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1. BOB v. SAM

The issue here is whether Bob and Sam had a valid contract.

Governing Law

The Article 2 of the Uniform Commercial Code governs contracts for the sale of goods. Common Law governs claims for services. At issue is the sale of Sam's classic 1965 Eris automobile to Bob, thus, the UCC governs.

Under the UCC there are special rules for merchants. A merchant is one who deals in the good or has specialized knowledge about the goods which he deals in. Here, Bob and Sam are merchants because they have specialized knowledge of classic cars and Bob is a collector.

Validity of Contract

A valid contract requires mutual assent, which consists of a valid offer, acceptance, and consideration.

Offer

For Sale Sign

An offer is a manifestation by the offeror to be bound by the terms of the contract. Under the UCC, a valid offer includes the names of the parties, the subject of the offer, and the quantity of goods.

Here, the "For Sale" sign that Sam put on his car while it was parked on the driveway was an invitation for offers and not an offer.

Bob's Letter to Sam

Bob's letter to Sam constituted a valid written offer, because it specified the subject of the offer and was addressed to Sam.

Thus, Bob's letter served as a valid offer.

Acceptance

Acceptance is the offeree's manifestation to be bound by the terms of the contract. Under the UCC, an acceptance may be accepted by any reasonable means.

Here, Sam accepted Bob's offer by phone and setting a time and place to meet and exchange the funds. Thus, Sam's acceptance was valid.

Consideration

For a contract to be valid, there must be consideration. Consideration is a bargained for exchange where one party bargains for to his detriment and the other party bargains for the benefit of the contract.

Here, there was no consideration for Sam's agreement to sell his Eris to Bob.

As such, Bob and Sam's contract was invalid.

Bob's Defenses

Promissory Estoppel

Promissory Estoppel is a substitute for consideration and can be used to enforce an otherwise unenforceable contract. Promissory estoppel requires: (1) a promise; (2) actual reliance on the promise; and (3) reliance to one's detriment.

Here, Bob can raise promissory estoppel as a defense and substitute for the lack of consideration in his contract with Sam. Sam expressly accepted the offer on the phone and Bob relied on his promise to sell the car to his detriment. Under this theory, the contract would be enforceable and Bob could have the court order specific performance. specific performance.

Bob's Remedies

Specific Performance

Specific performance is a remedy where the court orders a party to perform under the contract. Specific performance is available where the contract is for the sale of land or when the goods are unique. Specific performance requires that the legal remedy be inadequate.

Here, expectation damages would be the legal remedy and would serve to put Bob in the position he would have been in had the contract been performed. The measure of damages is the benefit of the bargain. This remedy, however, would be inadequate because the 1965 Eris is a unique good because only 500 cars were made and they are considered highly valuable. Further, as a collector of classic cars, it is unlikely money would remedy Bob's desire to add the Eris to his collection. As such, Bob could have the court order Sam to turn over the car through the doctrine of specific performance.

Ned's Defenses

Statute of Frauds

Under the Statute of Frauds, contracts for the sale of goods over \$500 must be in writing signed by the person to be charged. Here, the facts indicate that Bob signed the contract, but Sam is the person charged with selling the car, so it was Sam who needed to sign. Ned will argue that because Sam did not sign the contract, the Statute of Frauds applies.

2. CHARLIE v. SAM

The issue here is whether Bob and Charlie had a valid contract.

Governing Law

The Article 2 of the Uniform Commercial Code governs contracts for the sale of goods. Common Law governs claims for services. At issue is the sale of Sam's classic 1965 Eris automobile to Charlie, thus, the UCC governs.

Under the UCC there are special rules for merchants. A merchant is one who deals in the good or has specialized knowledge about the goods which he deals in. Here, Bob is a merchant because he has specialized knowledge of classic cars.

Validity of Contract

Rule Supra.

Offer

Rule Supra

Advertisement in a Classic Car Trade Publication

Advertisements are not offers unless they identify a sufficiently specific offeree, such as an advertisement offering a reward for the return of a lost pet, etc.

Here, the advertisement for Sam's Eris in the classic car trade publication was an invitation for offers on the car.

Charlie's \$300,000 Offer

Charlie driving to Sam's house and offering him \$300,000 for the Eris constitutes an offer. His statement that he would be mailing a contract that day shows a manifestation to be bound by the terms of the offer. Thus, Charlie's \$300,000 offer was valid.

Acceptance

Acceptance is the offeree's manifestation to be bound by the terms of the contract. Under the UCC, an acceptance may be accepted by any reasonable means unless the contract specifies a specific way of accepting. Offers must be accepted within the time specified in the contract and if no time is specified, then within a reasonable time.

