



FEBRUARY 2016 EXAMINATION ANSWERS

**APPLICANT'S ANSWERS TO QUESTIONS
NEVADA BOARD OF BAR EXAMINERS**

EXAM DAY 1, QUESTION 1

1)

I. MOTION TO SUPPRESS

Search and Seizure: The 4th Amendment to the Constitution protects against unreasonable search and seizure. The 4th Amendment is incorporated to the States through the 14th Amendment. In order for a search to be unconstitutional, there must be government action and the search of an area in which the Defendant would have a reasonable expectation of privacy. Generally, to conduct a search a police officer or government actor must have a valid warrant that is secured with probable cause.

Search of Car: An automobile exception exists, by which a police officer may search the passenger compartment of a vehicle if probable cause for arrest arises during a lawful stop. Under those circumstances, a police officer may search the car in any area that is likely to contain evidence of the crime based on probable cause. Here, Dan's car was stopped and searched but the search is likely in violation of Dan's Constitutional Rights, because there is a question as to whether the Police had Reasonable Suspicion sufficient to stop Dan in the first place. Even if reasonable suspicion is found, there are no intervening acts that would give rise to probable cause for an arrest or a search based on the original stop and the dog sniff is also likely to be found to violate Dan's constitutional rights in this instance. The constitutionality of the search and the dog sniff will be discussed below, but if both are found unconstitutional, Dan's motion to suppress should be granted.

Fruit of the Poisoness Tree: Under the exclusionsary rule, evidence that may otherwise be admissable in an action will be barred if it was obtained as part of an illegal search and seizure. There are exceptions to the rule that will stop the evidence from being barred if it would have been discovered inevitably, if there was an independent source for the evidence or if there is an intervening act. The rationale for those exceptions is that the police would have found the evidence without the violation, so the violation is not the sole source and it should not be barred if otherwise relevant and admissible. The doctrine also excludes evidence that was obtained as a result of the illegally conducted search. These are fruits of the poisoness tree. While the drugs found in Dan's car would normally be admissible in court, they will be barred in this circumstance because the police did not have probable cause for the search and the dog sniff was in violation of Dan's rights (see below), and Dan's motion to suppress should be granted.

Plain View: The plain view doctrine allows police to obtain evidence found in plain view if they are lawfully present. Here, Dan will argue that the stop was illegal and therefore the plain view doctrine would be barred. However, because the drugs were "under the backseat seat" of the car, there is no reason to believe they were in plain view and the doctrine will not apply.

Motion to Suppress: If a defendant believes that evidence to be used against him has been obtained in violation of his 4th amendment rights or as fruit of the poisoness tree,

he can file a motion to suppress the evidence. A motion to suppress, if granted, will keep the evidence from being used against the defendant in court. Here, if Dan can show that the dog sniff violated his constitutional rights, the motion should be granted because, based on these facts, there is no reason to believe the drugs under the passenger seat would have been otherwise discovered.

II: LEGITIMATE BASIS FOR STOP & CONSTITUTIONAL DEFENSES

Legitimate Stop: Police Officers are required to have reasonable suspicion to stop a vehicle. Reasonable suspicion is a lower bar than probable cause, which is needed for an arrest. Probable cause can arise after a stop based on reasonable suspicion based on the circumstances of the stop. For example, if the officer sees contraband in plain view, or if the vehicle was stopped for swerving and the driver smells strongly of alcohol and is slurring his words. If probable cause arises, the police may arrest the defendant and conduct a search incident to a lawful arrest.

Reasonable Suspicion: Deputy Smith will argue that the lack of a front license gave him reasonable suspicion to follow and stop Dan. Even though by statute the state of NV does not require a front license plate if there is not attachment mechanism, we are also told that most people are unaware of this law. In addition, we are told that NV DMV issues two license plates for each vehicle. Deputy Dan will argue that because he did not know about the statute, and possibly believe that because two are issued

they are both required to be displayed, that he had reasonable suspicion for the stop. Dan will argue that because he was in compliance with statute, and committed no traffic violations while being followed, Deputy Smith's failure to know about the statute will not rise to the level of reasonable suspicion. The facts tell us that Deputy followed Dan. Police are allowed to follow a car if they have a reasonable suspicion, so the Deputy's initial following of Dan may be ok. Dan's stronger argument would be that even with the Deputy following him, he did not commit any traffic violations and therefore the stop should be unconstitutional.

Whether Deputy Smith's ignorance of the statute gave rise to reasonable suspicion will be determined by the court, and courts often find that police have met the burden of reasonable suspicion. Here, Dan will have a strong argument against it, though, because Deputy Smith is police officer and should know of the license plate law and Dan committed no traffic violations.

Constitutional Defenses: Dan will argue that the stop, and the subsequent dog sniff and search of his car violated his 4th amendment right against search and seizure. Dan might also argue that the Deputy violated his Right to Travel by questioning him about where he was going, but this is unlikely because the Deputy made no further remarks on the matter. Dan's strongest defense would be his 4th Amendment rights.

III. DOG SNIFF AND CONSTITUTIONAL RIGHTS

Fourth Amendment: As discussed above, the fourth amendment protects against unreasonable search and seizure, which requires government action in violation of a reasonable expectation of privacy.

Dog Sniffs: The "dog sniff" test has been decided on by the courts, and the use of a dog sniff is permissible in certain circumstances. A dog sniff of a home without a warrant constitutes a search because of the high expectation of privacy in a home.

However, the courts have held that dog sniffs of cars are only unconstitutional if they prolong the stop. If an officer stops a car and the dog is present at the stop and alerts to the presence of contraband, that may give rise to probable cause for a search and arrest. However, unless there is already probable cause, an officer may not have a dog brought to a stop, extending the time of the stop, to sniff a car.

Here, Deputy Smith did not have the dog with him, nor did Deputy Jones happen to show up with the dog to assist Deputy Smith while he was in the process of stopping Dan. Even if reasonable suspicion is found to have made the stop proper (See above), the dog sniff in this case would have unreasonably extended the time of the stop and search based on probable cause from the sniff will be found unconstitutional. In these facts, Dan has been stopped, provided legitimate license, registration, and insurance, and is not in violation of any statute. From these facts, there is no evidence that Dan was acting intoxicated, or that there were any items of contraband in plain view, or any smells detectable by Deputy Smith to give rise to probable cause. Dan

was only going to be issued a citation for the license plate violation (which was was not correct and Dan would be able to show this in court.). He also told Dan that "everything looks good," and Dan asked if he could leave. However, Deputy Smith had called Deputy Jones to bring out the dog and Dan "had to wait" for that other deputy to arrive. This clearly is an extension of the time of the stop without cause (Deputy Smith said "everything looks good") and the dog sniff is unconstitutional.

Constitutional Defense: Dan should argue that the dog sniff was a violation of his constitutional rights, and the court should find in his favor. The Deputies may argue that the extension of time was only a few minutes and that the dog sniff should be constitutional, but based on the facts discussed above, any argument for an extension of time on this stop would be weak. The court should find for Dan here.

END OF EXAM



FEBRUARY 2016 EXAMINATION ANSWERS

**APPLICANT'S ANSWERS TO QUESTIONS
NEVADA BOARD OF BAR EXAMINERS**

EXAM DAY 1, QUESTION 2

2)

1. Enforceable Contract

Applicable Law

In a mixed goods and service contract, it must be determined what the predominate purpose of the contract is. If the predominate purpose is the sale of goods with incidental services included, generally, the contract will be governed by UCC Article

2. Goods are objects that are movable at the time of identification for the contract.

Here, this is a mixed contract for services and goods because the contract is partly for supplying exit signs and emergency lights, which are movable and therefore goods, and for the installation of the lights. The predominate purpose is for the sale of goods because Mary needed the interior lighting for her theater in order to meet the building codes. Although she was constructing her theater, the contract was predominately about the goods because she needed the lights to meet the building codes.

