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Week 7 Assignment

Do the following problems and for each state in separate paragraphs: a) a summary of the facts, b) the legal issues involved, c) your analysis of the case and d) your conclusion

Pg. 198, problems 10–1 and 10–2

#10–1: Preexisting Duty

Ben hired Lewis to drive his racing car in a race. Tuan, a friend of Lewis, promised to pay Lewis \$3,000 if he won the race. Lewis won the race, but Tuan refused to pay the \$3,000. Tuan contended that no legally binding contract had been formed because he had received no consideration from Lewis for his promise to pay. Lewis sued Tuan for breach of contract, arguing that winning the race was the consideration given in exchange for Tuan's promise to pay. What rule of law discussed in this chapter supports Tuan's claim? Explain.

- a) Lewis was hired by Ben to drive in a race with his race car. Lewis' friend Tuan promised Lewis that if he wins, Tuan will give Lewis \$3,000. Lewis won the race but Tuan took back his offer to pay Lewis the \$3,000. Tuan argued with Lewis that there was no legal binding contract and Lewis did not consider his offer in a written form. Because Lewis was upset about not receiving his \$3,000, Lewis sued Tuan for breach of contract. Lewis justifies saying that winning the race was the consideration to agree to Tuan's promise to pay.

- b) Lewis is asking Tuan to pay him \$3,000 on the basis of winning the car race that Tuan agreed to pay him if he won the race. Tuan's argument is that there was no legal contract and there was no consideration from Lewis. A preexisting duty is when a legal concept in a valid contract states that when a person performs his legal duty it will not lead to a new consideration for a new contract.
- c) I believe on the basis of the technicality Lewis is getting out of this situation by not paying the \$3,000. However, because of the preexisting duty, Tuan can put the obligation on Ben and how he needs Lewis to perform well. It is not Tuan's expectation to have Lewis to perform his best.
- d) Tuan says that Lewis had a preexisting duty to win the race and with Ben. Lewis had to do his best to win the race for Ben and not him so that is why Tuan gets out of the situation of paying him on this technicality.

#10-2: Past Consideration

Daniel, a recent college graduate, is on his way home for the Christmas holidays from his new job. He gets caught in a snowstorm and is taken in by an elderly couple who provide him with food and shelter. After the snowplows have cleared the road, Daniel proceeds home. Daniel's father, Fred, is most appreciative of the elderly couple's action and in a letter promises to pay them \$500. The couple, in need of funds, accepts Fred's offer. Then, because of a dispute with Daniel, Fred refuses to pay the couple the \$500. Discuss whether the couple can hold Fred liable in contract for the services rendered to Daniel.

- a) Daniel was on his way home for Christmas break. On his way from his new job, he got caught in an awful snowstorm. A very nice elderly couple decided to take Daniel in and provided him food and shelter. When the weather cleared up, Daniel returned home. So happy his son is safe and that the elderly couple provided him so much, Daniel's dad

Fred writes a letter to the couple thanking them and promises them \$500. The couple who took Daniel in accept the offer as they were in need of financial help. Unfortunately, Fred and Daniel get into a dispute. Out of spite, Fred refuses to pay the elderly couple \$500 for their act of gratitude.

- b) The letter that Fred wrote to the elderly couple promised them \$500 of their greatness and goodness of their hearts for providing Daniel shelter in bad weather. The elderly couple accepts the \$500 as they are in desperate need of funds. But because of Daniel and Fred's argument, Fred wants to go back on his written promise of paying the couple. Past consideration is defined as an act done before a contract is made. It is a consideration that is already given or some act that is already performed and therefore cannot be induced by the other party's thing, act, or promise in exchange.
- c) I believe that even though Fred does not want to pay the elderly couple anymore because of his issues with his son he should still pay them. The couple took Daniel in and provided him with food and shelter when the weather was terrible outside. However, I do understand that the elderly couple performed this good act before there was the offer of a prize. However, the couple never took Daniel in expecting that they will be rewarded. They were just really nice people.
- d) On the basis of the past consideration rule, the couple is not entitled to the \$500 because there is no official contract and they already did the deed of providing Daniel their home and shelter. This is unfortunate and sad because it would have been nice to be rewarded for their good deeds but unfortunately, people back out of promises and that can be extremely upsetting.