

Blue Book

(Handwritten initials)

Q1

NAME	
SUBJECT <i>CONTRACTS</i>	
INSTRUCTOR <i>ATONA</i>	
EXAM SEAT NO.	SECTION
DATE <i>8-16-10</i>	GRADE

QUESTION 1

~~QUESTION 1~~ BASED ON ~~SALE~~ SALE OF GOODS OF ~~CERAMICS~~ CERAMICS

1. VALID K WITH P + B

- A VALID K MUST HAVE AN OFFER, ACCEPTANCE, AND CONSIDERATION
- THE FACTS INDICATE THERE WAS AN OFFICIAL WRITTEN K BETWEEN P + B WHICH HAS THE ESSENTIALS OF AN OFFER BEING QUANTITY, PRICE, SUBJECT, DURATION, ETC. B THEN ACCEPTED BY AN EQUICAL ASSENT TO THE PROPOSED OFFER OF SALE OF CERAMICS. THE CONSIDERATION IS A BARGAIN FOR EXCHANGE WHERE P MAKES THE CERAMICS, B SELLS, AND BOTH MAKE A PROFIT, CONSTITUTING A BARGAIN

• VALID K BETWEEN P + B

K BETWEEN P + X - DELEGATION OF DUTIES

• A DELEGATION OF DUTIES INVOLVES A DELEGATOR

DELEGATING HIS DUTIES TO A DELEGATEE,

WHERE IT MAY BE NON-DELEGABLE IF IT IS

TOO PERSONAL WITH THE OBLIGEE OR MAY

INCREASE THE BURDEN OF RISK OR DUTY ON

OBLIGEE.

• HERE, P DELEGATED ALL HIS DUTIES OF PRODUCTION

OF TEAPOTS + PLUBRINES TO X BECAUSE X

WOULD PRODUCE THEM AT A FASTER RATE. HOWEVER,

UNDER THE FIRST K WITH P + B, PROVIDES

A CLAUSE WHICH READS ⁴ NEITHER PARTY MAY

ASSIGN THE RIGHTS UNDER K WITHOUT CONSENT."

GENERALLY, UNLESS GIVEN CONSENT BY B, THE DELEGATION IS VOID, AND THE POWER/RIGHTS ARE ELIMINATED IF THE K PROHIBITS ASSIGNMENTS. B DIDN'T IN FACT CONSENT.

° THIS DELEGATION MAY BE VOID.

ASSIGNMENT OF RIGHTS FROM P TO M

° AN ASSIGNMENT IS THE ASSIGNING OF RIGHTS FROM THE ASSIGNOR TO AN ASSIGNEE INVOLVING THE RIGHTS TO AN EXISTING K, WHERE THERE MUST BE ADEQUATE DESCRIPTION AND VESTING FROM ASSIGNEE

• BY P TURNING OVER THE WHOLE K TO M,
HE HAS ASSIGNED HIS RIGHTS TO THE SHARES
OF THE CERAMICS TO M. IT MAY BE
DETERMINED THE DOCUMENT DESCRIBING THE
ASSIGNMENT IS NOT SPECIFIC ENOUGH, BUT THE
LATER K WOULD SATISFY THAT ISSUE.

THIS WOULD CONSTITUTE AN ASSIGNMENT TO M, BUT
THERE MAY BE LIMITATIONS.

"VALID" ASSIGNMENT FROM P TO M

• FOR AN ASSIGNMENT TO BE VALID, THERE
MUST NOT BE ANY CONTRACTUAL LIMITATIONS
WHICH INCLUDE ANY LANGUAGE IN THE ORIGINAL
K OF "VOID" OR "INVALID" BECAUSE THESE

WOULD ELIMINATE THE ASSIGNMENT AS WELL AS THE POWER AND RIGHTS OF THE PARTIES. FACTUAL LIMITATIONS INCLUDE ANY INCREASED BURDEN ON THE OBLIGOR IN TERMS OF MATERIAL DUTY OR RISK.

• IN TERMS OF CONTRACTUAL LIMITATIONS, THE ORIGINAL K BETWEEN P + B SAYS THERE MAY NOT BE AN ASSIGNMENT WITHOUT CONSENT FROM THE OTHER PARTY. B DIDN'T CONSENT TO P ASSIGNING HER RIGHTS TO M, BUT THIS WOULDN'T ELIMINATE THE ASSIGNMENT.

THE RIGHTS OF THE PARTIES WOULD BE ELIMINATED BUT NOT THE POWER BECAUSE THERE IS NO

LANGUAGE INDICATING THE ASSIGNMENT AS VOID.

