# Question 1 (30 marks)

Pat Maguire is a 17 year old up-and-coming TV entertainer and small-time events manager. He is usually involved with Chanel 31 TV local shows, such as Who Wants to be a Radio Star and the St Kilda Bowling Club Show which chronicles the fortunes of the amateur athletes at the club and the politics amongst club coaches and administrators.

Maguire is approached by Bradley Newman AC, a friend of Maguire’s father, but also a big-time TV celebrity and former AFL mega-star. He asks Maguire to work with him on starting the International Footy League (IFL) at the MCG, involving top Australian rules football teams from Australia, Ireland, South Africa, England, Mexico and Kazakhstan.

Newman explains that he has already secured the backing of key partners, such as the Essendon FC, Dublin Lions FC, Manchester Utd Footy Club, and the Borat Footy Club from Astana. They went to the stadium and Newman asks Maguire if he would be able to handle a project running a venue like the MCG. Maguire says:

‘*Of course, I can do that. I am the best events manager in Victoria, everyone will be taken care of, drinks, food and all*.’

Newman says in reply:

‘*Love your attitude Patty, stay with me I will make sure that you learn all about this business and it’ll set you up for the future*.’

They later go to the nearby law firm which Maguire generally uses to prepare contracts with his clients. The principal lawyer, Quick Buck QC, is busy and just prints out a short, 4 page standard-form event management contract, which he always uses for Maguire based on his previous instructions.

Clause 4 of the contract states: ‘*The events manager will be responsible for the management of and catering for …….*’ He just adds the words ‘*IFL league event at the MCG*.’

The contract also has a clause printed in size 6 font on the bottom of the second last page which reads as follows: ‘*Clause 21 - Liability. The events manager is not liable for any loss caused to any party during the performance of the contract*.’

They also agreed that Newman will pay Maguire a deposit of $500,000 upfront and another $500,000 following the conclusion of the first season, which would initially consist of only 2 rounds of matches, as a test run.

Newman didn’t read the contract, other than the last page which had the payment terms, so he signed it. There was an asterisk placed next to his signature on the dotted line, followed by a statement on the bottom of the page, as follows:

‘\**This contract contains the agreement between the parties. By signing this agreement, the parties agree to all the terms in this agreement*.’

Newman pays Maguire $500,000 via cheque on the spot and Maguire purchases some event safety equipment, TV camera cranes and plenty of catering supplies for the first match, consisting of soft drinks, mixed nuts and pre-packaged chips varieties. The contract didn’t specify anything about security staff, alcohol and pies, but clause 19 provided that ‘the events manager will utilise his best endeavours to fulfil his duties under the contract.’

There was some money left over and Maguire also purchases a 6 series BMW for himself and has ‘MCG Events’ printed over it. He normally rides a pushbike to his office, or uses his girlfriend’s car with L-Plates when she is available to supervise him. He reckons that he will be taken more seriously if he had a ‘beamer’ parked outside to impress clients.

In the first round matches (Dublin Lions v Borat FC) there was a sell-out crowd and the drinks and chips ran out shortly after the half-time. Newman was heckled by some fans in the VIP area of the stadium who recognised him from TV and were saying: ‘*mate, where are the beer and pies? This is not one of your TV soapies*.’

Newman was concerned about this and spoke to Maguire, who told him beer was not specified in the contract and, in any event, he was concerned about the safety aspect if many people got drunk. Newman then told Maguire, ‘*Patty, this is a big ticket footy event, everyone in this State knows that footy events are enjoyed over beer and pies, that just goes without saying. There’s never been a footy match without beer in living memory, this is not your Bronte Beach*’ (Maguire was born and raised in the Sydney suburb of Bronte where Australian rules football is not as popular as other football codes).

Maguire apologised and said this will be sorted out before the next round and apologised for running out of soft drinks and chips. Maguire says: ‘Newy, I assure you we have catered for the full venue, but the suppliers must have delivered less. I will throw in freebies in the next round. This won’t happen again, I promise.’

From the remaining funds, Maguire wants to order a large supply of beer for the next round and tells Newman: ‘*I’ll order the beer, but hopefully there won't be an issue as I don’t have a liquor licence*’. Newman tells him not to worry about that minor detail, and that the main thing is that people are happy.

In the next round, the visiting fans from Manchester Utd Footy Club started throwing flares on Essendon FC supporters and knocked down one TV crane, as their team was getting ‘thrashed’ by the Bombers (the score was 110 – 44 points at ¾ time).

Maguire only had 50 security guards stationed at the venue, so they could not contain the visiting fans, which included some notorious hooligans from the English Premier League that were not stopped at the gates by the security.

Newman could forgive Maguire the incident with the drinks, but his profits depended on advertising revenue from TV coverage of the event, and the loss of a TV crane was the ‘straw that broke the camel’s back.’ He said to Maguire: “*I’m done with this, this is a joke. You’re fired, your contract is over*”.

The game was disrupted for 30 minutes but was resumed with just one TV camera being in operation for the remaining 10 minutes of the final quarter.