

**JULY 2016**

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**INSTRUCTIONS FOR THE  
ILLINOIS ESSAY EXAMINATION  
(90 Minutes)**

***The Illinois Essay Examination consists of the 3 questions contained in this booklet. You are required to answer all 3 questions.***

**Laptop users** – Be sure to type your answers in the correct fields. Type the answer to Question 1 in the field for Question 1; then advance to the field for Question 2 before typing the answer to Question 2, etc. Be aware that you will be limited to 4,600 characters for each answer.

**Handwriters** – You have been provided with 3 answer booklets that are numbered to correspond to the 3 questions. Be sure to write each answer in the correct answer booklet and confine the answer to that booklet. There is no cover to the answer booklet – begin your answer on the front page. Write your answer on the printed lines only, and do not exceed one handwritten line per printed line. Portions of answers that exceed these limitations will be disregarded by the Board. The printed lines are on one side only. Do not remove pages from or disassemble any booklet. Answer booklets must be intact when handed in.

Scratch paper for notes and outlining is being provided and will be collected at the end of the exam.

(Questions begin on next page)

1. AgroCare, an Illinois general partnership, is an agrochemical business that marketed the services of small, remotely-controlled helicopters to large industrial farms. These “drones” were about the size of a turkey and their high definition video cameras could be used to spot areas of plant damage or disease, or irrigation problems. Guided by global positioning satellites, the drones helped improve crop yield and decreased agricultural water and chemical use. AgroCare’s office is in Champaign County, Illinois, although its two partners live in adjacent Piatt County.

On January 7, 2014, an AgroCare partner drove to, and signed a contract with, Venture Farms (“Venture”), a 300-acre business in nearby Vermilion County. The five-page contract (“Venture Contract”) stated that Venture agreed to pay AgroCare \$30,000 for 15 drone flights during the spring and summer of 2014.

On January 15, 2014, an AgroCare partner drove to, and signed a contract with, Duke Farms (“Duke”), a 1,000-acre industrial farm in nearby Douglas County. The 21-page contract (“Duke Contract”) stated that Duke agreed to pay AgroCare \$72,000 for 30 drone flights, using a special infrared camera, and 50 additional hours of evaluative services during the spring and fall of 2014.

After AgroCare had conducted three flights for Venture and five for Duke, and after both entities had paid AgroCare half of the fees under their contracts, the Federal Aviation Administration (“FAA”) notified Venture and Duke that AgroCare could not lawfully operate drone aircraft for

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commercial purposes. AgroCare disputed the FAA's position and kept operating the drones.

Not wanting to run afoul of the FAA, Venture asked AgroCare to halt its operations over Venture's fields. Duke, believing that any FAA violations were the responsibility of AgroCare, not Duke, allowed the flights to continue. Four weeks later, AgroCare stopped all drone operations when the FAA secured an injunction against the partnership.

Venture requested the return of all funds from AgroCare, while Duke sought a proration of the money it had paid and to nullify the evaluative services portion of its contract. AgroCare refused both demands and countersued Duke for payment of the evaluative services for which the latter had contracted.

Venture and Duke hired a lawyer based in neighboring Edgar County who filed a breach of contract lawsuit in Edgar County Circuit Court seeking return of the funds his clients had paid AgroCare. AgroCare's lawyer filed an initial appearance followed by a timely motion to transfer based on improper venue, asking that the lawsuit be moved to Champaign County Circuit Court. The judge granted the motion. AgroCare's lawyer then filed in Champaign County Circuit Court a timely motion alleging misjoinder of plaintiffs. The Champaign County judge denied the motion.

- (a) Did the court err by granting AgroCare's motion to transfer based on improper venue? Explain your answer.

(Question continued on next page)

- (b) In its motion to transfer, could AgroCare have requested that the lawsuit be properly transferred to any other county or counties, and if so, which county or counties? Explain your answer.
  - (c) Did the judge err in denying AgroCare's motion alleging misjoinder of plaintiffs? Explain your answer.
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2. James was a professional burglar who broke into Molly's house one afternoon and made off with a great deal of jewelry and other valuables. One of the items in the cache was an old bayonet that bore the inscription "31st Illinois Regiment, 1862." James had a good eye for value and believed this to be a Civil War-era bayonet that could have seen action at Shiloh or Vicksburg.