HOWEVER THE FACTUAL LIMITATIONS MIGHT

MAKE THE ASSIGNMENT IMPERFECT. IT DOES

APPEAR THERE WAS AN INCREASED BURDEN OF

B DUTIES AS THE SHIPMENTS WERE BECOMING

~~LARGE~~ - INCREASINGLY LARGER, AND WERE

EVEN DIFFERENT IN STYLE FROM WHAT

P + B ORIGINALLY AGREED ON. THE REASON

B ENTERED INTO THE AGREEMENT WAS BECAUSE

HE THOUGHT P'S FIGURES WERE "ATTRACTIVE"

+ HAD INTEREST IN THEM.

• BECAUSE OF THE INCREASED BURDEN OF B'S DUTIES

IN COMPARISON TO THE ORIGINAL K WHERE P

WAS PRODUCING SMALLER + DIFFERENT STYLE SHIPMENTS,

I BELIEVE THIS ASSIGNMENT WOULD BE ~~BE~~ VOID,

ELIMINATING THE POWER + RIGHTS.

REMEDIES

B v M

• M NO LIABILITY B/C OBLIGOR (B) MAY NEVER SEE

THE ASSIGNMENT (M)

B v P

• B MAY SUE P FOR A MATERIAL BREACH BECAUSE

THE ASSIGNMENT WHICH WAS VOID INCREASED THE BURDEN

ON B, ~~ASA~~ CREATING A MUCH DIFFERENT DUTY FOR B.

HE MAY SEEK CONSEQUENTIAL DAMAGES IF THERE

WERE ANY FORESEEABLE DAMAGES WHICH RESULTING

FROM THE NATURE + PROBABLE CONSEQUENCE OF SUCH

ASSIGNMENT. ALSO MAY SUE P AS THE DELEGATOR AS THERE IS NO NOVATION RELIEVING P OF HIS DUTIES REQUIRED FROM B

B v X

• B MAY SUE ~~FOR~~ X ~~FOR~~ AS THE DELEGATE FOR ANY DAMAGES THAT MAY OCCUR AS A RESULT FROM X'S ACTIONS

P v X

• UNDER A DELEGATION, THE DELEGATOR MAY SUE THE DELEGATE FOR NOT PERFORMING THE DELEGATOR'S OBLIGATIONS SUFFICIENTLY. HERE, X (delegate) performed P'S (delegator) OBLIGATIONS JUST FINE, JUST AT A MORE RAPID PACE, WHICH P WAS AWARE OF BEFORE TIME OF K, THERE IS NO RELIEF THEREFORE

X v P

- BECAUSE P'S ORIGINAL K WITH X STATED THERE IS TO BE A 2 year K, WHICH APPEARS TO BE VALID, P IS IN BREACH BY ASSIGNING THE K TO M. THEREFORE, X MAY SEEK DAMAGES OF EXPECTANCY OR MARKET VALUE - K VALUE OR RELIANCE IF X ARRANGED OR BOUGHT EQUIPMENT/MATERIALS IN RELIANCE OF THE 2 year K.

X v M

- X MAY SEEK DAMAGES FROM M (assignee), BUT IT WILL PROBABLY FAIL BECAUSE THE ASSIGNEE GENERALLY IS NEVER LIABLE, AND THE ASSIGNMENT WAS DEEMED

TO BE VOID, ELIMINATING THE RIGHT AND POWER TO SUE THE ASSIGNEE. HX WILL MOST LIKELY HAVE TO SUE THE

DAMAGES FROM P

M V P

- MAN SUE UNDER AN IMPLIED WARRANTY OF DEFENSES BECAUSE P AS THE ASSIGNOR LIMITED THE EFFECT OF THE ASSIGNMENT BY CONTRACTING WITH B AND NOT MENTIONING THE NON-ASSIGNMENT ASPECT. BASICALLY, BE IMPAIR THE ASSIGNMENT, P HAS AFFECTED M'S WARRANTY OF ENJOYMENT.

ISSUE LIST: QUESTION ONE

- b/1/25
- I. Applicable Law *gs*
- II. Valid contract b/ P and B/terms
- III. Contract b/ P and X: valid?
- IV. Breach by P re X's production?
- 20/25
- V. Assignment/delegation of B contract to M: valid?
- VI. Assignment/delegation of X contract to M: valid?
- 20/25
- VII. B v. P
- VIII. M v. B
- IX. M v. P
- 20/25
- X. X v. M
- XI. X v. P

Comments:

Excellent job... Not sure I agree
w/ M's liability re X... But good job.