Here, the UCC will apply because although it is a mixed contract, lights are movable at the time of identification.

Merchants

Under the UCC, there are several special rules for merchants. Merchants are those who deal in the goods of the kind contemplated under the contract or hold themselves out as having special skill related to the goods.

Here, Acme is a merchant because Acme specializes in interior commercial lighting, the goods that are the subject of the contract. Additionally, Mary is a merchant because although she appeared to be totally relying on Acme for their skill in goods and didn't hold herself out to have any, she deals in goods of the kind, here interior lighting, because she is a businesswoman who is buying the goods for her theater and will have to deal with these goods regularly throughout the time she is in business.

Therefore, both parties are merchants and will have the special merchant rules under the UCC.

Offer

An offer is the manifestation of intent to enter into a bargain, which would justify a reasonable person in concluding their assent is invited and will form a contract, containing definite and essential terms.

Here, bills e-mail to Mary probably serves as an offer because the email stated they

would install the necessary exit signs and emergency lights on or before March 15. Additionally, the offer contained language including standard terms and conditions per our website providing more evidence that a reasonable person would conclude this was an offer that invited assent. However, it could be argued that the terms of the offer are not define enough because it does not contain a clear quantity term. However, it does say necessary lighting.

There is probably an offer.

Acceptance and Additional Terms

Additionally, there must be an acceptance to form a contract. An acceptance, if a manner is not specified in the contract, may be given by anyway reasonable under the circumstances. Under the UCC, an acceptance containing additional terms that does not make acceptance conditional on the offeror's acceptance of the additional terms serves as a proper, unlike the common law. Between merchants, these additional terms become part of the contract unless the other party objects, the terms materially alter the contract, or the acceptance is conditional upon acceptance of the terms.

Here, there was acceptance because Mary sent an email to Bill Stating let's say 8,500 and MArch first and it was reasonable to email acceptance because the offeror, Acme, sent the offer in the email. Although these contain additional terms, the mirror image

rule of the common law does not apply because this is a contract for goods under the UCC and this serves acceptance because acceptance is not conditional on assent to these additional terms.

As far as the terms, both parties are merchants and so it must be determined whether Mary's additional terms in the acceptance become part of the contract. The offeror Bill did not object so therefore, the other party did not object. Additionally, the terms do not materially alter the contract because a price change of 1/8 is not a huge shift of price. Additionally, 15 days earlier for delivery is not a material alteration.

There was acceptance and Mary's additional terms will become part of the contract.

Consideration

Additionally, to form an enforceable contract, there must be a bargained for exchange of benefits or legal detriments exchanging promises or performance.

Here there was consideration because Acme and Mary agreed to exchange 8,500 for the installation and purchase of necessary exit signs and emergency lights.

Therefore, there was consideration.

Conclusion to Question 1: There was probably an enforceable contract that included Mary's additional terms, Delivery by March 1 for 8,500, including Acme's standard Terms and Conditions, including the purported warranty disclaimers, which I will discuss infra.

2. Claims and Defenses

Acme Statute of Frauds Defense to Enforcement

For the sale of goods over \$500, there must be a writing or series of writings that evidence the parties, the subject matter of the contract, and the quantity term of the contract. However, as an exception to this requirement, as for goods delivered under the contract, the contract is enforceable with respect to those goods actual delivered, but not others agreed to by the parties that have not been delivered.

Here, there are a series of writings evidencing the parties because the name on the emails show Acme and Mary, the parties under the contract. Additionally, the

writings show the the subject matter of the contract because Acme's email contained the subject, exit signs and emergency lights. However, the quantity term is not in the writings because the email only says "necessary exit signs and emergency lights per sample."

Mary's Counter Defenses: Mary could argue this is some sort of requirements contract but that is really not applicable here because this should be a one time installation. However, she will have more luck with the goods delivered doctrine because the entire quantity term of the contract, the exit signs, was delivered on March 10th and the installation was "completed."

The contract, despite not satisfying the statute of frauds, will be enforceable because delivery and installation of the goods was "completed" as of March 10. However, if there were any more delivered after they would not be enforceable.

Breach of Perfect Tender

Under the UCC, a seller of good must provide perfect tender and the goods must conform, in all respects, with the requirements under the contract. If goods to not conform, perfectly, under the contract, the buyer of goods may accept all the goods, reject all, or accept some of the goods and not others. If the seller of goods ships non-conforming goods, they are treated as a breach of the perfect tender doctrine, if

there was no notice of accomidation. The buyer has a reasonable time to inspect before rejecting.

Here, the goods to did not conform to the time under the contract, March first, because the goods were delivered and installed March 10th. Additionally, the goods did not conform to the contract because the signs were "per sample" (referring to only steel exit signs and emergency lights) and Acme sent plastic signs and lights. Additionally, the terms did not conform to the contract because they were broken.

Acme's Counter Defenses: Acme could argue that they sent these non-conforming goods as an accomidation but this will not work because they did not provide a notice of accomidation and not only that, the contract was already formed by an exchange of promises, rather than a prompt shipment, by Mary's return email. Additionally, Acme could argue that Mary accepted the goods despite their obvious non-conformities because she did not send them a notice and she accepted the goods anyway.

However, this argument will probably not work because Buyers of goods have a reasonable time to inspect and she had notified them in 4 days, March 10th was the installation and on March 14th Mary immediately sought to get other goods. Acme could also argue that Mary needed to give them a reasonable time to cure however, they were already 10 days late on performance and past the time for performance and there are no facts that show a course of performance of dealing that would justify additional time.

Acme breached the contract.

Breach of Express, Fitness For a Particular Purpose, and Implied Warranty of Merchantability?

An express warranty exists if a representation is given as to the quality of the goods and it becomes a basis of the bargain. A representation of fact and the showing of a sample can constitute an express warranty, but not mere sales puffery. Additionally, the implied warranty for a particular person exists if an expert person has special skill in goods, and another person relies on their expertise, with knowledge of the expert party, and the expert party has reason to know of a particular purpose. This warranty is breached if the goods do not live up to their particular purpose. Finally, every good sold by a merchant contains the implied warranty of merchantability that the goods are fit for their ordinary purpose. These warranties can be waived by a conspicuous disclaimer or simple language such as "as is."

Here, there is an express warranty that the goods would be for steel exit signs and emergency lights because Acme's salesperson showed Mary the stock on hand, which only included steel signs and emergency lights. This became a basis of the bargain because Acme sent an email to Mary saying that they would supply and install the necessary exit signs and emergency lights "per sample", referring to the sample steel lights. Acme breached this warranty because it sold and shipped plastic lights rather

than steel ones.

Additionally, there is the implied warrant of merchantability here because Acme is a merchant. Additionally, this warranty was breached because the ordinary purpose was for lighting that works and for lighting that would not include lead and mercury because lighting is ordinarily used for light and by law can't contain lead and mercury. Acme breached this warranty because the lights were broken and also had lead and mercury in them, making them illegal.

Additionally, there is an implied warranty for a particular purpose. Acme is an expert in lights because it specializes in interior commercial lighting. Additionally, Acme had knowledge Mary relied on Acme because she stated "Whatever you recommend, I'm depending on you." Additionally, Acme knew of Mary's particular purpose because Mary told Bill, an Acme salesman, that she needed these lights for a movie theater, and Bill responded "we know all about movie theater lighting."

ACMES DEFENSE: Acme will claim it waived the warranties because it had a contract term that stated "all warranties, express or implied, are excluded." However, Mary will retort that this was not conspicuous because it was in the middle of 25 untitled paragraphs of identical type, which included the term. This will not be conspicuous enough for the court.

Acme probably breached all of these warranties.

Non-Assignability Clause

Generally, contracts are freely assignable, including rights and duties, except where a clause prohibits it or the assignee is not capable of meeting the demands of performance under the contract.

