

**QUESTION 10 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK IV  
OR IN EXAMPLIFY ANSWER SCREEN 10**

When Kate and Spencer became engaged to be married, Spencer presented Kate with a beautiful emerald and ruby antique engagement ring that his grandmother had worn. Kate took the ring to Joseph the Jeweler and paid him to have it cleaned, resized, and the stone settings reinforced. Kate left the ring with Joseph for the work to be performed, and planned to pick it up the following week.

In the meantime, Kate discovered that Spencer had not been forthcoming about his previous marriage years ago to another. Kate called off the engagement because of a lack of trust. She also subsequently discovered that the engagement ring was stolen during an after-business hours burglary of Joseph's jewelry shop, which occurred even though the shop had been properly secured.

Spencer wants Kate to pay him for the ring, and Kate wants the value of the ring from Joseph. Kate contends that because the ring was a gift, and because Spencer's deceit triggered the breakup, she is not required to return it or its value to Spencer. Joseph claims that since he was not at fault for the theft, he is not liable to Kate for the ring.

Without regard to any insurance coverage, and applying Michigan law, fully discuss the following:

1. Whether Kate's defenses against any liability to Spencer for the ring's value have legal support.

2. Whether Kate is likely to recover the value of the ring from Joseph.

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