

Question #1
(One Hour)

San Quentin Beverage Company (SQBC), the largest purchasers of prunes in the United States, produces an adult beverage, “Pruno”. (Its advertising slogan: Millions and Millions of inmates can’t be wrong: Drink Pruno!) SQBC entered into a written contract with Sig’s Prune Farm to supply SQBC its requirements for the Regulator, the only type of prune SQBC uses in its Pruno recipe. The Regulator is well known as the best prune for an adult beverage due to its ability to blend quickly with yeast. The parties agreed on a price of \$100.00 per ton.

The contract, which was on SQBC’s standard written form, provided that Sig’s Farm was to deliver to SQBC in June of 2013 all the Regulator prunes that SQBC might require. The contract also prohibited Sig’s Farm from selling any excess Regulator prunes to any third party without SQBC’s permission. At the time the contract was signed, Sig’s Farm objected to that clause, but a representative of SQBC assured Sig’s that, although the clause was in every contract, SQBC had never attempted to enforce it. The statement by the representative of SQBC was completely false; SQBC always sought to prevent the sale of excess crop to third parties. The contract also included a clause that allowed SQBC the right to reject any prunes for any reason, even if they conformed to the contract.

On May 31, SQBC told Sig’s that it would need 40 tons of the Regulator prunes at the end of June. Sig’s anticipated that it would harvest 65 tons of Regulator prunes by June 30. Because of poor weather, there was a small crop of Regulator prunes nationwide. Another beverage company, Atascadero State Hospital Ale (ASHA), offered Sig’s \$250.00 per ton for their entire crop of Regulators. On June 14, Sig’s accepted the ASHA offer and notified SQBC that they were repudiating the Sig’s/SQBC contract.

After Sig’s Farms repudiations, SQBC was able to buy only 10 tons of Regulators on the spot market at \$200.00 a ton. Other types of prunes are available at \$100 a ton or less, but SQBC believes the other prunes produce an inferior Pruno. On June 16, SQBC demands Sig’s perform the contract in full.

1. What remedies are available to SQBC to enforce the terms of its contract with Sig’s, what defenses might Sig’s reasonable assert and what is the likely outcome of each remedy sought by SQBC? Discuss fully.
2. If SQBC elects to forego enforcement of the contract and elects instead to sue for damages, what defenses might Sig’s Farms reasonably assert, and what damages, if any, is SQBC likely to recover? Discuss fully.

Question #2
(One Hour)

The Culinary Institute for Men of the State of Euphoria was a state-supported chef school for men only. A severe lack of privacy and an adversative model of instruction pioneered by Gordon Ramsey were integral parts of the program. The State of Euphoria offered no comparable program for women. The court of appeals held that the male-only program was unconstitutional, but suggested that Euphoria could remedy the violation by integrating The Culinary Institute for Men, by starting a parallel program for women or by some other means.

Euphoria responded by founding the Betty Crocker School of Domestic Bliss for Women based on a model of co-operation and sharing of feelings. The court of appeals affirmed the adequacy of this remedy, subject to continued judicial oversight.

You, as the most recent appointee to the U.S. Supreme Court, have been tasked to write the 5-4 majority opinion. Is the remedy by the State of Euphoria constitutional? Is the remedy imposed by the appellate court supportable? What arguments do you expect in the dissent opinion? Focusing on the Remedies issues, explain the reasons for your answer.

Question #3

(One Hour)

It was a beautiful day in California so Polly took her goldendoodle, Goldilocks for a walk. Polly was very devoted to Goldilocks and treated the dog as if she were her child. Unfortunately, Dave thought it was a great day for a drive in his brand new Honda Odyssey Mini-Van which was equipped with a state of the art GPS navigation system. When the disembodied voice of the GPS told Dave to “turn now” he did just that. Unfortunately by turning when he was told, he crossed the sidewalk where Polly was walking Goldilocks. Both Polly and Goldilocks were trapped under the mini-van.

Goldilocks died at the scene, just before Polly lost consciousness. When Polly awoke in the hospital she discovered that the accident severed her spine and that she would be a paraplegic for the rest of her life.

At the time of the accident Polly was a 30 year old meter reader for Pacific Gas & Electric earning \$45,000.00 per year. She had recently graduated from the Empire Business College and was hoping to move to a management track position with PG & E.

At time of trial, Polly’s medical bills total \$200,000.00. All of her bills have been covered by her own medical insurance. Her employer testified that Polly was seen as a rising star and on her way to management within five years. As a manager she could expect to earn at least \$75,000.00 a year until she retired at age 62. Polly is unable to work at PG& E, but she earns \$20,000.00 a year as an assembler at a local computer company. She will be able to work at the computer company until age 62. Polly now requires medical care and supplies that cost \$20,000.00 per year at time of trial.

Polly has sued Dave for general and special damages based on his negligence in operating the mini-van at the time of the accident.

What are the damages/remedies issues raised by the facts above? Discuss.