Here, the contract contained a non assignability clause because a clause stated, in the standard terms that became part of the contract that any contracts we enter into may not be assigned. Here, Acme breached this clause because it assigned the duty to perform to Charlie's Contracting. Additionally, it appears that the assignee Charlie's Contracting, did not have the skill of Acme who specialized in lighting and "knew all about movie theater lighting," per Acme's salesman.

It appears that this was an invalid assignment because it was prohibited under the contract and the assignee did not have the same skill.

Risk of Loss

Under the UCC, if the contract does not specify, the contract is a shipment contract, which means the seller shifts the risk of loss to the buyer once the goods are delivered

to a carrier and notifies the buyer.

Here, Acme could argue that Mary bore the risk of loss for the broken lamps that were installed anyway because Acme delivered the the lights to a type of carrier, the assignee, Charlie's contracting and that Mary bore the risk for those broken lights.

However, Mary could argue that this was not a carrier because Charlie's was a purported assignee under the contract and that the seller, Acme, did not notify her.

On balance, Acme probably still bore the risk of loss because Charlie's was an assignee rather than a carrier and they never notified Mary, and the contract was mixed goods and services, including installation, therefore, it wasn't complete and tendered until installation.

Mary Repudiation?

A party may suspend their own performance or sue for breach if the other party breaches the contract.

Acme could argue that Mary repudiated her contractual duty to pay because she stopped payment on her check. However, Mary could more-successfully argue that

she just suspended her performance after Acme's Breach.

Consequential Damages

A party may be liable for any consequential damages if that party had reason to know of the special needs of another party.

Here, Mary could argue for consequential damages for all the profits she lost from the latest star wars episodes, which was very popular and made a lot of money. She could argue that Acme had knowledge of the special time because she changed the delivery term up to March 1st rather than the 15th. However, although Acme knew about the time for performance there are no facts showing they knew about the need because of star wars. Had they known about the need to show star wars, Acme would be liable for a reasonable estimate of the box office receipts that Mary lost, due to the popular movie not being shown due to their breach. Acme would have been liable for two weeks of profits, including the special damages due to the star wars breach had she been clear about her special purpose.

Expectation Damages for Mary

A party to a contract is generally entitled to the benefit of their bargain.

Cover

Mary has a duty to try and make a commercial reasonable cover.

Mary had to buy replacement lights to to Acme's breach, which caused her to spend 6,500 more for replacement goods to Nevada Safety Lighting. There are no facts showing that this was not commercially reasonable.

Acme is liable for these cover damages.

Incidental Damages

A breaching party is liable for any incidental damages caused by a breach.

Here, Acme will be liable for the 10K that Mary had to spend to cancel her print and media ads and reschedule them because this expenditure was justified by the breach and caused by the breach. She would not have had to do that if Acme performed on time.

Acme Not

END OF EXAM



FEBRUARY 2016 EXAMINATION ANSWERS

**APPLICANT'S ANSWERS TO QUESTIONS
NEVADA BOARD OF BAR EXAMINERS**

EXAM DAY 1, QUESTION 3

3)

This question involves property law.

Fee Simple Absolute: Originally, both Alice (A) and Bob (B) own their respective lands in fee simple absolute. This is absolute ownership of land that is freely transferable, alienable, and devisable.

COVENANT BETWEEN A AND B

Restrictive Covenant: A restrictive covenant is a negative easement in land that prevents the owner of a parcel from using the parcel in a certain way or conducting certain activities on the parcel. To create a valid restrictive covenant that applies to subsequent property owners, there must be intent between the original parties that the covenant continue, the covenant must touch and concern the land, there must be horizontal privity between the original creators, vertical privity between subsequent owners, and notice to subsequent owners.

Intent: Here A records a writing covenanting that neither A or her "heirs, successors and assigns" will use whiteacre (WA) for anything other than residential use. This writing shows an intent for the covenant to continue.

Touch and Concern: Because this involves A's ability to use her land for anything other than residential purposes, it touches and concerns the land.

Horizontal Privity: Typically horizontal privity means a non-hostial connection between the parties that created the covenant. Here the parties are neighbors but

nothing indicates B sold WA to A or had any connection or interest in WA other than being a neighbor. Accordingly, a later owner challenging the covenant could make an argument that horizontal privity did not exist and no covenant occurred.

Vertical Privity: This is a non-hostile connection between a prior land owner and the current landowner. Carol (C) eventually takes a life estate from A and therefore has vertical privity with A.

Notice: Notice may be actual, constructive, or record. Here the covenant is recorded in a document with the land, creating record notice to any subsequent purchasers or owners of WA.

Because horizontal privity is likely missing, a restrictive covenant on WA will not likely flow to any subsequent owners of WA. However there may be an equitable servitude.

Equitable Servitude: An equitable servitude only requires: 1. intent; 2. notice; and 3: Touch and Concern the land. As discussed above, these 3 elements are each satisfied. The difference between an equitable servitude and a restrictive covenant is the remedies sought. Equitable servitudes are enforced with equitable remedies (injunctions, tro's, specific performance, etc), whereas restrictive covenants are only enforceable through monetary damages at law. B likely has an enforceable equitable servitude as to A regarding her use of WA (subject to all equitable defenses).

EASEMENTS:

Generally: An easement is a right to use the land of another in a specified way or for a specified purpose. An easement appurtenant runs with the land, meaning the owner

of a dominate parcel has the right to cross or use the servient parcel as indicated by the easement. An easement in gross is not attached to any land rights but gives a person the right to enter and use the servient parcel for a specific purpose. Here, it appears the parties intended to create an easement appurtenant via a driveway that would give both A and B the right to use the driveway (that originally was intended to sit on both properties).

Types of Easements: Easements may be express, implied (easement by necessity or easement by prior existing use), or negative (covenants and servitudes). An easement may also be created by prescription. Here the parties intended to create an express easement but B mistakenly built the driveway entirely on WA. The question becomes what are B's rights to use the driveway.

License: A license is permission for the license holder to come onto the land of another. B could argue that even though the driveway is entirely on WA, he has a license to use the driveway based on the intent of the parties in building the driveway. While a license is generally revocable at will, it becomes irrevocable if it is coupled with an interest or the license holder expended funds in reliance on the license. Here B spent the funds to build the driveway and could argue he therefore holds an irrevocable license to use the driveway. However, because a licensee is not assignable, when B sold his property to D, the license disappears and D may not rely on the license for purposes of using the drive way.

Necessity: An easement by necessity arises when two parcels were originally one large parcel and the easement is necessary for the reasonable use and enjoyment of the dominant parcel. Here, nothing indicates WA and BA were originally one large parcel. Furthermore, the facts indicate both have access to public roads. While Nevada does not require total necessity for an easement by necessity, it does require more than mere inconvenience to create such an easement. Since it would appear BA used his public road and had access to it well before the driveway was built, there is not easement by necessity.

Prior Existing Use: Against, prior existing use requires two parcels that were originally one large parcel and that the easement was used upon division of the properties with intent that it would continue in its use. This does not apply to the facts here.

Prescription: An easement by prescription arises when there has been: 1. continuous; 2. open and adverse; 3. use of an easement; 4. For the statutory period. In Nevada, an easement by prescription arises after 5 years. As noted above, D may not rely on B's license to use the driveway, so it will likely require D to establish an easement by prescription.

Continuous: The facts indicate B used the driveway since he built it without interruption. After B transferred his land to Dick (D), D continued to use the driveway (easements run with the land not the owners). He did not stop until C built

the block wall around WA. During this, at least, 10 year timeperiod, use was continuous. (Tacking - For prescription and adverse possession purposes, parties that are in non-hostile vertical privity may tack together their time for purposes of satisfying the statutory obligations, however, since D used the driveway for at least 5 years, that is not necessary here).