Here, Sam did not accept Charlie's offer right away because he said he would "think about it," which does not display a manifest intention to be bound by the offer. However, Sam accepted Charlie's offer by signing the contract, placing it in a stamped envelope addressed to Charlie and dropping it in the mailbox. Under the mailbox rule, acceptance of a contract is effective upon dispatch. Thus, Sam accepted Charlie's offer.

Consideration

For a contract to be valid, there must be consideration. Consideration is a bargained for exchange where one party bargains for to his detriment and the other party bargains for the benefit of the contract.

Here, there was no consideration for Sam's acceptance of Charlie's offer.

As such, Bob and Sam's contract was invalid.

Charlie's Defenses

Promissory Estoppel

Rule Supra.

Here, Charlie can raise promissory estoppel as a defense and substitute for the lack of consideration in his contract with Sam. Sam expressly accepted the offer via mail. Under this theory, the contract would be enforceable and Charlie could have the court order specific performance. specific performance.

Charlie's Remedies

Specific Performance

Specific performance is a remedy where the court orders a party to perform under the contract. Specific performance is available where the contract is for the sale of land or when the goods are unique. Specific performance requires that the legal remedy be inadequate.

Here, expectation damages would be the legal remedy and would serve to put Charlie in the position he would have been in had the contract been performed. The measure of damages is the benefit of the bargain. This remedy, however, would be inadequate because the 1965 Eris is a unique good because only 500 cars were made and they are considered highly valuable. Further, as a collector of classic cars, it is unlikely money would remedy Bob's desire to add the Eris to his collection. As such, Bob could have the court order Sam to turn over the car through the doctrine of specific performance.

3. ART v. SAM

The issue here is whether Art can recover the 10% commission from Sam's estate.

Governing Law

The Article 2 of the Uniform Commercial Code governs contracts for the sale of goods. Common Law governs claims for services. At issue here are Art's broker services Sam wished to use to sell his 1965 Eris automobile. Thus, the common law governs.

Valid Contract

A valid contract requires mutual assent, which consists of a valid offer, acceptance, and consideration. The facts state there was a valid written contract between Art and Sam.

Anticipatory Repudiation

Anticipatory repudiation occurs when a party to the contract states unequivocally that he will not perform under the contract. In this event, the nonbreaching party can order performance, treat the repudiation as a breach and sue immediately, or do nothing.

Here, Sam telephoned Art to tell him he was terminating their agreement, which was an unequivocal repudiation of their otherwise valid contract. At this point, Sam had sold the car to Bob on his own accord, thus if the court finds this contract to be valid under either a promissory estoppel or specific performance theory, then Art would not be entitled to the 10% commission because the contract stated that Art would only earn the 10% commission "upon successful sale." Because in this scenario, Sam sold the car himself, Art would not be able to recover.

However, if a court finds the contract between Sam and Charlie to be valid, then Art would be entitled to the 10% commission from the same because Art placed that ad in the trade publication before Sam terminated the contract, and thus Art was the reason the car sold.

Art's Remedies

Expectation Damages

Under the theory that Sam and Charlie's contract controls, Art could demand expectation damages.

Expectation damages serve to put the nonbreaching party in the position they would be in had the contract been performed. The measure of damages is the benefit of the bargain, which, in this case would be the 10% of the \$300,000 sale price to Charlie, which is \$30,000.

Consequential Damages

Consequential damages are damages that are reasonably foreseeable at the time of contracting. Here, Art is not entitled to any consequential damages.

Incidental Damages

Incidental damages are available for costs incurred as a result of the breach. Here, Art is not entitled to any incidental damages.

Ned's Defenses

Adequate Assurances

Additionally, because the sign was placed on Sam's car in his driveway, Sam's estate could argue that Art knew or should have known that Sam was trying to sell the car on his own. Art could then have demanded adequate assurances from Sam while he was alive that Art was his exclusive agent. Sam's estate will argue that because Art did not demand adequate assurances, Sam was free to terminate their agreement.

OVERALL CONCLUSION

Because Ned's statute of frauds defenses will likely hold up in court, Bob will likely not receive anything. Because Sam and Charlie had a signed writing for the sale of the car and promissory estoppel can serve as the consideration, a court will likely enforce Charlie's contract with Sam. As such, Art will receive 10% of the sale of the Eris to Charlie. Ned will not receive the Eris, but will receive the balance of Sam's estate, as his only heir.

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