

**QUESTION 7 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK III
OR IN EXAMPLIFY ANSWER SCREEN 7**

Plumbing Supplies Inc. (PSI) is a wholesaler located in Anytown, Michigan that sells plumbing supplies to local plumbing companies. PSI noticed it had an excessive stock of white plastic pipes. To alleviate this overstock, PSI decided to offer the pipes at a discount to one of its regular customers. The pipes normally cost \$50 per pipe; PSI would sell them at half price.

Sam & Sons Plumbing (SSP) is one of PSI's regular Michigan customers. SSP is a local plumbing company that sells plumbing items (showerheads, water faucets, piping, toilets, etc.) to residential customers and local contractors.

On July 1, 2018, PSI's owner telephoned SSP's owner and offered to sell SSP 250 white pipes for \$25 each to be shipped to SSP in one delivery within the next 30 days. SSP accepted the offer. The telephone call concluded with the parties agreeing that payment would be made after the pipes were delivered and inspected by SSP.

The next day, PSI sent SSP a confirming memo summarizing the previous day's conversation. The memo recited the quantity and all other relevant terms agreed to the previous day. The memo was signed by PSI's owner. SSP's owner received the memo on July 3, 2018, read it, but did not sign it.

On July 15, 2018, PSI shipped 200 white pipes and 50 black pipes to SSP. Upon the delivery, SSP immediately notified PSI that 50 of the pipes were black. It said it had no use for that color of pipes in its business. SSP informed PSI that it was rejecting the entire shipment and would hold the shipment for PSI's removal or other instruction. PSI replied and advised SSP that it intended to correct the error and replace the 50 black pipes with 50 white ones before July 31, 2018. PSI added that, even if it were unable to rectify its mistake, SSP must pay for and keep the 200 white pipes PSI had delivered.

SSP contacts you, its attorney, seeking answers to the following questions under Michigan law:

1. Is there an enforceable contract given that SSP signed nothing evidencing a contract? Why or why not?

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2. Assume there is an enforceable contract. Does PSI have a right to correct its mistake? Why or why not?

3. Assume there is an enforceable contract. Is PSI correct that SSP must pay for the 200 white pipes that PSI delivered, even if PSI is unable to rectify its mistake? Explain your answer.

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