Open and Adverse: D openly used the driveway, even continuing to drive around the gate built by C so that he could continue to access the driveway. This behavior is open and certainly adverse to C's wishes when she put up the coded gate.

Statutory Period: Nevada Created a 5 year statutory period for gaining an easement by prescription. It would appear D satisfies the requirements for an easement by prescription and should have therefore brought an action to record the easement. If he does not bring such an action, however, the block wall is likely sufficient to destroy the easement, even if by prescription.

Destroying an easement: An easement may be destroyed by agreement of the parties, estoppel, destruction of the dominant tenement, eminent domain/taking, and by prescription. C's act in building a stone gate around WA that cuts off D's access to the driveway is sufficient to constitute a blockage of the driveway, and therefore start the time for ending any prescriptive easement acquired by D. The gate did not accomplish this since a blockage must prevent complete use of the land in question yet D was able to simply drive around the gate.

D against A: A gave C only a life estate. This means that A has retained a

reversionary interest in WA. Upon C's death, the property will automatically revert to A. D could therefore create an argument that he has a constructive easement in the use of the driveway based on A's dealings with B and the fact that B and D are in vertical privity. This claim is likely to fail given C's actions in attempting to destroy the easement.

SHOPPING CENTER

As discussed above, because there was no horizontal privity between A and B in creating the restriction recorded on WA, the likely result is an equitable servitude. Enforcement of the equitable servitude will run to C through A because C had record notice, the servitude touches and concerns the land, and there was intent for the servitude to continue. While equitable servitudes do not require horizontal and vertical privity, there is vertical privity between B and D due to the non-hostile transfer of B's interest to D in fee simple.

Enforcement of Equitable Servitude: Remedies for breach of equitable servitude are equitable remedies. Equitable remedies are only available to a party where the legal remedy is insufficient, enforcement of the equitable remedy is feasible and the court considers a balance of the burdens on the defendant if the equitable remedy is granted. D would need to seek an injunction in this case blocking C from building the shopping center.

Enforcement: Here, enforcement is easy to monitor. The court could issue an

injunction blocking the building (and D could also seek an interlocutory injunction prior to trial to stop the building if he should reasonable likelihood of success on the merits and irreparable harm). There would be no ongoing monitoring because C would simply be unable to build.

Balance: The court must balance the interests of the proeprty owners. Of note, while C owns a life estate, A and her heirs/devisees have a vested reversionary interest in the property. Building a shopping center if outside the regular use of the property could be considered ameliorative waste. A life tenant has a duty to not commit waste to the property. Waste may be permissive (failure to upkeep buildings, pay interest on mortgage, pay property taxes), voluntary (waste of resources on the land outside of necessary use or use in line with previous use), or ameliorative (waste that increases the property value of the land but changes the character/use for reversionary interest holders and is done without their consent). Changing the use of WA from residential to a shopping center would very likely increase the value of WA but would constitute a change in character sufficient to establish ameliorative waste, therefore, because C does not automatically have this right to use teh land in such a way, the burden on her to keep the land residential is small.

Equitable Defenses: C would need to raise equitable defenses to an injunction.

Equitable defenses included laches, unclean hands, and estoppel.

Laches: C could argue that the passage of time from A agreeing to the servitude to D's enforcement makes it unreasonable to enforce the servitude. It appears

approximately 10 years have passed since the servitude was recorded so this is likely to be an unsuccessful argument as C would have had record notice in taking her life estate of the covenant and has only been on the property 5 years.

Unclean hands: This occurs where the plaintiff is engaging in the same behavior he seeks an injunction against. Here, while D may be engaging in hostile behavior by his use of the driveway, he is not violating anything relevant to the covenant created by A and B. C will therefore lose this defense.

Estoppel: Estoppel can occur where parties allow others to get away with violating a servitude, or there has been a change in character of the land sufficient that enforcement would deprive the owner of reasonable use of the land. Nothing in the facts indicates that WA is not in a large commercial zone or that WA is no longer suitable for residential use. Accordingly C will likely lose this argument.

D will likely be successful in enforcing the recorded equitable servitude on WA.

Note: A could join in this action if she so chose due to her reversionary interest.

Were the covenant to comply with restrictive covenant elements, B could seek any monetary damages to his property as a result of the breach of covenant however, he would need to show property damages (trespass, nuisance, etc) as a result of the shopping centers construction.

END OF EXAM



FEBRUARY 2016 EXAMINATION ANSWERS

**APPLICANT'S ANSWERS TO QUESTIONS
NEVADA BOARD OF BAR EXAMINERS**

EXAM DAY 3, QUESTION 1

1)

Assembly Bill #1

Dormant Commerce Clause: The first issue is whether Assembly Bill 1 (hereinafter AB1) violates the dormant commerce clause. Pursuant to the Commerce clause Congress has the right to regulate interstate commerce. This includes instrumentalities, channels of interstate commerce and anything that substantially affects interstate commerce. If the activity is economic in nature, courts will look at the aggregate effect of the activity to determine if it affects interstate commerce. Under the application of the dormant commerce clause, the states may not burden interstate commerce with regulations. If the state passes law discriminates against out of state commerce, the state must have a compelling reason for that law and there must be no less discriminatory means for it. If the law does not discriminate against interstate commerce, the effect may not be one that substantially burdens (or hinders) interstate commerce.

A law discriminates against interstate commerce if the law makes it so there is a benefit to interstate commerce (at the expense of commerce from other states) or if it prohibits commerce from other states from entering. Here, AB 1 requires state agencies to purchase computer software only from companies whose technical support services are located in Nevada. Software (buying and selling) is an instrumentality of commerce, and the buying and selling of it implicates the commerce clause. This is discriminatory against out of state commerce because it makes it so out

of state software companies will lose the business of state agencies. Thus, the law must meet a heightened level of scrutiny to be valid (unless it fits within an exception, as will be discussed). Here, the purpose of the law is to avoid delays and disruption, and inconvenience that was occurring when the agencies had to wait for the companies to address certain problems. Officials testify that the delays delay disrupted the work of agency personnel and were inconvenient to Nevada residents who interacted with the agencies. While this reason makes the AB 1 rationally related to the issues at hand, this reason alone is likely not enough to pass the higher scrutiny required when a state discriminates against out of state commerce.

However, there are exceptions to the dormant commerce clause, including the market participant exception and congressional authorization (not applicable here). Under the market participant exception, if a state actor is acting just as anyone else would in the market place, it may discriminate against out of state commerce. For instance, if the state was selling an item such as timber, it could require that that it would first sell to those in state. Here, the state agencies are acting as market participants because they are buying computer software. Because the state agencies have a choice of who they want to buy software from, here, a court would likely find that this law fits within the market participant exception. AB 1 does not ban anyone from buying from out of state providers, just for its own businesses, it wants to have a more efficient workplace.

Privileges and Immunities Clause of the Constitution: The second issue is whether the discriminatory nature of this law discussed above violates the privileges and immunities clause. Under the privileges and immunities clause, the state may not

pass a law that discriminates against out of states and affects those out of states fundamental rights or their livelihood. However, the privilege and immunities clause does not apply to corporations. Here, AB 1 discriminates against out of states and arguably affects the livelihoods of those who provide technical support services. However, AB 1 is written towards discriminating against corporations (as it says state agencies are only to purchase computer software from companies whose technical support services are located in Nevada), therefore, it would likely survive a privileges and immunities challenges.

Equal Protection: A company may bring a challenge under the equal protection clause of the US Constitution, as it applies to the states through the 14th. Under the equal protections clause, the government may not make laws that treat people/groups differently that are in the same position. Here, however, business is not a protected class so the law need only to meet rational basis review - ie, the law must be rationally related to serve a legitimate government interest. Here, AB1 has a legitimate gov interest- to make the workplace more efficient and not annoy NEv residents. By only allowing software to be purchased from companies whose service teams are in NEvada, this law is rationally related to that interest because it means that it will take less time for the service teams to fix the problems. Thus, there is not EPC violation.

