

GRADING OUTLINE FOR 2015 FINAL #1

Student #: \_\_\_\_\_

GRADE: \_\_\_\_\_

Finance Co v. LRLS

1. Assignment valid? Anti-assignment clause only limits right to assign, not power. Also, by law, anti-assignment clause NOT effective as to assignment of an account.
2. Claim that LRLS materially breached by not paying. Will sue for expectancy damages (balance of K less costs saved).
3. Defenses of LRLS- validity of the delay damage deduction:
  - a. Interpretation of clause (only apply to final due date)? Extrinsic evidence allowed?
  - b. Oral evidence re side deal re honoring extension requests? Parol evidence rule issues?
  - c. If extrinsic evidence not allowed, still have question of whether it was reasonable liquidated damages?
  - d. If LRLS was within its rights, then anticip repudiation by BB (unless BB has a defense—see below) excusing performance by LRLS.
  - e. If LRLS was not within its rights, then material breach by LRLS excusing performance by BB.

LRLS v. FC

1. Assignment was not also a delegation, therefore no right to get money damages (just can assert defenses).

LRLS v. BB.

1. BB remains liable for damages (no delegation). Any extra cost to LRLS less costs saved by LRLS. Same as above analysis. Additional possible defenses of BB based on mistake or impracticability. Allocation of risk? Effect of BB electing to move forward anyway?

BB v. LRLS.

1. BB assigned rights to Finance Co so no right to sue LRLS.

GRADING OUTLINE FOR 2015 FINAL #2

Student #: \_\_\_\_\_  
GRADE: \_\_\_\_\_

Body of Law? UCC article 2.

Offer? Offer made by Wendy sending form on Feb 10. Open price term OK. Irrevocable merchant's firm offer? (Wendy did not separately sign that provision in form supplied by offeree per 2-205)

Acceptance? Confirmation form is acceptance with additional term (force majeure clause) under 2-207. Between merchants. Force majeure clause a material alteration? Unreasonable surprise or hardship? Probably not.

Attempted Revocation of Offer? Wendy's revocation letter of 3/8 too late because Sid accepted.

Anticipatory repudiation by Wendy? 3/8 letter an anticipatory repudiation by Wendy? Definite enough? Wendy could retract (letter of 3/11) unless (1) Sid relied on it, or (2) accepted repudiation as final. See UCC 2-611. Did he rely if going to wait anyway? Role of note to himself?

Statute of frauds? Price of gold more than \$500. Sid as party to be charged. Wendy's signed 3/11 letter sufficient merchant's confirming memo to bind Sid?

Force Majeure Clause? Is this clause part of contract per 2-207? If so, does it apply here? ("prevention" vs. more expensive)

Impracticability? Remedy of the party to perform (Sid). Doubling of cost enough of a cost increase to him to change the "essential nature of the performance"? Allocation of risk to Sid? Foreseeable? Risk created by him by his decision to wait to buy the gold and hope price would go down?

Anticipatory Repudiation by Sid? Definitive enough? Reasonable grounds for insecurity so Wendy could ask for adequate assurance. Option to wait until date for performance, but mitigation risk.

Macy's and Nordstrom's. Incidental beneficiaries only.