

PART II
ESSAY QUESTION
(60 points)

Andrea Anderson is a successful venture capitalist living in San Francisco. Anderson has recently developed a passion for wine, and has begun to collect expensive California wines for herself and a wine tasting group she has organized. Anderson has become particularly interested in wine produced by a small winemaker in Sonoma County, Morrison Wines. Morrison produces an expensive Zinfandel called "Slagheap," which generally sells for more than \$200 per bottle.

Anderson expects the 2005 vintage of Slagheap Zinfandel to be particularly good and so she calls the owner of Morrison Wines, Morris Morrison, to ask about price and availability. Morrison tells her that he does expect the 2005 Slagheap to be excellent, but that only 200 cases have been produced and that buyers will be limited to one case (12 bottles) each. Anderson tells Morrison she is interested in purchasing four cases to divide among herself and her wine tasting group. Morrison responds that he would be willing to sell her four cases, but at \$300 a bottle or a total of \$14,400 for four cases (48 bottles). Anderson thinks this is too expensive (she did not become a successful venture capitalist by wasting her money) but asks Morrison if she can have some time to discuss the proposal with her group. Morrison agrees and sends Anderson the following fax:

November 3, 2007

Morrison Wines agrees to sell Andrea Anderson four cases of 2005 Slagheap Zinfandel for a total price of \$14,400. This offer is firm until noon November 10, 2007. Acceptance in writing (mail or fax) must be received by that time or the offer will expire.

[signed] *Morris Morrison*
Morrison Wines

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Anderson's wine tasting group is scheduled to meet the evening of November 9, and Anderson plans to discuss Morrison's offer with the group then. By coincidence, the November issue of the Wine Spectator magazine is also published on November 9. It gives the 2005 Slagheap Zinfandel one of its highest ratings ever—98 points out of 100. At their gathering that evening, the members of the wine group eagerly agree to purchase the four cases and write checks to Anderson for their respective shares.

November 10 is a Saturday, and because Anderson's home fax machine is broken, she decides to call Morrison at 11:00 that morning and tells him that she accepts his offer. Morrison replies that because of the Wine Spectator rating he now expects to sell the 2005 Slagheap Zinfandel for \$400 per bottle. He offers her four cases at that price, but refuses to honor his previous offer.

Anderson immediately rushes to her office and sends the following fax to Morrison at 11:55 am:

I hereby accept your offer of November 3 and agree to buy four cases of 2005 Slagheap Zinfandel for \$300 per bottle (\$14,400 total).

[signed] *Andrea Anderson*

Morrison receives the fax at 11:56 am, but refuses to sell Anderson the wine for \$300 per bottle. Anderson brings suit for breach of contract. Can Anderson enforce this contractual obligation against Morrison?

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(End of Examination)

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