<u>QUESTION 4</u> THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK II

Ted owns Ted's Wine and Words, which provides wine tastings with expert commentary to select groups of aficionados. Wishing to expand his customer base, Ted sent a brochure to several upscale wine stores and groups, stating:

> "As a special introduction, Ted's Wine and Words is offering a two-hour guided wine tasting with commentary for $2,000 (wine included). This offer expires on March 18, 2013."

On March 19, 2013, Ethan, a wine-store owner, paid a visit to Ted. After chatting about Ted's services, Ethan said, "I accept your offer. I'll pay $2,000 for a tasting on Saturday for my best customers." Ted responded "Great!" and added that they "really should" put their agreement in writing. Ethan agreed, but neither ever did so.

That night, while working on his business budget, Ethan realized that he could not afford Ted's services. He called Ted the next day and told him "the deal is off." Shortly after, Ted received a call from Wines R Us, a mass-market retailer trying to get into the high-end market. Wines R Us offered to pay Ted $2,000 to provide a tasting for whomever happened to be in their store on Saturday. Ted declined, explaining that he provided his services only to discriminating wine drinkers.

Ted informed Ethan that he was suing for breach of contract. Ethan replied, "There was no deal – you gave nothing, just a promise to give a pretentious speech to a bunch of snobs for an outrageous fee." Ethan also argued that no contract was formed because Ted's offer had expired, their agreement was never reduced to writing, and they had failed to specify the type of wine to be used at the tasting. Finally, Ethan said that, in any event, Ted could have avoided any loss by accepting the offer from Wines R Us.

Evaluate Ethan's contentions. Explain your answer.