

P.I.N. \_\_\_\_\_

Raw Score \_\_\_\_\_

Grade \_\_\_\_\_

## AGENCY & PARTNERSHIP

Grading Key, Fall 2010

### QUESTION I

**119 points**

**You have a client who wants to form a one-person business. Please detail for your client the formation and operation of the appropriate entity. Discuss only one business type and none other.**

A limited liability company works like a general partnership 7 points \_\_\_\_\_

In which everyone has limited liability 7 points \_\_\_\_\_

Both in contract and in tort 7 points \_\_\_\_\_

except for one's own tort (tortfeasor always liable) 7 points \_\_\_\_\_

Shall have perpetual existence unless otherwise specified in articles 7 points \_\_\_\_\_

May have centralized management 7 points \_\_\_\_\_

May have free transferability 7 points \_\_\_\_\_

Shall have limited liability as to all members 7 points \_\_\_\_\_

May elect sole proprietorship tax status (check-the-box) 7 points \_\_\_\_\_

- A limited liability company enjoys flow-through taxation 7 points \_\_\_\_\_
- It is the best of all possible worlds for a small business 7 points \_\_\_\_\_
- One must file articles of organization with secretary of state 7 points \_\_\_\_\_
  - and should file same also with parish clerk of court 7 points \_\_\_\_\_
- One must file an initial report 7 points \_\_\_\_\_
  - stating the company's registered address 7 points \_\_\_\_\_
  - and the name of, and acceptance by, agent for service 7 points \_\_\_\_\_
- Other excellent discussion 7 points \_\_\_\_\_

**QUESTION II**

**80 points**

- II-1.** ..... True 8 points \_\_\_\_\_
- II-2.** ..... False 8 points \_\_\_\_\_
- II-3.** ..... False 8 points \_\_\_\_\_
- II-4.** ..... False 8 points \_\_\_\_\_
- II-5.** ..... False 8 points \_\_\_\_\_
- II-6.** ..... False 8 points \_\_\_\_\_
- II-7.** ..... False 8 points \_\_\_\_\_
- II-8.** ..... False 8 points \_\_\_\_\_
- II-9.** ..... False 8 points \_\_\_\_\_
- II-10.** ..... True 8 points \_\_\_\_\_