Bibliography and Case Study Analysis Paper

Professor LJ Hansen-Brown, JD, MBA

Case Study

On January 20, 2018, Chile Wine Imports, a corporation registered in Florida and located in Miami, ordered a shipment of wine valued at \$10,500. The wine was ordered online from Kingston Family Vineyards in Chile (www.kingstonvineyards.com).

The order was placed through the winery's website using a standard electronic order form. When the terms and conditions of the sale appeared on the computer screen, Jake Chavez, owner of Chile Wine Imports, clicked on the "I agree" button. He did not read the "Terms and Conditions" of the contract since he was busy talking on the phone with his wife. "Honey, I just bought tickets for a tour of the French Riviera!"

The "Terms and Conditions" for Kingston Vineyards' contract stated that "the buyer is fully liable for any loss occurring after delivery of the wine." The language also stated that the Uniform Commercial Code (UCC) would govern the contract.

Payment was scheduled through the buyer's bank, Miami Trust Bank. The terms of the sale stated that payment was due to the seller "on arrival of the wine in PortMiami." The Bill of Lading, emailed to Chavez along with the invoices, stated that notification would be given to Kingston and Chavez when the wine arrived in the port.

Chile Wine Imports completed the paperwork to have funds transferred electronically from their account at Miami Trust Bank to the winery's account at the

Bank of Chile. However, Chavez's administrative assistant put the wrong information on the documents for the transaction. She was busy sending a text message to her mother. "Mom, I will be driving home this weekend." The money was scheduled to be sent upon confirmation of delivery of the wine. However, the seller's account number was not correct. As a result, the money was scheduled to be sent to an account for an avocado farm in Africa.

The wine was shipped "F.O.B place of destination" and arrived at PortMiami (<http://www.miamidade.gov/portmiami/home.asp>) as scheduled on March 10. The shipper, Southern Shipping, delivered the wine to warehouse "B". This was the wrong warehouse; the Bill of Lading stated that the wine should be delivered to warehouse "E". Notice of the delivery was sent via email to Kingston and to Chavez. Kingston read the email, but took no further action, assuming the wine would be picked up by the buyer. Chavez received the email, but did not read it since he was on a cruise in the French Riviera. He waited a week before taking further action.

When Chavez returned from vacation, he contacted the bank and requested that the payment be sent as scheduled. Miami Trust Bank sent the payment as scheduled by Chavez's assistant; it was sent to the avocado farm in Africa. Kingston never received payment for the wine.

Chavez's truck driver went to PortMiami to pick up the wine. However, when he went to warehouse "E", the wine was not there, since it had been delivered to the wrong warehouse. No one could find the misplaced wine, so the wine sat in PortMiami for

several weeks. During that time, there was a fire and the warehouse burned down, destroying most of the contents. A few crates of wine survived the fire.

U.S. Customs took charge of the remains of the wine and hired a government contractor, Sunshine Movers, to move the crates to storage. When the employees were moving the crates, one crate, which had a defect in the design when it was manufactured by Wine Crates, Inc., split open. Mark, an employee of Sunshine Movers, received severe lacerations, requiring surgery and a Tetanus shot.

U.S. Customs notified Kingston about the wine which was worthless. Kingston filed suit against Chavez and Southern Shipping, seeking payment and damages for the lost goods. Chavez had contracts with several retailers for sale of the wine. Chavez sued Kingston and Southern Shipping for damages due to the loss of the sales to the retailers, including lost profits. The injured Sunshine Movers employee, Mark, is planning to file a lawsuit seeking damages for his injuries.

Instructions

You will complete 2 written assignments on this case study. The papers will be graded using the rubrics posted under “Syllabus”.

Annotated Bibliography – Assignment 1

The annotated bibliography should follow APA format and include 4 scholarly sources from UMUC's Library which are relevant to the paper on the case study (*websites and textbooks will not meet the requirements*). The bibliography should contain a 1- 2 paragraph summary, double spaced, of each source and discuss how the research is relevant to the case study. All summaries must be written in the student's own words.

Case Study Analysis Paper- Assignment 2

Write a comprehensive analysis and discussion of the issues in the case study.

Complete a minimum 7- page, maximum 8-page (title page, reference pages and appendices do not count toward the page requirements) research paper. APA format is required, including double spacing. (*Note: An abstract is not required and should not be included.*)

Conduct research on the relevant legal and Acquisition and Supply Chain Management (ASCM) issues, and analyze the issues in the case. The paper must include analysis of applicable laws discussed in the course, ***including relevant Uniform Commercial Code (UCC) Article 2 sections.***

Analysis of scholarly research is a key requirement. **The paper must list and discuss a minimum of 5 relevant scholarly references from UMUC's online library databases (websites and textbooks will not count toward this requirement). At least two (2) references must be scholarly journal articles on the topic from the UMUC Library.**

The analysis must address the following:

1. **Contract formation:** Was a valid contract formed between the buyer and the seller? Outline the elements of a contract (offer, acceptance, etc.) and apply the facts of the case, including a detailed analysis of each element.
2. **Risk of loss:** Which party should bear the risk of loss of the wine?
3. **Tort Liability:** Which party is responsible for the injured employee's medical bills? If he files a lawsuit, which legal theory should he rely upon?