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===== Start of Answer #4 (1228 words) =====

Buyer v. Seller

1. May Buyer (B) join claims for fraud and breach of contract in the same suit against Seller (S)?

Joinder

There are two types of joinder: compulsory and permissive. A compulsory joinder is when a party joins a claim that arises from the same transaction or occurrence from the other claim. Such joinder is compulsory and if the claims are not joined then the party may not be able to bring the claim at a later time. A permissive joinder is when the claims do not arise from the same transaction or occurrence and may be joined with the other claim but it does not have to be.

Here, B and S entered into two contracts. One contract was for a painting that was supposedly worth \$1 million. The second contract was for a piece of real property worth \$5 million. These contracts were separate and do not arise from the same transaction or occurrence as both involve different items and are not related to each other. The only similarity is that it was entered between both B and S. Since these contracts do not arise from the same transaction or occurrence, it is not compulsory.

B may assert that this claim is a permissive joinder and thus, he should be allowed to join the claims together. If B would like, he is able to join the claims together in the same suit against S. If B does not do so, he will not lose the right to at a later time.

Aggregate Claims

Additionally, a plaintiff may aggregate his claims against a defendant even if they are unrelated.

Here, B, as plaintiff, will be able to aggregate both claims of fraud and breach of contract together against seller.

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

FRCP requires plaintiffs to have a notice pleading, which means putting the defendant on notice of the claims they are bringing. However, for claims such as fraud, the rule for pleadings is that it needs to be sufficient to state a plausible claim.

Here, B has allowed that S committed "fraud in the supposed value" and "sought \$1 million in damages." While FRCP pleading standards are more lax, the exception is if the plaintiff is bringing a claim for fraud. B did not add in his pleading how he tried to resell the painting but only obtained \$200. That detail will help bolster his claim for fraud and give S notice why is is bringing a claim for fraud. Additionally, for fraud, it requires the plaintiff to state sufficiently in the pleading for a plausible claim. In order for there to be a plausible claim, it must provide enough detail to give notice to S the reasons sufficient to state a claim for fraud.

Motion to Dismiss

A defendant can file a motion to dismiss if the pleading is insufficient or fails to state a claim upon relief.

In our present case, B's pleading of alleging the fraud and requesting the \$1 million in damages is likely found insufficient to establish his claim. Under FRCP, the court will likely find that B's allegation does not state a claim for fraud and the claim is not plausible.

Thus, B's allegation is insufficient to state a claim involving the painting. Additionally, if S files a motion to dismiss it will likely be granted.

3. Does the federal court have subject matter jurisdiction over the suit?

Subject Matter Jurisdiction

Subject matter jurisdiction is the court's power over the case. There are two ways in which the federal court can have subject matter jurisdiction: federal question or diversity. A federal question is a claim that arises out of a Federal law or the US Constitution. A diversity jurisdiction exists when (a) no plaintiff is a citizen of the same state as defendant and (b) the claim exceeds \$75,000.

Here, the claim does not arise out of a federal question as it involves a breach of contract. As such, there is no federal question jurisdiction.

Diversity Jurisdiction

A diversity jurisdiction exists when (a) no plaintiff is a resident of the same state as defendant and (b) the claim exceeds \$75,000.

No Plaintiff is a citizen of the same state as Defendant

B is living in New York and S is living in California. Thus, B and S are not citizens of the same state.

Claim Exceeds \$75,000

The claim that B is bringing against S is for the breach of contract for the fraud in the painting which B is suing for damages of \$1 million. This amount exceeds the minimum of \$75,000.01. Additionally, if B were to join her claim of the breach of contract for real property, subject matter jurisdiction would still be met because there is diversity between the parties and the minimum amount has already been met.

Thus, the federal court in California has subject matter jurisdiction over the suit.

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

Erie Doctrine

A federal court sitting in a state should apply the federal procedural law and state substantive law. The state law it applies is the state in which the court is sitting in.

Here, the federal court is in California. The Court should apply the federal procedural law and the state substantive law. Here, the law that the federal court is applying is pertaining to breach of contract. Laws about breach of contract are substantive in nature and not a procedural law. As such, the federal court sitting in California is to apply the California substantive law which is the breach of contract law here. Federal courts are to apply state substantive law to prevent forum shopping if the courts would differ the outcome of the suit in deciding what laws to follow.

The federal court will apply California law to decide the breach of contract claim involving real property as it is substantive law.

5. What issues, if any, would B be entitled to a jury trial?

Right to Jury Trial

There is a right to jury trial under the 7th amendment. The right to jury trial is provided to try legal claims but claims in equity. Under common law, a legal claim for damages over a mere \$20 was granted a jury trial.

B has two claims against S. One claim is for damages for a fraud painting in the amount of \$1 million. The second claim is for breach of contract and the remedy is for specific performance.

Claim One - Painting

The first claim is for the painting with damages of \$1 million. This is a legal claim and B is entitled to a jury trial on this claim.

Claim Two - Real Property

This claim is seeking a remedy for specific performance. Specific performance is not a legal claim but instead a claim in equity. As such, B will not have a right to jury trial for this claim.

When there are two claims and one is legal and the other is equitable, the jury will first try the legal claim and then the Judge will hear claim in equity. Thus, in this case, the jury will first hear B's claim for the painting and then the claim for real property will be decided by a judge only.

Question #1 Final Word Count = 1228

===== End of Answer #4 =====