

**Exercise #3 Assignment**  
Contracts Fall 2005  
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Assume that Acme's lawyer has sent Cheetah's lawyer the following proposed language for a morals clause:

“Cheetah shall not:

- engage in conduct that Acme (in its sole discretion) deems morally unacceptable;
- use any substances prohibited by law or the Professional Ping-Pong Players Association;
- engage in bad sportsmanship or a violation of the league rules of the Professional Ping-Pong Players Association;
- engage in any activity (personal or professional) that causes a public scandal or negative press or that tarnishes Cheetah's image; or
- criticize or disparage any products manufactured by Acme.”

I would like you to do the following:

Step 1: Cheetah's lawyer should review the clause and identify desired changes.

Step 1A: Acme's lawyer should familiarize him/herself with the clause but cannot propose any unilateral changes to the clause. I recognize that it may be a little frustrating to negotiate a clause that you didn't draft yourself, but this is fairly common in the real world.

Step 2: The lawyers should negotiate Cheetah's lawyer's desired changes in real time. This can be done face-to-face or by phone, but you may not “negotiate” by email or by swapping drafts. Please see the syllabus for further admonishments and threats. Total negotiation time may not exceed one hour.

Because Cheetah's lawyer will be commenting on the language sent by Acme's lawyer, I expect Cheetah's lawyer will lead the discussion.

Step 3: Each lawyer should memorialize the negotiation by creating a redline of the agreed-upon revisions. You can create a redline by doing the following in Microsoft Word for Windows:

- cut and paste the clause into a new document
- turn on “highlight changes” (under “tools” => “track changes”)
- make the agreed-upon edits. As you type, newly-added language should appear in red (or some other color) and underlined, while deletions of existing language should appear in red and have a strikethrough.

You do not need to confirm that your counterpart's redline looks identical to yours.

Step 4: Write up your experiences with the negotiation (and Exercises #1 and #2 if you want) as described in the syllabus. I'm OK if you want to exceed 1,000 words, but please don't feel like I expect you to do so. Use as many words as you need to use.

A reminder of the client assignments:

<b>Cheetah's Lawyer</b>	<b>Acme's Lawyer</b>
Alsteen	Miles
Brundage	Morgan
Bryar	Orihuela
Carroll	Peckham
Cochrane	Peterson
Comerford	Pinon
Fortune	Piper
Hayward	Pollnow
Helminiak	Preu
Jackson	Price
Jaspers	Schulman
Kellner	Shapiro
Key	Sheldon
Kilpatrick	Shyrock
Ko	Sturicz
Lagerwall	Templin
Macy	Teske
Marx	Torkelson
Mertz	Wishau