

## Digital Property Spring 2026 Midterm Exam

This assignment consists of **one question** and **six pages**, including this cover page. Your answer has a limit of **2,000 words**, which will be strictly enforced. It is due by **11:59 PM on Monday, March 23**.

Submit your answer by uploading a PDF to the Midterm assignment on Canvas. Because the exam is blind-graded, keep your **name and other identifying information** out of the PDF you submit.

This is an **open-book** examination. You should not need to consult anything beyond the casebook, the class videos, and your notes, but you can if you wish. You are free to discuss the general legal principles we have covered with anyone, including each other. You are free to post general questions about the material covered in the course or clarifying questions about the *facts* (not the law) in the problems on the exam in the designated discussion area on Canvas. I will answer all questions posted there before 11:59 PM on Monday, March 16.

Aside from that, **you may not discuss the question** with anyone else until after I have returned your grades. Your work on this examination is subject to the Cornell Code of Academic Integrity, the Law School Code of Academic Integrity, and the Campus Code of Conduct.

Please make your answer as **specific** to the facts of the question as you can. Generic statements or suggestions, such as "Many kinds of things can be property," will receive few or no points. Your answer should assume that I am already familiar with the facts of the problem and relevant law, and dive directly into your analysis. Use **simple citations** (e.g. "*see Miller v. Race*") where appropriate. I include **spelling, grammar, clarity, and organization** in my grading, but unless they interfere with my ability to understand the substance of your analysis, you are better off focusing your time on the substance of your answer. I appreciate the use of headings to organize your answer, but they're not required. If you find the question **ambiguous** or need to **assume additional facts**, state your assumptions and explain how they affect your answer. No reasonable resolution of an ambiguity will be penalized.

Assume for purposes of the examination that present-day law has been fully in effect at all relevant times. Unless otherwise noted, all names are fictitious. Please disregard any resemblance to actual persons, places, or institutions, unless they are specifically incorporated into a question.

You can focus on the property-law issues. If you need to make assumptions about other areas of law, it is fine to write “I assume that ...” rather than giving a detailed explanation. **You can limit your answer to the material from the first three units: Tangibles, Financial Property, and Regulatory Property.**

### **Policy on the use of Generative AI Systems**

You are **allowed** to use **generative-AI** tools in researching and writing your answer, subject to four conditions:

1. The tools must be **entirely automated**. You may not circumvent the rule against discussing the question with anyone by using a hybrid human/computer system, asking someone to help you with your prompts, or doing anything else that puts a human in the loop.
2. The tools you use must be **freely and publicly available**. You may not use any tool for which you paid a usage or subscription fee (or someone else paid it on your behalf), or use any tool that has not been released to the general public.
3. You must **disclose** which tools you used and give a brief description of how you used them in an appendix to your answer. For example, “I input the question to Claude to generate ideas. I used ChatGPT to help clean up the answer.” If you did not use any generative-AI tools, you can write “I did not use generative-AI tools in writing this answer,” or words to that effect. (This appendix does not count against the word limit.)
4. Any use of generative-AI tools is entirely **AT YOUR OWN RISK**. You are fully responsible for anything you submit; I will not accept “the computer did it” as an excuse for mistakes of fact or law. Large language models are well known to confidently make blatantly false assertions, cite non-existent cases, and inaccurately summarize legal doctrines. **YOU HAVE BEEN WARNED.**

## The Reverse Big Store

Your client is the Tangiers Casino, which is located in the city Las Vegas in Clark County in the state of Nevada. A team of professional thieves led by George Ocean recently attempted a large-scale robbery against the Tangiers. The plan went wrong in some complicated ways. Now the casino's manager, Andy Benedict, wants your advice to untangle the legal issues.



*The fountain at the Tangiers Casino, immediately before the event described herein*

At the Tangiers, as at other casinos, players gamble using [casino chips](#) in a variety of denominations. Players purchase chips from the Tangiers at a cashier's window; the Tangiers accepts cash, wire transfers, and cashier's checks from the William Bank, a local bank where the Tangiers maintains a business account. Chips can be redeemed for cash or a check drawn on the William Bank. Each chip has a small [RFID tag](#) embedded in it with a unique serial number. The Tangiers does not track the movement of individual chips on the casino floor, nor does it typically scan every chip when they are purchased or redeemed. Instead, its cashiers scan a few chips

from each batch presented for redemption to check for counterfeiting. Because the chips can be redeemed at the Tangiers for a known value, some players hold on to them even when they are not at the casino; they are sometimes given as tips to Tangiers staff, and a few local convenience store will accept them as payment for small purchases.

The Tangiers has a website, which is hosted on servers owned by the casino itself, and located in a server room in the casino basement. The website includes information about the casino, hotel, restaurants, and amenities and allows users to book reservations at the hotel and restaurants. At the bottom of each page is a link reading "legal"; clicking on the link takes users to a page that includes a full list of "Terms and Conditions" for the Tangiers. Among those terms is one reading, "Tangiers casino chips are provided for entertainment purposes only. They are property of the Tangiers, are subject to repossession at any time, and can be redeemed for cash at the sole discretion of the Tangiers."

