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1. May B join claims for fraud and breach of contract in the same suit against S?**Joinder of Claims**

A plaintiff can join claims against a single defendant in federal court when the claims arise out of the same transaction or occurrence. If the claims are not related, the court will require that each claim be filed and heard separately in the interest of justice.

Here, the claim for painting and the claim for the property arise out of two separate transactions. The facts state that the agreement to purchase the property was a completely separate claim from the contract to purchase the property. This would show that the two transactions were separate, and not the same. B might argue they arise out of the same transaction and occurrence because it all happened around the same time, but this argument would fail because they are not the same transaction. Further, the fact that the painting was fraud, and S does not wish to convey the property shows that they do not arise out of the same transaction or occurrence. However, a correct joinder would be where B joins his claim for breach of contract, and specific performance for the real property because they do arise out of the same transaction or occurrence. But since the painting and property are different, they do not.

Thus, because the claims do not arise out of the same transaction or occurrence, then B will not be able to join the claims for fraud and breach of contract against S.

2. Is B's allegation sufficient to state a claim for fraud involving the painting?

Complaint

Under the Federal Rules of Civil Procedure, a plaintiff is required to file a notice pleading. This requires that the plaintiff only include a short and plain statement as to the cause of action. Further, the complaint must include a statement upon which relief can be granted. The one exception to this rule is the issue of fraud. If the plaintiff asserts a complaint of fraud, they must include a statement of specificity to detail the fraud.

Here, B has sued S for fraud in regards to the painting that was sold to him. The facts state that B only alleged that S committed "fraud in the supposed value." This would not meet the standards set forth by the FRCP because it does not state with specificity what the fraud claim is. While B might have relied on the "short and plain statement" standard, this is not the standard that is required for complaints that are alleging fraud. Without more information as to the specificity of the fraud claim, the complaint is not proper.

Thus, because B did not state with specificity regarding the fraud claim, the allegation would not be sufficient.

3. Does Court have Subject Matter Jurisdiction?**Subject Matter Jurisdiction**

A federal court has subject matter jurisdiction over a claim if the claim is either (1) arises under federal law or (2) there is diversity jurisdiction. For federal question jurisdiction, the claim must arise under federal law or a question arising from the Constitution. For diversity jurisdiction, the claim must (1) amount in controversy in excess of \$75,000 and (2) complete diversity of citizenship.

Painting

Here, there is no issue of federal question because the breach of contract does not arise under federal law. Thus, there is no federal question jurisdiction.

However, the court can exercise diversity jurisdiction because the breach of contract includes two diverse citizens (B from New York and S from California). Further, the amount in controversy regarding the breach of contract is in excess of \$1 million. While an exact amount of damages does not have to be shown, it can be stated with sufficient specificity regarding its supposed value at the time of the complaint. Since the alleged value of the painting exceeds \$75,000, the amount in controversy is met.

Thus, the federal court has diversity SMJ over the breach of contract issue.

Real Property

See rule above.

Here, there is no federal question because the failure to convey the property does not arise under federal law. Thus, there is no federal question jurisdiction.

However, the real property does meet the amount in controversy because the property is worth \$5 million. Further, as analyzed above, the parties are of complete diversity because they are from different states.

Thus, the court has diversity SMJ over the real property claim.

4. May the federal court apply California law to decide the breach of contract claim involving the real property?

Erie Doctrine

A federal court that is sitting in diversity must apply the substantive law of the state in which the original claim resides under the Erie Doctrine. A court will look to the state law to determine what laws should be applied to the case. Further, the court will balance the interests of the parties and the state to have their law applied.

Here, the real property sits in California and this case is a diversity suit originally filed in California. Under the Erie Doctrine, the federal court is required to apply the substantive law of California regarding this property because the federal court sits in the state in which the original claim arose. Further, the court will balance the state's interests and the parties' interest in applying the substantive law. B will argue that New York law should be applied because he is the purchaser of the property. However, this would not be the case because the property is located in California. Further, California would have a strong interest in applying its substantive law because it is property that is located within their state. When a claim involves property in the forum state, the state has a very high interest in protecting its property by applying its own laws.

Thus, the federal court must apply the substantive law of California with regards to the real property.

Choice of Law - Property - "Situs"

When the claim involves real property, the federal court will apply the choice of law based on where the property is located. This is known as situs.

Here, the property is located in California. The federal court is required to follow the doctrine of "situs" when it comes to choice of law because it involves real

property. Since the property is located in California, then the court would be required to apply the law of California for breach of contract claims.

Thus, the federal court should apply the California law to decide the breach of contract claim for the property located in California.

5. What issues can B be entitled to a jury trial?

Motion for Jury Trial

Under the FRCP, a motion for jury trial must be made within 14 days after the initial complaint.

Here, there is no evidence to suggest that B had waited too long to request a jury trial. In fact it states that after B filed suit, he demanded a jury trial. Without further evidence as to the timing, it can be presumed that B filed the motion for jury trial within the proper time.

Thus, B has properly filed a motion for jury trial.

Seventh Amendment - Right to Jury Trial

The Seventh Amendment of the Constitution grants citizens the right to a jury trial. The FRCP have stated that in civil cases, a plaintiff has a right to jury trial in cases that would be decided by a jury in 1791. This would mean all legal claims at the time that include claims for damages, while most equitable claims would not be decided by a jury trial because in 1791, most equity claims were decided in the Court of Equity.

Legal Claims - Breach of Contract Damages

Here, B is suing S for the breach of the contract that resulted in damages. Claims that would result in legal damages were traditionally decided by juries in 1791.

Thus, because the breach of contract claim seeks legal damages, then B would be entitled to a jury trial under the Seventh Amendment.

Legal Claims - Fraud

Here, B is also suing for the alleged fraud when S sold B a painting that was not the true painting.

Thus, because legal damages would be decided by a jury in 1791, B is entitled to a jury trial for the issue of fraud.

Equitable Claims - Specific Performance for the Property

Here, B is seeking specific performance for S to convey the property to him. Specific performance is an equitable remedy. Equitable remedies in 1791 were decided by the courts of equity, which did not entitle a plaintiff to a jury trial.

Thus, because specific performance is an equitable remedy, and equitable claims were not heard in front of juries in 1791, then B is not entitled to a jury trial on this issue under the Seventh Amendment.

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