

An ice hockey goalie received word that his favorite team's only backup goaltender had been injured in an accident and would likely be unable to play during the upcoming season. The goalie sent a letter to the team's general manager on September 18 offering to play for the team for an annual salary of \$450,000. The general manager received the offer letter on September 21 and, in desperation, immediately mailed the goalie a letter accepting the offer on behalf of the team.

On September 22, the team's injured goaltender made a miraculous recovery and the general manager sent the goalie a second letter rejecting the goalie's offer. The goalie received the general manager's rejection on September 25 and received the general manager's acceptance the following day.

Was a contract formed between the goalie and the ice hockey team?

- A. No, because the goalie received the general manager's rejection before the acceptance.
- B. No, because there was no meeting of the minds between the goalie and the general manager.
- C. Yes, because the team assumed the risk that the backup goaltender would recover from his injury.
- D. Yes, because the team effectively accepted the goalie's offer prior to the attempted rejection.

### Explanation:

Contract formation requires both an offer and an acceptance (ie, mutual assent). Under the **mailbox rule**, an acceptance by mail is generally effective upon dispatch, while a rejection is effective only upon receipt. If the offeree has a change of heart and sends:

An **acceptance followed by a rejection** – a **contract is formed** upon **dispatch of the acceptance**, regardless of which communication is received first

A **rejection followed by an acceptance** – a contract is formed if the acceptance is received first; in contrast, no contract is formed if the rejection is received first\*

Here, the general manager sent a letter accepting the goalie's offer followed by a second letter rejecting the offer. Because the acceptance was *sent first*, a contract was formed upon dispatch of the acceptance. This is true even though the goalie received the general manager's rejection before the acceptance (**Choice A**). Therefore, an enforceable contract exists between the goalie and the ice hockey team because the team effectively accepted the goalie's offer prior to the attempted rejection.

\*However, the offeree may be estopped from enforcing the contract if the offeror received the rejection first and detrimentally relied upon it.

**(Choice B)** "Meeting of the minds" refers to the parties' mutual assent to form a contract based on agreed-upon terms. Here, there *was* a meeting of the minds because the goalie offered to play for the team for \$450,000 and the general manager accepted the terms of that offer.

**(Choice C)** The fact that the team assumed the risk of the injured goaltender's recovery would prevent the team from asserting certain *defenses* to enforcement of a contract (eg, [impracticability](#)). But here, the question is whether the parties *formed* a contract.

### Educational objective:

Where an offeree mails an acceptance and later mails a rejection, a contract is formed upon dispatch of the acceptance—regardless of which communication is received first.

### References

Restatement (Second) of Contracts § 63 (Am. Law Inst. 1981) (time when acceptance takes effect).

## Operation of the Mailbox Rule