The operation started with a series of phishing emails sent to thousands of Tangiers employees by Eddie Dell. The emails stated that the recipient's email account had been flagged for suspicious activity by the Nevada Gaming Control Board and directed them to a link where they could supposedly view the incident details. Most employees ignored the emails, but a few fell for it, including Michael Walsh, the Tangiers's director of operations. Dell immediately used Walsh's credentials to remotely log in to the Tangiers's financial systems and direct the William Bank to make ten wire transfers for \$1 million each to Dell's account at Craddock Marine Bank. Due to a keyboard error by a clerk in William Bank's back office, one of the transfers went instead to an account held by Carl Bloom at Craddock Marine. Bloom bought a \$106,000 sports car with a check drawn on his Craddock Marine account, and has withdrawn another \$78,000 in cash, which he spent on a series of extravagant dinners with rare wines. Dell has withdrawn about \$170,000 in cash from his Craddock Marine account; the locations of both Dell and the cash are currently unknown.

Dell then used his access to Walsh's account to direct Tangiers staff to move a large case of casino chips, with a value of \$12.5 million, from the vault to a hallway just off the casino floor in anticipation of the arrival of a

wealthy gambler. In fact, the “gambler” and his entourage were members of Ocean’s group; they intercepted the case, disabled the guards, and began attempting to wheel it through the casino floor to a loading dock where a getaway car was waiting. A comical series of coincidences and collisions, however, resulted in the case bursting open in the middle of gamblers. Dozens of people immediately flocked to the scene and began stuffing their pockets. While a few were detained by security, all the members of Ocean’s team escaped and numerous other people were able to leave with the chips. \$7.8 million in chips remain unaccounted for.

That evening, Dell used his access to the Tangiers system to reprogram the lights in the Tangiers’s iconic fountain (pictured above). Instead of pointing at the water in the fountain, he redirected the lights to shine on the wall of the adjacent Nero’s Palace casino with an unflattering caricature of Benedict’s face. Some of the lights shone on a blank wall, some on a parking lot, and some on guest rooms.

Dell also used his access the Tangiers system to log into the Clark County Department of Business Licenses (DBL) system and submit an application to transfer the Tangiers’s operating license to Elliott Tishkoff, a local businessman. The DBL’s system is configured to automatically accept licensing changes in ownership that do not involve a change in the use of the premises, so ten minutes later the system sent emails to Walsh and Tishkoff confirming the change in the identity of the licensed party.

Finally, to cover his tracks, Dell triggered a denial of service attack on the Tangiers website, directing computers worldwide (rented from a criminal syndicate that takes over computers and rents out partial access) to bombard the Tangiers website with traffic. Due to the overload, the website crashed and was unavailable to the public for six hours.

Tangiers auditors were able to identify some but not all of the chips that were in the ill-fated case. The casino immediately implemented a protocol in which all redeemed chips of \$10 or more are scanned and compared to the list of chips known to have been in the case and not already recovered. When a match is found, the cashier is directed to summon security and await Benedict’s arrival.

Two days later, Tess Roberts, the owner of a nearby vintage-clothing store, came to the Tangiers and presented \$380 in chips for redemption.

Two of the three \$100 chips were on the list. Roberts explained that a customer had used the \$380 in Tangiers chips to purchase a leather jacket. She said that she was aware of the attempted robbery, but that she regularly took casino chips in place of cash and didn't consider it her job to do the casinos' security work for them. Benedict directed the cashier to confiscate Roberts's chips and not to cash her out. Roberts has eaten at restaurants in the Tangiers twice, and used the casino's website to make reservations.

Other Tangiers patrons standing nearby heard the cashier refusing to cash out Roberts and interpreted it as a sign that the Tangiers was short of money. They ran to cash out their own chips, and many other customers did so as well, triggering a rush as numerous patrons attempted to cash out their chips. This sudden rush caused the casino's cashiers windows to run out of cash, and the Tangiers's supply of cash in the vault was rapidly depleted as well. Cashiers continued to write checks drawn on the William Bank, but notified customers that cash redemptions were "temporarily suspended." The casino promptly contacted the William Bank to make a large withdrawal from its account there, and two hours later the Bank delivered \$3 million in cash, enabling the Tangiers to restart cash redemptions. The rush quickly ended once redemptions restarted and all customers who wanted to cash out were able to do so.

*Advise Benedict on the property-related issues raised by these facts. Your memo to should discuss the following issues; you can organize it however you think best.*

- (1) *What property torts, if any, have Ocean and his confederates committed?*
- (2) *What remedies, if any, are available to the Tangiers to recover its property and be compensated for the harms it has suffered?*
- (3) *What does the Tangiers need to do, if anything, to honor other peoples' property rights and compensate them for harms they have suffered?*

***Note that the problem does not discuss the contents of Nevada's gambling and liquor regulations and you are not being tested on your ability to research them. You are free to make any necessary assumptions about what they say for purposes of your answer if doing so is required to resolve a property-law issue. You will not be rewarded or penalized for these assumptions.***