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Law 631-001 – Remedies
Fall Semester 2015

UNM School of Law
Final Examination

Professor Robert J. Desiderio
Dec. 3 and Dec. 9, 2015
Time: 8:30 am

INSTRUCTIONS

1. The examination consists of two parts: Part I includes 35 multiple choice questions; and Part II, one essay question.
2. THE MULTIPLE CHOICE QUESTIONS MUST BE ANSWERED ON THE ANSWER SHEET PROVIDED. (Multiple Choice portion of the exam not available.) *****
3. The two parts of the examination will be weighted as follows: Part I – 66 2/3%; Part 2 – 33 1/3%. Each question in Part I will be given equal weight.
4. When answering the multiple choice questions, choose the **BEST ANSWER** among the choices provided. **USE PENCIL ONLY** to answer the questions. Pencils will be available where the exam is distributed. **BOTH THE ANSWER SHEET AND THE MULTIPLE QUESTIONS MUST BE TURNED IN.** (Please return the pencils, too. Thank you.)
5. When answering the multiple choice questions, please mark YOUR examination number on the answer sheet, as shown in the example below as well as this examination. **DO NOT USE THE SAMPLE ANSWER! USE SIDE ONE (1) OF THE ANSWER SHEET ONLY.**

(Please do not use the sample examination number.)

6. None of the multiple choice questions is intended to be released. You may not have in your possession, had access to, or discussed any of these questions before or following administration of this examination, nor may you discuss the specific contents of these questions with any other person without the express consent of me. If you had advance possession of or knowledge of any question contained in this examination, report that fact to me, or Dean Sergio Perea or Alfred Mathewson, or Registrar William Jackson, immediately.
7. You may have with you in this examination your casebook, any materials I have distributed in class or by email, and any notes and outlines that you have prepared or helped in preparing. You may not have any other book, materials, or other information with you.

NOTE THAT YOU HAVE 3 HOURS TO COMPLETE THE EXAMINATION.
GOOD LUCK!

PART II

ESSAY QUESTION

Al is the owner of a commercial building that he rents for \$1,000 a month. Al decided that he wanted to sell the building. Bobbi invests in commercial buildings and is always on the lookout for a good deal. Al learned about Bobbi, contacted her and offered to sell her the building for \$1,000,000. Bobbi agreed to purchase the building so long as Al would take \$500,000 on the date of closing and the remaining \$500,000 a year from the date of closing. Al agreed and the parties executed a written contract detailing the terms of the sale. The contract specifically provided that if Bobbi sold the building before she paid the remaining \$500,000, Bobbi would pay Al the \$500,000 upon the sale of the building. Bobbi then gave Al \$500,000 and Bobbi executed a deed to the building in favor of Al.

Al invested the \$500,000 in Apple stock, which is now valued at \$600,000. When Al and Bobbi executed their written contract, Al informed Bobbi that he, Al, had made arrangements to purchase 50,000 shares of New Company with the \$500,000 Bobbi promised to pay him. Al, however, did not explain to Bobbi that New Company was a technology firm that had been recently established. It planned to engage in advanced robotics manufacturing. Al was offered the opportunity to "get in on the ground floor." Although Al knew that the investment was risky, he would take that risk because the possibility of substantial profits was substantial.

Bobbi held the property for six months, collecting all the rent. She then sold the building to Carmen for \$1,250,000, who had no knowledge of the agreement between Al and Bobbi and who paid the current value of the building. Bobbi, however, did not pay Al the \$500,000 she owed Al. Instead, she used the \$1,250,000 to purchase a home in Santa Fe, which is currently valued at \$1,500,000. Bobbi is now insolvent having debts in excess of \$1,500,000.

Because Bobbi did not pay Al the \$500,000, Al did not purchase the New Company stock, which is currently valued at \$750,000. Al, however, had sufficient other resources to purchase the New Company stock.

Al has consulted you, wanting to know all his claims and remedies against Bobbi, and any responses Bobbi could raise to those claims and remedies. Please advise Al, explaining your reasoning in detail.

END OF EXAM