

APPLICATION OF CONTRACT PRINCIPLES TO THREE SCENARIOS

1. Critical Thought Exercise

Ricky Boggs, a 27-year-old country singer, was severely injured in an automobile accident. Boggs was airlifted by Bishop County Air Ambulance to Bishop Trauma Center for surgery and treatment. Boggs slipped into a coma and after seven weeks was transported to Bishop County Extended Care Hospital. Boggs remained in the hospital for fourteen months before he died without ever having regained consciousness. The total charges assessed by Bishop County for the care of Boggs exceeded \$370,000.00. After he died, Bishop County sued the Boggs estate to recover the expenses of the air ambulance, trauma treatment, surgery, hospital stay, and extended care.

Was there a contract between Bishop County and Boggs? If so, how much can Bishop County recover from the estate?

2. Critical Thought Exercise

Gus Vincent sent invitations to a number of potential buyers to submit bids for the mineral rights to his 2,000-acre parcel in upstate New York on the outskirts of the City of Hudson. Seven bids were received, including the highest bid from International Mining and Cement Company, LTD. (IMC). Vincent then decided to hold onto the land for a few more years and never responded to any of the bidders. IMC claimed that a contract had been formed by submission of its winning bid and sued Vincent for breach of contract.

Did a contract exist?

3. Critical Thought Exercise

David Johnson was a well-known businessman in Connecticut and was considering a political career. Johnson desired to enter the race for his local congressional seat. Johnson had a 21-year-old daughter, Stacey, who had studied theater at an Ivy League School and was ready to seek her fame and fortune in movies. When no roles in movies were forthcoming, Stacey was offered a lucrative contract to perform in adult films. David Johnson was afraid that his daughter's pornographic film career would cause great embarrassment to his family and ruin his political career. Stacey would not listen to her father and was anxious to make the adult films. Mr. Johnson offered his daughter \$750,000 if Stacey refrained from making any adult films or any other film that involved nudity for a period of ten years. The offer by Mr. Johnson was conveyed to Stacey in a letter. Stacey agreed to her father's offer and stated in a return letter that she would use his promise to motivate her to lead a more moral life. Stacey rejected the offers to make adult films and refrained from making any film wherein she appeared nude for a period of ten years. At the end of ten years, Stacey requested that her father pay the \$750,000 as promised.

Mr. Johnson refused to pay the money, stating that Stacey had given him nothing in return for his promise except a promise to be a good person. Mr. Johnson took the position that their agreement lacked legally sufficient consideration.

Was a contract formed that was supported by consideration?