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Then solve the CASE below
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WIN CZK 20,000 and 1 month internship in the Prague office of a
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Lady & Tramp

The business company KISS s.r.o. with fully paid-up registered capital of CZK 50 million was registered in the commercial register on 18 February 2014. The business company HISS a.s. with fully paid-up registered capital of CZK 50 million was registered in the commercial register on 18 March 2014. Both KISS s.r.o. and HISS a.s. participated in a merger with HISS a.s. as the merged entity and KISS a.s. as the surviving entity which, however, changed its name to HISS a.s. as a result of the merger. The decisive day of the merger was 18 April 2014 and the merger was registered in the commercial register on 18 June 2014.

Following the merger, HISS a.s. has fully paid-up registered capital of CZK 100 million and focuses its business activities on sale of live geese. Mr. Goddard Tramp acts as the sole member of the board of directors while Mrs. Philippa Lady holds the office of a sole member of the supervisory board. The company's shares are owned by Mrs. Philippa Lady (10%), Mr. Goddard Tramp (10%) and by the business company PLEBS s.r.o. (80%).

As time went by, Mrs. Phillipa Lady decided to buy one of the immovables owned by HISS a.s. for the purchase price of CZK 15 million in order to build a golf course for children claiming that the local youth have a right to premium sporting facilities. Mr. Goddard Tramp, being reluctant to agree to the deal, suggested that he first asks PLEBS s.r.o. as majority shareholder for its opinion. Mrs. Phillipa Lady, however, fiercely rejected the idea, insisting that she would not discuss her deal with PLEBS s.r.o. When Mr. Tramp finally understood how attached Mrs. Lady is to the transaction and realized that she would go to any length to make it happen, he adjusted his toupee and resolved to sign the purchase agreement on behalf of HISS a.s. The agreement was signed on 18 April 2016, the motion for registration in the cadaster register was filed on 19 April 2016 and the purchase price was credited to the company's bank account on 20 April 2016. Finally, Mrs. Lady was successfully registered as the new owner of the immovable in the cadaster register.

As soon as Mr. Tramp spotted that the purchase price of CZK 15 million was credited to the company's bank account, he quickly concluded that it may be the right time to borrow some money for his own business endeavors without too much public scrutiny. After all, he reasoned, HISS a.s. does not really need the resources given its tremendous financial reserves. To be on the safe side, he communicated his plan to Mrs. Phillipa Lady who politely thanked him for the information, took note of it and raised no objections. On 25 April 2016, Mr. Tramp as debtor and HISS a.s. as creditor entered into a loan agreement which Mr. Tramp signed on behalf of HISS a.s. as sole member of its board of directors. In the agreement, HISS a.s. committed to provide Mr. Tramp with a loan in the amount of CZK 15 million payable within 1 year with interest rate of 0,01 % per annum.

Does the agreement on transfer of immovable dated 18 April 2016 constitute a valid legal act? If not, who is entitled to invoke its invalidity and against whom? Please substantiate your answer.

Does the loan agreement dated 25 April 2016 constitute a valid legal act? If not, who is entitled to invoke its invalidity and against whom? Please substantiate your answer.

Your answer shall not exceed 10,000 characters (including spaces) and it shall be submitted in the English language to dana.leva@squirepb.com by **19 February 2017** at the latest. Please specify your full name, contact details, name of your law school and year of studies in the cover e-mail.

Winners will be informed by 28 February 2017.

Prize for the winner: CZK 20,000 and a 1 month internship at Squire Patton Boggs
Prize for the 1st runner up: CZK 10,000
Prize for the 2nd runner up: CZK 5,000

Squire Patton Boggs reserves the right to reject any answers submitted in violation of the above terms and conditions and further reserves the right to evaluate contents of the answers solely on its judgement and eventually not to award some or all prizes.