Contracts Clause: Also of note, AB 1 could violate the contract clause if the state agencies already had a contract for services with certain companies who they no longer could use because they did not sell software in state.

Assembly Bill 2: (AB2)

Equal Protection Clause (EPC). The first issue is whether the fact that a court reporter must be a United States citizen and successfully pass an exam is a violation of the EPC. A court reporter may bring a challenge under the equal protection clause of the US Constitution, as it applies to the states through the 14th. Under the equal protection clause, the government may not make laws that treat people/groups differently that are in the same position. Here, the law makes a categorical distinction between those who are and who are not United States Citizens. Certain suspect classes are given heightened scrutiny if a law makes a distinction based on their status. Suspect classes who are entitled to strict scrutiny under the law include categorizations based on race, religion, national origin, and alienage (some of the time.) If the law facially discriminates against these groups (or the law's intent and effect is to treat these classes differently), then the law must be necessary to serve a compelling government interest. However, distinctions based on alienage must only meet strict scrutiny if 1) the law is made by the states, and 2) is not aimed at preserving the right to self government. If it is made by congress or the states to preserve right to self government, it need only meet rational basis review (rationally related to a legitimate government interest). AB 2 requires court reporters to be US citizens. A court would not likely find that a court reporter is a job that implicates the right to self government. While courts have determined that police officers, judges, teachers, and jurors do implicate this right, as a court reporter does not have the decision making, discretion, or effect that these other positions have, a law that categorizes US citizens vs. non US for court reporters would have to meet strict scrutiny. There are no reasons given in the facts that would indicate why the state would have a

compelling reason for this law. However, there is likely none, so the US requirement would fail on constitutional grounds.

Requiring someone to pass an examine that test the applicant's knowledge of legal terminology would only be evaluated under rational basis review if someone challenged this provision to say it makes a distinction based on those who could pass and those who could not. If the state had a legitimate reason for this law, making court reporters pass a test would be rationally related to it.

Due Process Clause: This law may also be challenged as infringing on a person's fundamental rights under the Due Process Clause. The right to earn a livelihood is a fundamental right. However.

Assembly Bill 3: (AB 3)

At issue is whether AB 3 violates the 1st Amendment, specifically establishment clause of the constitution. Under the Establishment Clause, there can be no excessive government entanglement with religion. Courts implicate two tests (Lemon and Marsh) to determine whether the law violates the Establishment clause. Under the Lemon test, a law will be upheld if it has a secular purpose and neither advances nor inhibits a religion, and there is no excessive government entanglement,. Under Marsh, even if a law violates the Lemon test, it can be upheld if it is so rooted in the history and tradition of the nation. First, AB 3 triggers the establishment clause because it applies to public schools. Here, AB 3 does not mandate that the students do yoga or the silent meditation. The law seems to have both a secular and non secular purpose. Its purpose is to clam aggression, reduce injury, and combat childhood obesity. These

goals would the first prong of Lemon because they are secular (ie non religious); however, people would argue that promoting the spiritual aspects of yoga is religious, and thus not secular. Second, yoga and meditation arguably promote religion, especially since they are at the center of certain religions such as Buddhism. Nonetheless, it would be argued that yoga and meditation are more geared to self mindfulness, and thus are not directed promoting or advancing a certain religion. Third, because the public school are only giving the option in replace of gym, a court would likely find this was not excessive government entanglement with religion. Overall, a court would likely not find this law violates the establishment clause, although it would be a close call because allowing prayer in schools has been deemed to violate the establishment clause.

END OF EXAM



FEBRUARY 2016 EXAMINATION ANSWERS

**APPLICANT'S ANSWERS TO QUESTIONS
NEVADA BOARD OF BAR EXAMINERS**

EXAM DAY 3, QUESTION 2

2)

QUESTION # 2

1) Solicitation

An attorney may not solicit clients into representation if the contact is in-person or telephonic. However, an attorney may solicit clients into representation by mail if the attorney does not solicit individuals he/she knows need particular type of representation. If by mail, the solicitation must clearly state "ADVERTISEMENT" in red ink on both the envelope and the document inside the envelope. The solicitation must be truthful and cannot be misleading under the constitution and cannot make any guarantees, as guarantees are misleading.

Abe violated the solicitation law because the solicitation did not say "ADVERTISEMENT" on the outside of the envelope and on the document on the inside of the envelope. Furthermore, Abe gave a guarantee of a particular result when he stated "Abe knows all the right people to get you the best result," thus Abe violated the law that prohibits guarantees. Furthermore, attorney's cannot guarantee a result by implying you know the right people to get the individuals the verdict they want because this suggests impropriety and reflects negatively on the profession. This also violates Abe's duty of candor with the court.

However, Abe did not violate the solicitation law requiring he not solicit people with particular litigation needs, because Abe sent out a "mass mailing" rather than seeking out particular individuals. Abe is permitted to state his name, phone number,

that he is a licensed attorney and that he was a former district attorney because these facts are all true and permitted by the Nevada laws.

2) Duty of Loyalty to prospective clients.

An attorney owes a duty to prospective clients to keep the information the attorney gains in the consultation confidential. Since the person to be the client is Samuel, rather than Dan, and Dan called on behalf of his son, there is an issue as to whether Samuel really is a prospective client of Abe, especially since Samuel is an adult rather than a minor. However, the information Abe gained as a result of this consultation is still confidential even though he did not hear the information directly from Samuel himself. Thus Abe owes a duty to Samuel not to reveal the information he gained about Samuel and his case as a result of the consultation with Dan.

3) Duty of Loyalty

An individual may offer to pay the expense of another's litigation costs. However, the client must give informed written consent, and the payor may not exert any influence of how the case progresses or make any decisions relating to the representation, may not influence the attorney or the outcome, or how the attorney handles the case.

Here, Dan wishes to pay for Samuel's litigation costs, which is permissible, but Samuel must give informed written consent, which he did not. Furthermore, Dan is already attempting to influence the progression of the case by stating he wants the case to go to trial, even though he admitted this is against Samuel's wishes. This is a

big problem, because a client has the final say in whether to enter a plea, and no one else can make that determination, even the client's attorney, let alone the client's father. Thus, if Abe accepts Dan's payment, he must get informed consent from Samuel and must advise Dan that Dan will not have any say in how the representation or case is run or determined.

4) Dut of Obedience regarding a Client's decisions.

A client has the final determination of whether to settle or go to trial, whether to plead guilty, and whether to testify during a criminal trial, and his/her attorney must abide by those decisions. Samuel wants to enter a plea deal, while his father wants him to go to trial. Abe has a duty to his client to abide by his decision to settle even if the attorney himself thinks its a bad idea or another individual thinks its a bad idea. Thus Abe has a duty to enter a plea deal according to Samuel's wishes and not to go to trial.

5) Attorney's fees

Attorney's fees must be reasonable and in writing. Attorney's fees must be reasonable under the circumstances, depending on things such as the skills required, the time involved, and whether the issue is novel. The attorney must explain his fees and break them down for the client, whether the fee arrangement is a contingency fee or a flat fee. Contingency fees are not permissible in criminal cases or domestic cases. This is a criminal case since it is a robbery and conspiracy case, therefore contingency fees are impermissible. Any payment by a client or an individual paying on the client's

behalf must be put in the client's trust account.

Abe required Dan to pay a 100,000 non-refundable retainer, but failed to state why the cost was that high and failed to break down the fee agreement for Dan. \$100,000 plus attorneys fees and costs seems excessive and unreasonable since Samuel wants to enter a plea deal and not go to trial, and since Abe is familiar in this area of law since he was previously a district attorney. Thus Dan violated this regulation. However, Abe properly put the money in Samuel's client trust account.