He took the bayonet to Fred, an antiques dealer whom James knew well. Fred suspected that the goods James brought to him were stolen because James always accepted much less for the goods than they were worth. These "good deals" were sufficiently attractive that Fred was even willing to run the risk of a criminal prosecution for theft based on possession of stolen property. He reasoned that if he did not ask questions he would be safe, so he never asked James anything about the source of the goods James brought him.

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Having done some research, James offered his opinion that the bayonet was worth around \$10,000 at retail. Fred looked at some of his sources, examined the bayonet closely, and agreed. However, given his suspicions about how James had acquired the bayonet, Fred offered James \$1,500 cash. James gladly accepted. Neither James nor Fred knew that the bayonet actually was an expert forgery, made in about 1960 and worth about \$100.

Molly has learned that it was James who stole the bayonet and also has discovered that the bayonet actually was a forgery. She suspected as much since she had paid only \$200 for it. She is no longer interested in recovering the bayonet but, rather, wants to pursue a civil remedy against James for as much as she can get. Fred, also not pleased with this turn of events, wants to get his \$1,500 back from James.

- (a) What is the maximum that Molly can recover from James and under what theory? Explain your answer.
- (b) What remedy does Fred have against James? Does James have any defenses to defeat Fred's claim?

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3. Company manufactured Magitrim diet pills in a Chicago warehouse. On May 10, 2013, Company's proprietor, Owner, entered into negotiations to sell Company to Buyer. Owner provided Buyer with historical data

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regarding Company's performance for the period 2010 to 2012. The data, which Owner had altered to make Company appear more attractive, showed materially higher revenues than Company had actually experienced.

While the negotiations were ongoing, Owner sent Buyer a set of 10 additional documents for Buyer to review. Through Owner's inadvertence, a spreadsheet containing the actual historical data of Company's performance from 2010 to 2012 was included in the proffered documents. Buyer, who was extremely busy, did not immediately review these documents.

During negotiations, Owner informed Buyer that Magitrim was "a stellar product" made by "a fantastic group of employees." Owner wanted to impress Buyer in order to stoke Buyer's interest in Company. In reality, Owner knew that two of Company's 15 employees were habitually late to work each morning.

Also, during negotiations, Owner provided Buyer with future income projections showing that Owner expected Company to generate \$500,000 in revenue in 2013 and \$600,000 in 2014. Owner hoped these projections would convince Buyer to purchase Company. Buyer relied on these projections when deciding how much to pay for Company.

The sale of Company from Owner to Buyer occurred on June 15, 2013.

Buyer first saw the spreadsheet containing the actual historical data on July 1, 2013. On the same day, Buyer

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learned that two of his employees had a history of arriving late to the warehouse. Despite Buyer's hopes, Company generated only \$400,000 in revenue in 2013 and \$450,000 in 2014.

On July 20, 2016, Buyer filed a three-count lawsuit against Owner in Cook County Circuit Court, alleging fraud during their May 2013 negotiations. Buyer's common law fraud claims were presented in three counts. Count One focused on Owner's decision to provide the altered historical data to Buyer. Count Two alleged that Owner fraudulently asserted that Magitrim was "a stellar product" made by "a fantastic group of employees." Count Three complained that Owner had informed Buyer that Company would generate \$500,000 in revenue in 2013 and \$600,000 in 2014, when the actual revenue for those years was much lower.

Owner's lawyer filed a motion to dismiss the entire complaint as untimely filed. The court denied the motion.

- (a) What elements must Buyer prove in order to prevail on the common law fraud claims? Explain the applicability of these elements as they relate to the facts.
- (b) Did the court err by denying Owner's motion to dismiss the complaint as untimely filed? Explain your answer.
- (c) Assuming that Buyer can prove damages, under which counts of the complaint can Buyer recover? Explain your answer.