

Fact Pattern:

Donald advertised in the New York Times that he wished to sell Dunnellen Hall for \$11,000,000.00. Leona and Harry visited Dunnellen Hall and inspected the property with Donald and Donald's father, Fred. Leona and Harry immediately fell in love with the property. After the inspection, Leona agreed to purchase Dunnellen Hall for \$10,000,000.00. A contract for the sale of Dunnellen Hall was prepared and signed by Donald and Leona. The contract failed to state the purchase price. Later, Leona ran into some tax troubles and changed her mind.

Donald also decided to sell his Yacht Princess to Adnan. He writes Adnan a letter, which described the Yacht Princess, stating that it was one of a kind and available for inspection. Adnan writes Donald back stating that he accepted Donald's offer to sell Yacht Princess.

Finally, Donald is looking for an apprentice to help him out with his daily dealings. Donald offers Bill a job for one year at \$1,000,000.00 per year to serve as his apprentice. Bill immediately quits his job and accepts Donald's offer.

Questions:

1. If Donald brings a lawsuit for breach of contract against Leona, how should the court rule?
2. Was there a valid offer to sell the Yacht Princess?
3. Was there a valid offer made to Bill to serve as Donald's apprentice?

Example Answer:

1. The Court should rule for Leona. The Statute of Frauds provides that certain contracts are enforceable only if they are evidenced by a written memorandum. A writing is required because the contracts are either valuable or because the parties could easily imagine a contract was formed, when none was intended. For example, contracts in consideration of marriage, contracts to pay the debt of another, real estate contracts, contracts not fully performable within one year, and contracts for the sale of goods for \$500 or more. The writing must also contain all essential terms and price is considered an essential term. Because the contract did not contain the price of Dunnellen Hall, it is not enforceable pursuant to the Statute of Frauds.

2. Yes. An offer must be definite as to its material terms or require such definite terms in the acceptance that the promises and performances to be rendered by each party are relatively certain. Under the traditional rule, a valid

offer should indicate the parties, the subject matter or nature of performance due; the price; the time for performance; the quantity of items sold (if applicable). Offers for sale of goods must describe the quantity and goods involved. Here, Donald has offered to sell his Yacht Princess to Adnan.

3. Yes. Service/employment contracts must describe the duration and nature of services. Here, Donald has offered to pay Bill \$1,000,000 a year to serve as his apprentice. Additionally, it appears that Bill has detrimentally relied on Donald's offer by quitting his job.