6) Client trust Account.

An attorney must place all of the client's funds into a separate client trust account and may only withdraw money when the lawyer has performed services that enable him to withdraw money from the account. An attorney may not borrow money from the client trust account and may not withdraw funds before he/she performs the services equal to the money they wish to withdraw.

Abe violated this regulation and must be disciplined because Abe "borrowed" \$2000 from his client trust account, which is impermissible. It does not matter that he gave a promissory note and agreed to pay back with interest because borrowing money from a client trust account is strictly prohibited. It also does not matter that he borrowed the money to purchase a computer for an office function because that money in the client trust account is not his until he actually earns it.

7) Unauthorized practice of law.

Non-attorneys who are not licensed may not perform duties that are primarily

done by a licensed attorney, such as meet with clients, retain clients, and render legal advice. However, non-attorneys may assist attorney's with non-legal duties such as filing paperwork and secretary work such as connecting the clients to the attorney. Non-attorney's may not solicit legal representation unless the attorney himself would be able to do so, thus non-attorneys may not perform in-person or telephonic solitication of clients.

Lucy is a non-attorney hired by Abe. Thus she may not meet with clients and also may not solicit clients if Abe would not be able to solicit clients in that situation. Abe had Lucy "meet with prospective clients" which is unauthorized practice of law since non-attorney'a may not meet with prospective clients since they are not authorized to render legal advice. Abe also had Lucy have the prospective clients sign a representation agreement, which is impermissible, because this means Lucy is having client's sign legally binding documents which is not permissible by a non-attorney because it involves rendering legal advice. Lucy violated the unauthorized practice of law.

When a non-attorney violates a Nevada regulation, the supervising attorney is responsible for the actions of the non-attorney if they knew about the actions and did nothing to rectify them, or if they directed the individual to act in a certain way that the attorney knows is a violation of the law, or if the attorney later ratifies the conduct. Thus, Abe will be responsible for Lucy's violations of the unauthorized practice of law because he directed her to perform solicitation of prospective clients.

8) Conflict of Interest.

Before retaining prospective clients, attorneys must perform conflicts checks in order to ensure there is no conflict of interest between concurrent clients the attorney is representing. A concurrent conflict exists if the attorney believes there is a substantial risk his/her representation of either client will be materially limited. An attorney must not take on a new client if the prospective client's interests are materially adverse to a current client's because the attorney will not be able to adequately, competently, and zealously represent both clients.

Thus, Abe violated this law when he failed to perform conflicts checks before meeting with prospective clients and having prospective clients sign the legally binding representation agreement. Abe cannot delegate this duty to Lucy because Abe must be the one to determine whether his representation of either client will be materially limited and a non-attorney not working on the cases cannot make this decision for him.

9) Unauthorized practice of Law

Non-attorneys may not meet with prospective clients. While the duty of confidentiality is not at risk here since agents of the attorney are permitted to know confidential information in order to assist the attorney in representation of the client, non-attorneys may not render legal advice or meet with clients and mislead them into thinking the non-attorney may render legal advice if asked. Frank revealed confidential information to Lucy when he stated he had pending felony charges, thus Lucy may not reveal this information to anyone except Abe. Furthermore, Lucy had a prospective client sign legally binding representation agreement which a non-attorney

is not permitted to do. Thus Lucy violated the unauthorized practice of law.

When a non-attorney violates a Nevada regulation, the supervising attorney is responsible for the actions of the non-attorney if they knew about the actions and did nothing to rectify them, or if they directed the individual to act in a certain way that the attorney knows is a violation of the law or if the attorney later ratifies the conduct. Thus, Abe will be responsible for Lucy's violations of the unauthorized practice of law.

10) Misleading Advertisement

Attorneys and agents of the attorneys may not make guarantees about the representation the attorney will provide or provide misleading information regarding the representation. Here, Lucy told a prospective client that "Abe is the best criminal defense attorney in Nevada" which is misleading since Abe just recently became a defense attorney and thus is a new defense attorney and therefore cannot be the best. Furthermore, the "best attorney" is an empty promise that cannot be delivered since what qualifies as the "best" is a subjective determination.

When a non-attorney violates a Nevada regulation, the supervising attorney is responsible for the actions of the non-attorney if they knew about the actions and did nothing to rectify them, or if they directed the individual to act in a certain way that the attorney knows is a violation of the law, or if the attorney later ratifies the conduct. Thus, Abe will be responsible for Lucy's violations of the unauthorized practice of law since he told Lucy to meet with prospective clients.

11) Conflict of Interest - Concurrent clients.

A concurrent conflict exists if the attorney believes there is a substantial risk his/her representation of either client will be materially limited. An attorney must not take on a new client if the prospective client's interests are materially adverse to a current client's because the attorney will not be able to adequately, competently, and zealously represent both clients. When a prospective conflict exists, the attorney must assess whether he can competently represent both clients. When there is an actual conflict, the attorney must reassess whether he can competently represent both clients and must inform the clients of the conflict of interest and get their informed consent or withdraw. In a criminal case, an attorney may represent co-defendants, however, in a criminal case there is a very high likelihood the interests of the clients will diverge. Thus, the law discourages attorneys from representing co-defendants.

According to Dan, Samuel was "dooped" by his "hooligan friends" which would include Frank, the co-conspirator Abe just retained. Thus, there is a likelihood and probability that the interests of Frank and Samuel will diverge because Frank will state he did not convince Samuel to do anything, while Samuel will say the opposite, and this is the crux of a conspirator case. Thus, Abe should withdraw from representing Frank since Abe has already acquired confidential information regarding Samuel and since Samuel is already a client.

END OF EXAM



FEBRUARY 2016 EXAMINATION ANSWERS

**APPLICANT'S ANSWERS TO QUESTIONS
NEVADA BOARD OF BAR EXAMINERS**

EXAM DAY 3, QUESTION 3

3)

The Nevada Rules of Evidence found in the Nevada Revised Statutes apply. This question asks about the admissibility of 5 pieces of evidence.

Preliminarily, the Nevada Revised Statutes provide that evidence must be relevant to be admissible. Evidence is relevant if it has any tendency to make a material fact more or less probable than it would be without the evidence. Evidence that is relevant may still be excluded under other grounds enumerated under the rules.

1.

Is Mark's (M) testimony that Steve (S) insisted M would make a profit admissible?

Challenges to this statement might be made under the hearsay rule and under the parol evidence rule.

Hearsay. Relevant evidence may be inadmissible if it is hearsay. Hearsay is an out of court statement offered for the truth of the matter asserted. M's statement is relevant because it tends to make the allegation that S guaranteed M a profit more likely.

However, the statement could initially be contrued as hearsay because S's statement was made out of court and M is offering the statement to prove S was guaranteeing a profit.

However, the statement is not actually hearsay because the rules specifically exclude statements of an opposing party offered against the opposing party. M is offering the statement against the interests of S. Therefore, the statement is not hearsay.

Parol evidence. The statement still might be excluded under the parol evidence rule.

Parol (meaning "oral statement" in old French) evidence is statements of the parties to a contract made prior to or contemporaneously with the execution of a written agreement. The general rule is that parol evidence may not be admitted to contradict the terms of a fully integrated written contract.

Here, a written contract exists, and could be construed as fully integrated. Contracts often contain a merger clause, which states that the writing is complete and final, and merger clauses are probative of finding an integrated agreement. Here there is no such clause. But a merger clause is not required for a finding of integration. M's statement might be excluded because it directly contradicts the clause stating, "Steve does not guarantee his distributor's profitability."

However, parol evidence can be admitted to demonstrate the existence of a condition precedent upon which the enforceability of the contract depends. M's testimony that S said M would not have to pay the contract if M was not making a profit is probative of the existence of a condition precedent and therefore will not be excluded by the parol evidence rule.

