

1971

Contracts (Sect. B): Final Examination (January 12, 1971)

William & Mary Law School

Repository Citation

William & Mary Law School, "Contracts (Sect. B): Final Examination (January 12, 1971)" (1971). *Faculty Exams: 1944-1973*. 241.
<https://scholarship.law.wm.edu/exams/241>

Contracts - Sect.B

1. Vic Vino, a habitually drunk wino, one day stumbled upon Eliot who at the time was being robbed by a rogue named Roger. Roger was unnerved by Vino's presence and fled before the robbery had been completed. Eliot, who happened to be a wine distributor, was exhilarated by his good fortune and offered Vino an eleven month written employment contract which Vino accepted. Eliot also offered Vino \$500 for saving his life. Since Eliot did not have the cash on him, he promised Vino he would pay him later.

Vino sobered up for his new job which started May 1, 1970 and proved to be a very persuasive salesman (customers claimed he would cry and his mouth would water every time he would discuss his product). Vino was hired at \$200 per week but soon proved so effective that a competitor of Eliot offered Vino \$250 per week to work for him. Vino told Eliot who said he would match that offer and would begin paying Vino \$250 per week starting immediately (June 1, 1970). There was to be no change in Vino's responsibilities. Several weeks passed and Eliot continued to pay Vino \$200 per week.

By July 1, 1970, VINO was understandably angered and he stormed into ELIOT's office and demanded his back pay per their "agreement". ELIOT said times were bad but if VINO would stick with him and not press him for payment of the increased salary for eleven more months, ELIOT would pay him a \$5,000 bonus.

Eleven months later Eliot did pay Vino the bonus. Vino being a devout religious person then promised the Hope Church that he would pay them the \$5,000 to be used for religious purposes. Hope gratefully accepted and told Vino it would be used to bring the ministry to a local ghetto. The next week the ministry was begun in anticipation of Vino's promise. The following week Vino was arrested for drunkenness and decided to use the \$5,000 for bail money and to forget about Hope Church.

Discuss and decide the relevant issues concerning the following:

- (a) Can Vino collect the \$500 bonus from Eliot for saving his life. If so why, if not, why not? Discuss all relevant theories of recovery.
- (b) Is Eliot bound to pay Vino the \$250 salary as of May 15, 1970? If so why, if not, why not?
- (c) Was Eliot bound to pay Vino the \$5,000 bonus? If so why, if not, why not?
- (d) Is Hope Church entitled to collect on Vino's \$5,000 promise? If so why, if not, why not?

II. On January 3, 1970, Al agrees to sell and Bo agrees to buy Blackacre for \$25,000. There is a written agreement which appears clear on its face. Prior to the signing of the agreement, Al, in order to induce Bo's assent, orally promised him in front of witnesses that if Bo will sign the agreement, Al will remove an "unsightly shack" on Al's land which is adjacent to Blackacre. The agreement is silent on this point.

On March 3, 1970, the shack was still not moved so Bo persuaded Al to orally agree to "remove the unsightly shack adjacent to Blackacre".

Discuss the issues as follows:

- (a) If trial were held on February 3, 1970, would Bo be permitted to prove the oral understanding with respect to the shack.
- (b) Is the March 3, 1970, oral agreement valid? If so why, if not, why not?
- (c) Assuming arguendo that Bo is permitted to prove the March 3rd. agreement, what will Bo argue with respect to how soon the shack must be removed assuming the agreement was silent on that point.

III. Al Adams sold furniture out of his garage and dealt mainly in Early Junques styles. Last year Adams had been contacted by Svoda, a furniture dealer about a new line of Swedish-Polish furniture that was to be manufactured and sold to selected stores. Adams decided he would buy a bedroom outfit. On May 1, 1970, he placed his order by writing Svoda a letter promising to pay the \$200 list price. Later that day Adams decided he would also buy the wine cellar outfit and as it was almost closing time Adams sent his order to Svoda by telegraph promising to pay the \$150 list price for that furniture.

On May 2, 1970, at 10:00 a.m., Svoda sent a telegram to Adams accepting the order for bedroom furniture. At 11:00 a.m. Svoda's secretary, Mary Ann, a 5 foot 6 inch statuesque Swedish blonde with olive-colored Polish eyes gave Svoda Adams' telegram. Svoda, thinking he was sold out of the wine cellar furniture, sent Adams a telegram rejecting Adams' offer. At 12:00 noon Svoda, in talking with Mary Ann, discovered that indeed there was wine cellar furniture to be sold. He left the company's wine cellar and immediately (12:05 p.m.) sent a telegram to Adams accepting the order for wine cellar furniture.

