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The sale of goods is governed by Article 2 of the UCC. Thus, common law contract law does not control and the contract rights discussed below as they pertain to the 1965 Eris are in terms of the Uniform Commercial Code.

Bob's Rights Pertaining to the 1965 Eris

A valid contract requires an offer, an acceptance, and consideration. Here, Bob offered Sam \$250,000. However, the contract fails under the statute of frauds.

The statute of frauds requires that the sale of goods in the amount of \$500 or greater to be in writing. Here, Bob signed a letter offering \$250,000 for the car. However, Sam telephoned Bob to orally accept the offer. In order for a valid contract between Bob and Sam to form, the contract must be in writing. Thus, Sam's oral acceptance violates the statute of frauds and no contract was formed.

Bob has no contractual right in the 1965 Eris. Thus, any attempt to sue for expectation, consequential, incidental, reliance, or other damages will fail.

Charlie's Rights Pertaining to the 1965 Eris

A valid contract requires an offer, an acceptance, and consideration. An offer under the UCC is any means communicated by an offeror to an offeree that invites acceptance. This standard is easier to achieve than a common law offer which requires manifestation of the willingness of an offeror to enter into an agreement. The offeror needs to have the intent to enter into a bargained-for exchange. Here, Charlie saw an advertisement placed by Art in a classic car trade publication. Generally, publications and advertisements are not offers but are merely invitations to deal. However, the facts state that Charlie drove by Sam's house and offered \$300,000 for the car by written contract to be mailed later that day. Assuming the contract contained the essential definite terms, this was a valid offer.

The UCC requires that contracts for the sale of goods to be in writing if the goods cost \$500 or more. Here, the Eris was to be sold for \$300,000, this is more than \$500, thus, the contract must be in writing. As long as the contract adequately described the 1965 Eris, the \$300,000 price, the parties (Charlie and Sam), and terms of the sales, Sam would have the opportunity to accept the offer by signing the contract.

Sam's words that he "would think about it" did not operate as a rejection or counteroffer to the \$300,000 offer by Charlie. Further, signing a valid contract after the fact makes these words

immaterial to the bargain.

Acceptance under the UCC requires the offeree to accept by any means within context to the offer. Under common law, acceptance is by manifestation of assent to the terms of the offer, a much narrower definition than the UCC provides. There are special rules for acceptances dropped in the mailbox. The "mailbox rule" states that an acceptance is valid on dispatch. Exceptions to the mailbox rule include option contracts. Here, the facts state Sam signed the contract and "dropped" it in the mailbox. There are no facts to support that this was an option contract. Thus, Sam accepted the offer once it was "dropped" in the mailbox. Usually, an acceptance must be outside of the control of the offerree when dealing with the mailbox rule. Here, it appear the contract was outside the control since it was "dropped" into the mailbox.

The remaining element necessary to find a valid contract is consideration. Consideration is a bargained-for-exchange or legal detriment. Here, \$300,000 is valid consideration for the 1965 Eris. Thus, a valid contract was formed when Sam dropped the contract in a stamped envelope into the mailbox.

Death, at anytime within the contracting process, prevents the formation of a contract. Here, Sam did not die until he went to sleep that night. This was after a valid contract was formed earlier. Thus, Sam's death did not change Charlie's rights in the 1965 Eric.

Charlie will owe Sam's estate \$300,000 (10% of which will go to Art's commission) and Sam's estate will owe Charlie the 1965 Eris per the terms of the valid contract.

Additionally, if Sam's estate attempt to sell the car to someone else, Charlie may sue for specific performance to get the car. Given that the car is only 1 of 500 made and highly valuable, Charlie may be able to show that there are inadequate legal damages because the car is priceless. Further, if for some reason Charlie is unable to obtain the car and legal damages are more appropriate, Charlie may sue Sam's estate under the contract for damages. Expectation damages include the difference of the fair market value of the car and the contract price. Thus, if the car is worth \$400,000, Charlie would be entitled to \$100,000 from Sam's estate.

Art's Rights Pertaining to the 10% Sales Commission of the 1965 Eris

A valid signed written contract gave Art 10% of the car's sale price. The terms are clear: "Upon successful sale, Art will earn a commission equal to 10% of the sale price." Thus, Art will be entitled to 10% or \$30,000 from Sam's estate.

Sam's estate might argue that this was a condition and not a promise. A condition that is not performed excuses the other party from performing, Where as here, a promise that is not

performed places the other party in breach. Art will argue that this contract was for a promise since Art was to be the exclusive agent. Sam's estate will argue that Art did not sell the car, rather it was an ad from the car magazine. However, the language from the valid contract is clearly a promise and Art is entitled to \$30,000.

Sam's estate might also argue that no consideration was given for this contract. As discussed above, consideration is required for a valid contract. Consideration is a bargained-for-exchange between parties. Here, Art was to be the exclusive agent and attempt to sell the Eris in return for Sam's promise that 10% of the sale price would go to Art.

Promissory estoppel is a substitute for consideration where one party acts in reliance of a promise to perform. Here, Art placed an advertisement in the classic car publication. This action estops Sam from rescinding the valid contract between them. If Sam had rescinded the contract prior to Sam placing the advertisement then it is possible for Art to get nothing. However, the facts state Art placed the ad prior to Sam's termination. Thus, Sam's estate is promissarily estopped from denying Art \$30,000.

Art is entitled to \$30,000 from Sam's estate under the contract.

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