Your law firm is in the process of purchasing new company computers, printers, and servers. In doing this, your firm is planning to take a loan out from the bank to complete the transaction. The IT manager, Mr.wilkson, who is in charge of the transaction, does not understand what type of contract the company is entering into, or what most of the legal terminology means. With that in mind, your supervisor has requested that you prepare a memo that will assist Mr. wilkson in his understanding of the contract. Specifically, he wants you to explain secured and unsecured debt and what occurs if the firm defaults on the agreements to purchase the technology equipment.

I must submit a memo which you explain to Mr. wilkson secured and unsecured debt and what occurs if the firm defaults on the agreement.

* Address the situation.
* Discuss the types of loans banks hand out to large companies.
* Define secured debt.
* Define unsecured debt.
* Explain what type of contract your firm has agreed on.
* Explain the legal terminology associated with secured and unsecured debt.
* Define loan default.
* Discuss the affects of defaulting on the contract agreement.