Post #1: Lori Corbett

The Restatement of Agency defines agency as "the fiduciary relation which results from the manifestation of consent by one person to another that the other shall act on his behalf and subject to his control, and consent by the other and so to act" (para. 11).  Eric Rasmusen (2001) reasoned that "agency is central to business dealings. No owner of a business can do everything himself" (para. 2).  In this case, the origin of the business transaction began with Ms. A, who was the producer of the quilt.  She needed to establish a relationship with an agent in order to sell her product.  According to Liuzzo & Hughes (2019), "the person who represents another is an agent". (p. 298).  Mr. B became the agent while Ms. A acted as the principal- "the person the agent represents or for whom the agent performs duties" (p. 298).  It was out of this collaboration that a contract of agency was created- "an agreement between a principal and an agent by which the agent is vested with authority to represent the principal" (p.298).

 It seems that Mr. B brought Ms. C on board as his own special agent- "a person delegated to act only in a particular transaction, under definite instructions, and with specific limits on the scope of his or her authority" (Liuzzo & Hughes, 2019, p. 299).  At this point, this could even be viewed as a separately created agency, with Mr. B acting as principal (the one in possession of the quilt and handling) and Ms. C as the agent, who is authorized by Mr. B to have the right of sale and to handle any dealings with the Buyer, the third party.  We do not have any indication that Ms. A and Ms. C are connected directly. They only have Mr. B in common.

The sales transaction was unsuccessful due to Ms. C's misrepresentation of the quality of the merchandise (the quilt) on her online webpage.  In this entire scenario, the Buyer does not know who Ms. A is.  This appears to indicate that "when the agent does not inform the third party that he or she is acting on behalf of another person, the unidentified principal is known as an undisclosed principal.  Because the third party does not know the identity of the principal, the agent can be held personally responsible to the third party" (Liuzzo & Hughes, 2019, p. 305).  Based on this situation, the Buyer should contact Mr. B, the one who shipped the quilt and demand a refund for the misrepresentation of the quality of the quilt.  As Ms. C's principal, Mr. B is responsible for her incompetence with the webpage description of the quality of the quilt and has the right to terminate the agency between them.  He should refund the Buyer's money according to the Buyer's wishes.  This is a good reminder to Christians to make every effort to do right by others in all we do, as part of our life's calling.  "Therefore brothers, be diligent, rather, to make your calling and election sure. For practicing these things, never at any time shall you stumble" (2 Pet. 1:10, Berean Literal Bible).

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Post #2:

In this given scenario, we are trying to decide what the buyer is to do regarding the principle of agency law and her unhappy purchase.  First, we need to know what an agency actually is. “An agency is formed when a principal asks an individual to make a delivery or names someone as an agent through a contract leading to the responsibility of the principal for actions made by the agent while the agent’s actions are akin to those of the principal” (HG Legal Resources, 2014). A person who has title to a property has the right to possess it unless they have relinquished the rights to the property (Liuzzo, 2013, p.254). This can be accomplished by consignment, leasing, or collateral on a loan, which is the case in our books with Mrs. A.

            I understood this as follows; Mr. B has the right to possess the handmade quilt, but Ms. A retains ownership (Liuzzo, 2013, p. 270).  Ms. A, which made the quilt, gave Mr. B express authority, written or in writing, to sell her hand made quilt (307).   If Ms. C, the creator of the eBay website advertisement informs the displeased buyer of the handmade quilt that she is acting on behalf of another, and informs the buyer that Ms. A. is the principal, then Ms. A should be considered personally responsible (311).

            According to US Legal, “a principal may be liable to a third person on account of a transaction with an agent because of the principles of estoppel, restitution, or negotiability, although he/she may not be subject to liability based on principles of agency” (US Legal, 2014).  However, if Mrs. C. does not know the identity of the principal, then the agent, Mr. B. is responsible (311). The courts are interested in protecting the property and interest of the principal, as well as protecting the property and interest of third parties who may have a good reason to rely on the apparent authority of the agent (307).

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