

**QUESTION 1 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK I  
OR IN EXAMPLIFY ANSWER SCREEN 1**

Pax Healthcare Solutions is a national company providing home health care services. Pax also licenses its branded system through franchise agreements. In May 2010, Delta Home Assistance signed a franchise agreement with Pax that granted Delta the exclusive right to operate a Pax Healthcare Solutions business within a 20-mile radius in Michigan for 10 years. The franchise agreement included a covenant not to compete that prohibited Delta from competing with Pax within the designated service area for a period of one year after termination of the agreement.

As the franchise agreement was about to expire, Delta sent Pax a letter stating that it was not going to renew its Pax franchise and that Delta intended post-termination to continue operating and servicing Pax patients under a new name, Cobalt Caregiving.

In June 2020, after confirming that Delta was indeed operating in violation of the covenant not to compete, Pax sued Delta in a Michigan state court for breach of contract and seeking damages and injunctive relief.

Pax also filed a motion for preliminary injunction requesting that the court order Delta to immediately refrain from soliciting new patients within 20 miles of its former franchise or contacting any Pax patients that Delta served while operating as a Pax franchisee.

Pax claims that without preliminary injunctive relief, it will suffer a loss of reputation and goodwill with existing and prospective customers, and that it would be unfair to allow Delta to compete using confidential information it acquired as a Pax franchisee.

In opposing Pax's motion, Delta argues that the non-compete provision is unenforceable and that any injury to Pax is compensable by money damages. Delta also maintains that its existing patients would be harmed if it could no longer provide care for them. Pax responds that it already has another franchisee lined up to take over Delta's service area and that it has procedures in place that are specifically designed to assist with transitioning patients.

**Explain the requirements for obtaining preliminary injunctive relief under Michigan law and how the court should rule on Pax's motion in light of those requirements.**

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