3)

What claims does Wanda have, what defenses (if any) can Mary raise, and who is likely to prevail regarding:

Applicable Law

The common law governs the sale of contracts involving services and property, whereas, the UCC governs the sale of the goods.

Here, there common law governs the contract between Mary and Wanda because there is no indication of goods being exchanged and instead of it is a contract for money and stocks which would fall squarely into common law.

Thus, the contract is governed by common law.

Contract Formation

A valid contract requires offer, acceptance, consideration, and no defenses.

Here, there is a not a valid contract between Mary or Wanda because while it can be argued that Mary made an offer to Wanda asking for $200,000 and in exchange Wanda accepted the offer by writing a check for $150,000, there is no consideration. Consideration is not valid because only one side is under a legal detriment, Wanda, whereas, Mary is benefiting from the agreement while suffering no legal detriment. Finally, there are valid defenses to this contract formation that will be analyzed below.

Thus, there is no valid contract.

Unilateral Mistake

Unilateral mistake occurs when one party is mistaken to the terms of the contract and the other party is aware of this mistake but does nothing to correct them. The mistaken party may seek remedies such as rescission.

Here, there is a unilateral mistake between the parties because Mary is aware of the fact that Sam is not the father of her 12-year-old child and Wanda is not aware of this during contract formation.

Thus, there is unilateral mistake.

Mutual Mistake

Mutual mistake is when both parties are mistake to the terms of a contract and may seek the remedy of reformation in order to reform the contract to indicate the true meaning between the parties.

Here, there is not mutual mistake between the parties because only Wanda is mistaken whereas Mary is misrepresenting her child's family status in order to induce reliance.

Thus, there is not mutual mistake between the parties.

Misrepresentation

Misrepresentation occurs when one party attempts to induce reliance to a contract through the use of fraudulent terms, the other party reasonably relies on the contract, and suffers a harm.

Here, there is misrepresentation because Mary lied about her who her child's father really is and communicated this information to Wanda. In turn, Wanda relied on this information because she wrote Mary a check for $150,000 and gave Mary 1,000 shares of stock, that were then selling $50 per share. Wanda suffered a harm because she was out $150,000 and $1,000 stocks.

Thus, there is valid misrepresentation.

1. The autographed baseball?

Constructive Trust

Constructive trust is an available remedy when the court orders a defendant to put wrongfully held property into a constructive trust for the plaintiff's benefit until the court orders that the property may be removed. This is an available remedy to a plaintiff when they would like for property to go up in value.

Here, the court will order Mary to hold the baseball in the constructive trust because it was purchased through money given to her by Wanda. Furthermore, the court will hold Mary to put the baseball in the constructive trust because when she purchased it, it was only $1,000 and but now it is $35,000 which indicates that it will only go up in value more. Furthermore, because it is autographed by a legendary baseball player it will go up in value even more.

Thus, Mary's motion to dismiss the claim for a constructive trust will fail.

Replevin

Replevin is a an available remedy when a defendant has wrongfully held property and the plaintiff motions to receive the property before the beginning of legal proceeding but it must have belong to the plaintiff beforehand.

Here, Wanda will seek the remedy of replevin for the baseball because it is wrongfully held property by Mary. However, the court will not order this remedy because Mary was not the rightful owner of the baseball even though her money was used to purchase it.

Thus, the remedy of replevin is not available to Mary.

2. The condominium?

Constructive Trust

See rule above.

Here, the court will order Mary to hold the condo in a constructive trust because she used the money that Wanda gave her to put a down payment. Mary might try to argue that because she got a mortgage on it she should not have to put it in the trust but this argument will likely not stand because the condo has no gone up in value and Wanda is entitled to it.

Thus, Mary's motion to dismiss the claim for a constructive trust will fail.

Equitable Lien

An equitable lien is an available remedy to a plaintiff when the defendant is forced to sell wrongfully held property and to return the proceeds to the plaintiff.

Here, Wanda will attempt to get this remedy because her proceeds were used to purchase the condo and it is being wrongfully held by Mary.

Thus, Wanda will be able to put an equitable lien on Wanda's condo.

3. The stock?

Equitable Lien

See rule above.

Here, Wanda will be able to get an equitable lien on the stocks because she gave Mary 1,000 of them and they have now gone up in value so much that she was able to make $100,000. This might be a difficult remedy because she has already used the money to pay for Sam's private high school and it will be up to the court to enforce it.

Thus, Wanda may petition the court for an equitable lien.

See rule above.

4. The $35,000 in Mary's bank account?

Constructive Trust

See rule above.

Here, Wanda will ask for the remedy of a construct trust because the money now in Mary only had a small amount of money in her account before Wanda gave her the $150,000 but the $35,000 is what is left over.

Thus, Wanda will pursue this remedy.

Equitable Lien

See rule above.

Here, Wanda will ask for this remedy because this money wrongfully held by Mary as it is the amount of

money left over from the $100,000 given to her by Wanda.

Thus, Wanda will pursue this remedy.

Mary's Defenses:

Laches

This remedy is available to a defendant when the plaintiff waited an unreasonably long time to bring a claim and the defendant is now burdened by it.

Here, Mary will use this defense and it will fair well because Wanda waited until June 2025 to bring a claim when she knew that Mary had lied to her back

END OF EXAM