Joseph Fatzinger

Business Law

Prof. Sims

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**Contract Essays**

**QUESTIONS**

1. While Chris is away on vacation, workers from Chesapeake Landscaping Company mow, cleanup, and mulch Chris’s yard and garden. Chesapeake’s employees had mistaken Chris’s house for the house where they were supposed to be working. When Chris returns from vacation, he is surprised to see yard and garden looking “like new.” He is quite pleased with the work. Later, Chris receives a bill from Chesapeake for $1,500. Chris refuses to pay. What are Chris’s chances of winning a lawsuit against Chesapeake? **Discuss both contract and quasi-contractual theories of liability; explain fully.***20 points*

**Answer:** **What are Chris’s chances of winning a lawsuit against Chesapeake?** Chris is in an advantageous position to win this lawsuit, because he was unaware of the mistake made by Chesapeake Landscaping. Chesapeake is the one that mixed up the house and therefore cannot hold Chris liable. A Quisi-cotract is only going to be enforced when the party receiving the benefits is unaware of the mistake and does nothing to stop it. In this case Chris was unaware and is therefore free of liability.

1. A law firm in Baltimore obtained a list of AACC accounting students due to graduate in December. The firm sent form letters on firm stationary to these students congratulating them on their soon-to-be-realized accomplishment. The letter described, in general terms, the firm’s salary and benefit package for new hires and discussed tracks for promotion within the firm. The letter closed with the following: “We hope you will consider a position with our firm upon your graduation.” Grace, a soon-to-graduate accounting student, received a copy of the firm’s letter addressed to her by name. She immediately responded to the letter by writing on it “I accept,” and returned it to the firm. **Does Grace have a job? Explain fully.***15 points*

**Answer: Does Grace have a job?** Grace unfortunately does not have a job. The firm was not offering her a job, they were suggesting that the students look towards them for a job interview. Grace would have to schedule and complete an interview first and then the firm could offer her a job if they find her suitable. For a contract to be made there has to first be an offer and then an acceptance. Clearly a court would conclude that there was no guaranteed job offer in the letter.

1. Kim is 15 years old, but looks older. She buys a sweater for cash at a trendy store, choosing a style that makers her appear even older. A year later, Kim decides that the sweater is no longer in style, so she returns it to the store and demands her money back. **Must the store accept the used sweater and return Kim’s money? Explain fully.**(Assume 18 is the age of majority in the state where Kiran lives.)     *15 points*

**Answer: Must the store accept the used sweater and return Kim’s money?**The store must refund Kim the full amount in exchange for the used sweater. As a minor Kim has the right to Disaffirm contracts within a reasonable time of turning 18, if she returns the item in her possession. The store would not be able to use misrepresentation of age as a defense. Just because she looks older than 15 doesn’t mean that the store was under the influence that she was not a minor. Lastly a sweater is not considered a Minors Necessity so the store wouldn’t be able to use this as a defense.

1. Maryland requires that persons preparing and serving alcoholic drinks in commercial establishments be licensed by the state to do so. The *only*requirement for obtaining the license is proof of age 21 or older. Jack, age 30, is hired as a bartender for Murphy’s Bar. Kiran brings 20 of her friends to Murphy’s to celebrate passing her business law class. She orders four rounds of drinks and the bill is nearly $400. On learning that Jack has failed to renew his bartender’s license, Kiran refuses to pay, claiming that Jack’s failure renders the contract unenforceable. **Fully discuss whether Kiran is correct.***15 points*

**Answer: Is Kiran correct?** Kiran is still obligated to pay the bill. Jack is 30 so he meets the only requirement to be a licensed alcohol server. He has not yet renewed his license but since he meets the requirement this is sufficient. Due to the License Statutes, because Murphy’s bar is in business to make a revenue the contract between them and Kiran is enforceable. If however the purpose was to protect the public, then the contract would be unenforceable.

1. Jack, a used car dealer, turns back the odometer on a little blue sports car. Lucy sees this car and really wants it. She checks the mileage on the car and takes the car for a test drive. Lucy is unaware of the fact that the odometer has been turned back, and she also fails to notice a slight rip in the leather on the rear seat. Jack assures Lucy that the car is in “tiptop shape.” Lucy buys it. A few weeks later, when she takes the car in for an oil change, a mechanic tells Lucy that the car has seen at least 50,000 additional miles of hard driving. **What contract remedies are available to Lucy? Explain fully.***20 points*

**Answer: What contract remedies are available to Lucy?** Lucy is an innocent party that fell victim to fraud. Jack’s actions meet all the requirements of fraud, he misrepresented facts, he did it intentionally, Lucy relied on the misrepresented facts, it caused her injury, and her injury was caused by Jack’s action. Therefor Lucy is an innocent victim to fraud. Lucy can either keep the car or dismiss the contract she made with Jack.

1. Jan contracted to buy sixteen cases of vintage sparkling wine from Napa-Sonoma Winery for $1,600. The contract stated that delivery was to be made at Jan’s residence "on or before October 3, to be used for daughter's wedding reception on October 4." On October 3, Napa-Sonoma’s delivery van broke down, and no wine was delivered that day. On the morning of October 4, Jan (in a panic) purchased wine from Virginia Valley Winery for the reception. That afternoon, just before the reception started, Napa-Sonoma’s Winery tendered delivery of the wine at Jan’s residence. Jan refused tender. Jack’s Winery sued Jan for breach of contract claiming its performance on October 3 was “temporarily” excused. **How is the court most likely to rule and why? Explain fully.***15 points*

**Answer: How is the court most likely to rule and why?** The court will likely rule in favor of Jan. Jan relied on the Napa-Sonoma Winery to deliver the product by a certain date, the date is clearly mentioned in the contract. The Winery did not deliver the wine at the required date so Jan was forced to purchase wine from another Winery. It’s not Jan, but Napa who breached the contract. Jan had no way of knowing if the wine was coming and Napa did nothing to notify her, therefore their delay will not be excused. If in fact the wine that Jan was forced to purchase was more expensive than that of Napa, Jan could in fact sue for consequential damages. In this case Napa will be forced to reimburse her.