That same day, May 2, 1970, at 10:30 a.m., Adams received Svoda's telegram accepting the bedroom furniture order. Due to fortuitous circumstances (telegram delivery boy's bicycle had a flat tire) Svoda's telegram regarding the wine cellar furniture arrived at Adams' office at 12:15 p.m., and the rejection arrived at 12:50 p.m. Unfortunately Adams had choked to death on a chicken bone at lunch and was pronounced dead at 12:10 p.m. You may assume all facts can be proved.

You are called in as Adam's attorney to discuss fully and advise on the probable legal disposition of the two furniture orders placed by Adams (a) regarding the bedroom furniture and (b) regarding the wine cellar furniture.

IV. John Amos was an enterprising carpenter who decided to begin a "do-it-yourself" cabinet business whereby he would sell kits containing wood, glue, nails and screws, and necessary tools. The cost to Amos for each kit was \$300 and he would sell the kits for \$600 or the finished cabinets for \$1,000 apiece. In order to increase his capital Amos built four cabinets which he wanted to sell for \$1,000 each. He advertised in a local newspaper as follows: "Solid cherry cabinets, \$1,000 each, offer good only between January 15 and 20, 1971, call at Amos Cabinet Shop, 123 Oak St". Sam Smart, knowing that a similar cabinet would cost \$2,000, immediately went to see Amos. Smart walked in the shop, examined the four cabinets and said to Amos, "I accept your offer, here is the \$4,000 in cash". Amos tried to explain to Smart that he had just sold the last of the cabinets, but that if Smart could wait two months or would like to buy a kit, a deal could be made. Smart said he needed the cabinets immediately and stormed out, saying "you will hear from my lawyer".

The following week a customer, Paul Po, ordered six kits from Amos who by mistake multiplied six times \$300 instead of \$600 and said to Po the cost would be \$1,800 (instead of \$3,600). Po paid for the kits and left. Only then did Amos discover his error. So far his attempts to collect the additional \$1,800 have been without success.

Other than the above two incidents business was going well and Amos continued to sell kits and cabinets. On March 1, 1971, at 8:00 a.m. Amos needed more materials and ordered his needs from Supplies, Inc. where he had ordered all of his many supplies over the prior three months. Amos ordered by separate letters (1) one carload of #1 cherrywood, (2) ten barrels of #6 screws, and (3) ten #7 wood planes. The customary delivery time had been eighteen days. After nineteen days passed Amos had received the cherrywood and the following letter from Supplies, Inc.:

"Dear Sir:

March 13, 1971

This is to acknowledge your three orders of March 1, 1971. We have shipped your carload of #1 cherrywood and we promise to send your ten #7 wood chisels within the next 10 days. Due to an inventory problem we are uncertain whether we can fill your #6 screw order, however, you may assume we have accepted your offer regarding ten barrels of #6 screws if you do not hear from us by March 21, 1971.

Yours truly,

Supplies, Inc."

The date is now March 22, 1971, and Amos calls you and explains the above incidents. Discuss the issues fully and explain to Amos your conclusions regarding (a) Amos' liability to Smart, (b) Amos' problem(s) of collecting the additional \$1,800 from Po and (c) Amos' rights and liabilities to Supplies, Inc. as regards the three types of materials ordered and whether Amos must accept the materials.

V. Art ran a scuba diving business whereby he provided the services of teaching the intricacies of underwater maneuvering for those so inclined and for those who could afford his not-so-modest fees. On January 15, 1969, Don Duck came to see Art and told Art that for his whole life he had been kidded about his name and the worst part of it was that unlike a typical duck he had always been afraid of the water. Art said he could fix that if Don agreed to take Art's eighteen-month underwater scuba diving course. Don orally agreed but no mention of fees was made.

After six months of lessons Art sent Don a letter saying his bill for the first six months was \$600 and would he pay promptly. Don, enraged, fired back a letter saying "there's no way I owe you that amount of money. You will be hearing from my lawyer". Art sent another letter to Don saying "If you don't pay within 10 days I will sue you and your credit rating will be worth only the price of a posted postage stamp".

Don thought it over and decided that he did not want to chance having his credit ruined so he decided he would pay. His dilemma was that he did not have \$600. He called his friend, Sloane Sharke and it was agreed that Sloane would pay Don's debt to Art. Sloane called Art on the phone and promised to pay Don's debt.

On February 15, 1970, the \$600 remained unpaid.

Discuss all the issues and decide the rights, liabilities and remedies, where applicable, for Art, Don, and Sloane. Also discuss what creative advice you may have for Don as to the amount of payment to be made to Art, in any.