

**QUESTION 8 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK III OR IN
SOFTTEST ANSWER SCREEN 8**

On May 1, 2016, ABC Air Conditioning (ABC) entered into a valid written contract with Central Supply, Inc. (CSI) to purchase 500 pounds of liquid Freon at \$20 per pound. Under the contract, full payment was due by July 22, 2016 and delivery of the Freon was to be made on July 23, 2016. Delivery costs were to be wholly assumed by the purchaser (ABC).

In June 2016 the price of liquid Freon plummeted due to a shift in the market. As a result, ABC contacted CSI seeking to modify its contract to reflect a purchase price of \$15 per pound. CSI agreed to the price reduction and the modification was reduced to writing.

In early July 2016 the price of liquid Freon continued to drop. Without seeking consent from CSI, ABC delegated its responsibilities under the contract to another local air conditioning company (XYZ) and assigned its rights under the contract to XYZ. XYZ failed to make any payment to CSI by July 22, 2016.

CSI now seeks your legal advice, under Michigan law, on the following two questions:

(1) Can ABC legitimately delegate its responsibilities and assign its rights under the contract to XYZ without CSI's consent? Explain your answer.

(2) Can CSI recover the original contract price of \$20 per pound? Why or why not?