This may still be a close question though since the actual terms of the written agreement disclaim the grounds of the alleged condition precedent. For this reason, courts might give inconsistent answers regarding the admissibility of the statement. However, most courts will probably allow M's testimony since it constitutes an exception to the parol evidence rule.

Testimony of M's brother & CPA that before the contract was signed, M told brother about S's representations

Out of court statements of a party are hearsay if they are not admitted against the party. Here, M's brother wants to testify about statements M made outside of court for the benefit of M. Therefore, the statement appears to be hearsay.

However, prior consistent statements are not hearsay if they are made to rebut an express or implied allegation that the speaker had a motive to lie. The prior consistent statement must have been made before the motive to lie arose.

Here, S has accused M of lying because M does not want to pay what he owes under the contract. M's prior consistent statement to his brother was made before he had a motive to lie about S's representations. He had not yet signed the contract and did not know he would not make a profit selling S's stucco. Therefore, the prior consistent statement is not hearsay. It is admissible both to rehabilitate M and for the truth of the matter asserted.

The CPA's testimony is inadmissible hearsay, however. M spoke to the CPA about S's representations at the time the second payment was due under the contract. Therefore, M knew he wasn't making a profit and had probably already decided not to make the payment. His alleged motive to lie had already arisen by that point. Therefore, the CPA's testimony about the prior inconsistent statement is inadmissible because it is hearsay not falling within any exception or exclusion.

2. M's expert witness Bob (B)

Expert witnesses are competent to testify if they are shown to possess specialized knowledge in their stated field and their testimony would be helpful to the finder of fact. The competency requirements do not require that the expert possess advanced degrees or specialized education or training. They can acquire their specialized knowledge through practice, experience, study, or other means. Their prior training, experience, and education goes to the weight the finder of fact should give to the testimony.

Therefore, the fact that B is not a college grad and has no professional license does not necessarily render him incompetent to qualify as an expert witness. He seeks to testify as an expert in lost profits. It is the judge's prerogative to decide whether B is competent to testify. If the judge concludes B possesses specialized knowledge about the economics of small construction companies that would be helpful to the finder of

fact, B may be allowed to testify. S may have the opportunity to voir dire the expert witness to determine the extent of his expertise and qualifications. The finder of fact should consider the expert's background and qualifications in determining the weight that should be accorded to the testimony.

The expert may base his opinion on evidence heard at trial or on other information not necessarily admissible at trial but which other experts in the field would reasonably rely upon in drawing their conclusions. The expert must use generally-accepted practices in reaching a conclusion.

Because B has extensive experience bookkeeping and managing the finances of small construction companies, he will probably be allowed to testify as an expert regarding M's lost profits. Testimony regarding the lost profits is admissible because it is relevant to damages, which is an essential element of M's claim.

3.

S's expert's written report and deposition.

S wants to offer the written report of his expert witness with an affidavit authenticating the report. The reason the expert is not present to testify is because he was on vacation.

The Nevada Rules of Civil Procedure require the pre-trial disclosure of expert

testimony. Expert's written reports are prepared and disclosed as part of discovery. If a party fails to comply with discovery rules regarding disclosure, that party risks being unable to admit omitted evidence, including omitted expert witnesses, at trial. Here, S has complied with the discovery rules, but wishes to admit the expert report as an exhibit since the expert is unavailable to testify.

Writings must be authenticated to be admissible. Authentication usually occurs when a witness who has personal knowledge about the writing testifies as to its authenticity. Sometimes, trial testimony can be had in the form of a sworn statement such as an affidavit. Here, if the court admits the expert's sworn statement, it could be reasonable to conclude the statement contains sufficient authentication for the admission of the expert report.

However, the affidavit is irrelevant since expert's written reports are generally not admissible and may not be published to the jury at trial. They are hearsay. They are often helpful in preparing for trial and for the parties to discern the nuance of an expert's analysis. However, the expert generally must appear at trial to provide the expert testimony for the trier of fact. The expert report is not admissible.

S also wishes to admit the exxpert's deposition from another similar case. Prior sworn statements, in some circumstances, are not hearsay and may be offered to provide the truth of the matter asserted. For prior sworn statements to be admissible, the testifying party must have been subject to cross examination by the other party. M

was not a party at the other trial, so he could not have cross examined the expert at the time the statement was made. The confrontation clause protects M's right to confront his accusers, if the testimony is testimonial. Deposition testimony is certainly testimonial. Therefore, the deposition is not admissible.

4.

Emails between M and former employer

Mark's emails may not be relevant. S's lawyer is asking about what M's former employer said about the risks of going into business for yourself. This may tend to show M's negligence in opening the business and losing profits, but this does not appear to be a defense to breach of contract. Further, it might be offered to show M's character for carelessness or negligent business practices. Character evidence is evidence which shows a propensity to act or behave in a certain way and is generally not admissible. Because they are irrelevant and because they may constitute character evidence, M's emails are not admissible.

If they are relevant and are not character evidence, the emails may be admissible under a hearsay exception. Any document may be shown to a witness to refresh the witness's recollection. Once the document is shown to the witness, the attorney asks whether the witness's recollection has been refreshed. Generally, the document is not read or published to the jury.

However, if the document does not refresh the witness's recollection, the document may be read to the finder of fact if it is shown the witness recorded the information when the information was fresh in the witness's mind. The document is not admissible as an exhibit, however.

Here, M does not recall the content of the emails, so it was proper for S's attorney to attempt to refresh M's recollection with the emails. However, when M still could not recall the emails, S should have asked if M remembered making the emails and if the emails were made between M and his former boss. At that point, S's attorney could have read aloud the content of the emails in open court. The documents themselves would not have been admissible unless M's attorney requested their admission.

5.

Judicial notice

The court may take judicial notice of facts if those facts come from a source that is readily verifiable and not subject to serious dispute. The contents of court dockets in other cases are often viewed as reliable sources. However, Nevada case law states that courts should rarely take judicial notice of other proceedings unless those proceedings are similar or closely related to the case at bar. For example, judicial notice of an underlying case in a legal malpractice action would be an appropriate exercise of the court's judicial notice. Here however, the testimony in another case is hearsay.

However, a transcript of that testimony might be admissible since the statement was made under oath and S had the opportunity to cross examine that witness at the prior proceeding. Therefore, the testimony does not violate the confrontation clause and is not hearsay. The testimony could be admitted as a prior bad act probative of truthfulness.

END OF EXAM



FEBRUARY 2016 EXAMINATION ANSWERS

**APPLICANT'S ANSWERS TO QUESTIONS
NEVADA BOARD OF BAR EXAMINERS**

EXAM DAY 3, QUESTION 4

4)

Note on Strict Products Liability: In a strict products liability action, the plaintiff must be a user or consumer of the product. The plaintiff may only recover for personal injuries, not for property damage or other economic losses.

Here, Ann suffered serious injuries while using a saw made by Cut and rented to her by Nevada Saws. Thus, among other causes of action, Ann may assert strict products liability claims against NV Saws and Cut.

1) Ann v. NV Saws

Express Warranty: A manufacturer or retailer is liable for a breach of express warranty when the retailer makes an express warranty to the consumer or uses that a product will function as it is described or as demonstrated by a floor model. The warranty must be based on an objectively verifiable fact about the product, mere puffery or sales language is not actionable.

Here, Ann will argue that NV Saws warranted that the saw was the safest on the market, a fact which is verifiable through looking at data about accident rates. The warranty was breached because a study showed the saw was 10 times more dangerous than other saws on the market. NV Saws will counter that safest is merely sales language, all saws are unsafe if used improperly. It is likely a court will hold that the safest language is actionable warranty given that there is an objective study that demonstrates how dangerous the saw really is.

Negligence: In order to state a claim for negligence, plaintiff must show that the defendant owed her a duty, defendant breached that duty, the defendant's breach caused the plaintiff's injury and plaintiff suffered injury.

