

**QUESTION 10 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK IV
OR IN EXAMPLIFY ANSWER SCREEN 10**

Dessie solely owns Dessie's Design Company (DDC) that specializes in home improvement design and renovation. After a consultation with Dessie, Lydia hired DDC to redesign and renovate the second-floor master bedroom in her 100-year-old home. Lydia and Dessie signed a written contract for DDC to remove and replace the entire bathroom wall and floor tile, hardware, fixtures and lighting for \$15,000.

DDC subcontracted with Betty Builder to perform the actual renovation work in Lydia's bathroom. Dessie expressly prohibited Betty from making any contract changes without first obtaining Dessie's approval. Betty performs work for other design and renovation companies. However, for purposes of project brand continuity, Dessie required Betty and her crew, like other DDC subcontractors, to wear DDC identifying shirts and to be transported to the worksite in a DDC van displaying the company logo when working on DDC projects, including the project for Lydia. Betty and Lydia saw each other almost daily while Betty and her crew renovated Lydia's bathroom over the course of a five-week period. Betty supervised the work on-site which Dessie rarely visited.

At the worksite near completion of the project, Lydia and Betty signed a written form on DDC letterhead, agreeing for DDC to remove the original antique stained-glass window in the bathroom for purposes of performing repairs and reinstallation in exchange for \$1,500. Betty destroyed the window when it accidentally fell from the second floor to the ground as it was being removed later that day. Dessie was not aware of the "window" contract addition until after the damage.

Applying Michigan law, fully explain whether Dessie's Design Company is liable to Lydia for damage to the window caused by Betty.