## BOWEN UNIVERSITY

(Of the Nigerian Baptist Convention)

## IWO, OSUN STATE

## COLLEGE OF LAW

## BACHELOR OF LAWS (LL.B.) EXAMINATIONS

FIRST SEMESTER, 2022/2023 ACADEMIC SESSION PCL 503 – LAW OF BUSINESS ASSOCIATIONS I

INSTRUCTIONS: ANSWER ANY FOUR QUESTIONS EACH QUESTION CARRIES 17<sup>12</sup> MARKS TIM

In 2022, Adinkua PLC offered its shares to members of the public for subscription. It issued a prospectus that the various departments of the company prepared, on which its legal department purportedly did due diligence. It also has an expert report attached to it.

After the completion meeting that the Board of Directors of the company held on the public offer, the company opened the offer and received applications for subscription from members of the public. The public offer was so successful that the shares were fully subscribed.

A group of subscribers to the shares of Adinkua PLC has discovered that although the company stated in the prospectus of the offer that it had made profits during its past three financial years, the company had traded at a loss. This group has approached you to institute an action against Adinkua PLC over the matter.

Of interest to the group are the likely liability, the persons in the liability net, and the grounds upon which the persons could avoid liability.

With the aid of statutory provisions and decided cases, advise the group of subscribers on all legal issues on the public offer.

2. The Junior Chamber of Commerce International (JCI) intends to hold a business fair which includes teaching young entrepreneurs the process of preparing proposals to the Bank of Industry (BOI) on issues that include choice of business organization. Consequently, JCI has invited you to present a brief on partnership and its types, together with the attributes of each. Your brief should end with your preference and the reasons for it.

Prepare your brief with the aid of the relevant provisions of the Companies and Allied Matters Act, 2020 and decided cases.

 Havilah has come to your law office to seek your advice on his complaints about his dealings with Samson Ltd. According to him, Samson Okoro, the majority shareholder of Samson Limited, agreed to self a parcel of land to him in the year 2020 at the purchase price of N20 million, for which Havilah pand a depoint of N10 million. Suddenly, the land increased geometrically in value and lamison formed Samson Ltd as well as transferred the land to the company. When Havilah transferred the balance of the purchase price to Samson, he rejected it, contending that the land belongs to Samson Ltd.

With the aid of statutory provisions and decided cases, advise Havilials of the legal consequence of Samson's conduct and the remedy, if any, that Havilah could seek in court. In addition, explain other situations, if any, that could have the same legal consequence.

 In 2020, ten members Confidence Law Class of 2002 called "The Group" formed and incorporated a company named The Group Ltd. At planning stage in 2019. Osaro Igunbe and Stalin Agaba, as members of The Group, had file responsibility of not only forming the company but also making initial procurements on its behalf. The company intended to purchase 16 acres of land near Kano Industrial Estate and some agricultural equipment for its proposed agro-allied business. Coincidentally, Stalin Agaba, who had worked for Kassia Agro-Allied Equipment PLC as a Marketing Manager, used his influence is purchase from the company the equipment that The Group Ltd would need at a 5% discount, which amounted to N10,000,000 (sen million Naira). In addition, Agro-Allied Equipment paid him a commission of N2,500,506 (ties million Naira) for placing the business with them. Stalin Agaba paid the commission into his bank account and the discount into the bank account of The Group List. Osaro Igunbe sold 10 acres out of his land holding to The Group Ltd at the market price since the land was near the Kano Industrial Estate, which suited the company's needs.

At the first Annual General Meeting of The Group Ltd, a member moved a motion for the ratification of the purchases made by Stalin Agaba and Guaro Igonbe, but Daniel Umaru, another member of the company, has quarted the transactions. Osaro responded that The Group Ltd mill owen 20% of the purchase price of the land, which he procured for the company at the prevailing market price.

With the aid of statutory provisions and judicial authorities, advise the board of The Group Ltd.

One of the businesses of Waterflow Group of Companies PLE is its memorandum of association is manufacturing of rubber water pipes and storage tanks. Another clause provides that "the company shall also do the business of buying and seiling." The final sub-clause of the business clause provides that "the company can do all such businesses as may be incidental and conducive to the attainment of the above businesses and powers or any of them." Waterflow Group of Companies PLC secured a multi-million hairs contract for water pipes layout of all Government Reservations Areas of the capital of a state in the northern part of Nigeria. For that purpose it bired sub-contractors who executed various works at the cost of N 100 million. Waterflow.

direct a Companies P.C has defaulted in paying its contractors because it had belowed earlying from the pain decorate contract of mention dustries that the box no of The sub-contractors have made several demants for payment of the W.W. militar that Manerifers depair of Companies P.C press them. dispersed the beauty of the sub-contractors I and only when it is convenient in the straint several to sub-contractors I and only when it is convenient in the st since the sub-contractors ought to know that the business of Waterflow Group is made allocations of the sub-contractors and the sub-contractors of the sub-contractors of the sub-contractors of the sub-contractors ought to know that the business of Waterflow Group is made allocated to the sub-contractors of the sub-contractors of the sub-contractors ought to know that the business of Waterflow Group is made allocated to the sub-contractors of the sub-contrac

hibite the sub-contractors on the validity of the position of Waterflow Group of Companies M., with the six of statement provisions and indical number ties.

b. Adobyer Selfpikin is the Company Secretary and Legal Adoser of Levilius FLC is company that manufactures articulated motion orchicles. The articles of association of the company provides that whenever the company makes a growth after this of not less than VOM MOUNT (one hundred million Vanta) over party to the articles shall be entitled not only to discussoris but a burner outside a SA or notice gross remainstation, whichever is applicable.

A the Annua General Meeting of Leviticus FLI the company declared at aftertus proofs of WAS Division (one hundred and five milion Martin and transceptionalist discussors. Anothers Softman has written in the hunt of directors for payment of Fe to his annual gross remainement as humas survival Gauges have the Invector of Radit of Leviticus FLI has payment anothers Softman a companion that the emitterment was not stated in Anothers's construct of employment.

In addition to the origining the board of devictors proposes to amend the company's articles of association and respected that you address the company on the procedure and consequence.

With the net of statuture provisions and indicial authorities, advise the bourn of leviticus PLI on the issues in the incu above.