Duty: A defendant owes all foreseeable plaintiffs a duty of reasonable care. The duty of reasonable care requires that the defendant act as a reasonably prudent person would in the defendant's situation. Here, Ann will allege she, as a customer of NV Saws, is a foreseeable plaintiff and that NV Saws owed her a duty of reasonable care. Court will likely find NV Saws owed her a duty of reasonable care.

Breach: A breach occurs whenever the defendant behaves differently than the reasonably prudent person in his situation would. Here, Ann will allege that NV Saws breached its duty when it failed to pull the dangerous saw from its rental rotation or alternatively replace the warranty sticker. Ann will argue that a reasonably prudent retailer would have checked the warning sticker and replaced it when it got worn out because to do so would be inexpensive and would prevent serious harm. A court will likely find NV Saws breached its duty by failing to replace the warning sticker.

Causation and Damages: The defendant's breach must be an actual or but for cause of the plaintiff's injuries (i.e. but for the defendant's breach, the plaintiff would not have been injured). The defendant's breach must also be the proximate cause of the plaintiff's injuries, i.e. the plaintiff's injury was foreseeable at the time of the

defendant's breach. Once the first three negligence elements are established the defendant is liable for all of the plaintiff's injuries no matter how severe (egg-shell plaintiff rule).

Here, Ann likely satisfies actual and proximate cause. But for NV Saws' failure to warn her or failure to take the saw off its rental rotation, Ann would never have been injured. NV Saws may argue that its failure to replace the warning sticker was not an actual cause; the brace language is too vague and even if Ann had braced the saw's recoil may still have knocked her over. However this is unavailing since Ann likely did not brace at all and she has the alternative breach theory that NV Saws was negligent in renting the defective saw in the first place. Additionally, Ann's injuries, arising from the saw's recoil, was foreseeable at the time NV Saws failed to replace the warning stick which would have informed Ann to brace for impact. Thus NV Saws will likely be liable for Ann's injuries under a negligence theory.

Comparative Negligence: NV is a partial comparative negligence state. This means that the plaintiff will recover as long as his fault does not exceed the defendant's fault. However the plaintiff's recovery will be reduced by her degree of fault. Here, Ann is likely not at fault for her own injury, she chose what she thought was the safest saw on the market from a reputable dealer and used the saw "carefully." Thus Ann's recovery will likely not be reduced.

Conclusion: Ann likely has a negligence cause of action against NV Saws.

Note on Strict Products Liability: All entities in a product's supply chain are liable under a strict products liability theory. This includes retailers who sell or rent the product to the public.

Here, Ann can bring a strict products liability action against NV Saws since it rented the saw to her. Strict products liability analysis follows in the next section.

2) Ann v. Cut (manufacturer)

Warranty: See above for rule. Here, Cut did not make any representations to Ann herself. There was nothing on the saw itself that looked like a warranty nor do the facts indicate that Cut told NV Saws to repeat the safest saw motto. Since Cut made no direct representations to Ann, Ann does not have a warrant cause of action against Cut.

Negligence: See above for rules. Here, Cut owed Ann, a user of its saw, a duty of reasonable care. It breached its duty when it allowed a defectively designed saw to enter the stream of commerce because a reasonably prudent manufacturer would have spent the nominal cost to install the safety guard rather than be exposed to liability especially since Cut knew that the saw was 10 times more dangerous than any other saw on the market. Cut's decision not to install the plastic guard because but for Cut's decision the plastic guard would have prevented Ann's injury, and it was foreseeable when Cut declined to install a guard that substantially lessened the saw's recoil that someone would be injured because of the saw's recoil. Cut may argue that there is no

causal connection; Ann may still have been knocked over even with substantially reduced recoil. This is likely a factual question for the jury, i.e. how substantial was the reduction and would it have been sufficient to knock Ann down.

Despite Cut's causation defense, Ann has a viable negligence claim against Cut.

Strict Products Liability: In a strict products liability action the plaintiff must show, the defendant is a manufacturer or retailer of the product, the product was defective when it left the manufacturer's control and the plaintiff's use of the product was foreseeable.

Defects come in three varieties: manufacturing defect, design defects and warning defects. A manufacturing defect is the one in a million product that does not conform to the manufacturer's specifications. A design defect occurs when the plaintiff can show that there was a safer design available that would not inhibit the function of the product and would not be unduly expensive for the defendant to implement. A defectively designed product may not be cured through the use of a warning; the product must be redesigned or else the manufacturer is liable for the defective design regardless of warnings.

A warning defect occurs when the manufacturer's warning does not adequately warn of the dangers that could not be designed out of the product. A manufacturer gets the benefit of a presumption that whatever warning is placed on the product will be read by the consumer.

Here, Ann has a strict products liability claim against Cut. Cut is a manufacturer, Ann will allege the saw was defectively designed when it left Cut's control, and Ann's

use of the saw to cut wood was a foreseeable use of the saw. The main issue will be whether the saw was defectively designed. Ann will allege that Cut knew about the saw's dangers through Cut's safety study. Additionally Ann will allege the plastic guard, a nominal cost, would have prevented her injury with no reduction in efficiency of the saw or unduly burdensome increase in cost to Cut. Cut's argument that the guard cost too much money is unavailing since facts state guard was of nominal cost. Additionally if a design defect is found, Cut's warning sticker does not cure the design defect.

Ann may also allege that the warning was defective because the warning didn't advise her of the potentially injury she may suffer, explain how the saw recoiled or what exactly Ann needed to do to "brace." Cut may argue that it used simple enough language, everyone knows braces means get ready. Cut's argument is unavailing, the warning was conspicuous but failed to inform about any of the dangers of using the saw.

Conclusion: Ann has a strict product liability claim against Cut (and NV Saws) on design and warning defect theories.

3) NV Saws v. Cut

Warranty: See above for rule. Here, actionable claim of safest saw.

Misrepresentation: Misrepresentation occurs when the defendant makes a statement he

knows is false and induces the plaintiff to rely on the statement. Here NV Saws has a claim for misrepresentation against Cut; Cut knew the saw was not the safest or even remotely close to be the safest saw on the market, and as a result of Cut's misrepresentation, NV Saws entered into a long-term K with Cut based on Cut's representation that the saw was the safest. NV Saws has support for its claim because it repeated Cut's motto in its store display, which shows NV Saw likely relied on Cut's statement when it decided to enter into the K.

Note: Ann does not have a misrepresentation cause of action against NV saw because it didn't know and had no reasons to know NV saws not safe, since NV saws entitled to rely on manufacturer's claims of safety.

Indemnification: If a plaintiff recovers from a retailer, the retailer may seek indemnification from the manufacturer. Here, if Ann recovers from NV Saws, NV Saws can sue Cut for indemnification.

4) Cut v. Edge

Intentional and Negligent interference with Business Relations:

The tort of intentional interference with business relations requires that: there be an existing business relationship, the defendant's statement caused the destruction of that business relationship, the defendant knew (intentional) or should have known (negligent) about the business relationship and the plaintiff suffered economic loss. A

defendant may assert that his statements were true and thus not made with intent to destroy business relationship.

Here, Cut has a claim against Edge for child labor, but not defective saw statement. Edge likely knew that child labor statement was false or should have known it was false, insufficient facts to determine truth of assertion. Edge also knew that Cut was in K with NV Saws, as evidenced by Edge's statement about Cut's sales, and the statement was made in an effort to destroy the Cut/NV saws relationship. Finally Cut can show it suffered loss due to K cancellation. Edge may try and defend itself by stating that NV Saws decision was based solely on defective saws statement which was true. This is likely a question for the jury: which statement caused NV saws to cancel its K. However Cut may still pursue the claim that Edge's call both intentionally and negligently interfered with its business relationship with NV Saws.

END OF EXAM