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LOUISIANA STATE BAR EXAMINATION

FEBRUARY 2017

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<u>QUESTION 1 — 30 POINTS (SIX POINTS EACH SUBPART)</u>

The following facts apply to Questions 1.1 to 1.3.

Deep South, L.L.C. is a Louisiana limited liability company formed by Bob to raise funds to donate to LA University's football program. Deep South has two managers, and Bob is one of them. Through Bob's fund raising efforts, Deep South raised \$500,000 that it agreed to donate to LA University in order to buy out its coach's remaining contract. Deep South hosted a televised press conference during which Bob donated the money (\$500,000) on its behalf to LA University, expressly stating that the money was donated for the purpose of buying out the coach's remaining contract. During the press conference, Bob presented LA University with a poster-size bank check drawn against Deep South's account at Bayou Bengal Bank, made payable to LA University in the amount of \$500,000 and dated the date of the press conference. The check bears only Bob's signature and has no other handwriting or comments.

Three days after the press conference, Bob learned that one of Deep South's employees had embezzled a large portion of its funds. Bob called LA University that day to inform it that Deep South could no longer afford to make such a generous donation and needed the funds to pay its own operating expenses. He also told LA University that the check was not valid anyway, because it had not been signed by both of Deep South's managers, as required by Deep South's deposit account agreement with Bayou Bengal Bank. LA University advised Bob that it had already presented the check for payment at its bank, Tigerland Bank and had actually received the funds.

- **1.1.** Does the poster-size \$500,000 check from Deep South to LA University used at the press conference satisfy the elements of a negotiable instrument? Discuss.
- **1.2.** Is Tigerland Bank a holder-in-due-course of Deep South's check? Discuss.
- 1.3. If the deposit account agreement governing the Deep South deposit account requires two signatures on each check, will Bayou Bengal Bank be liable to reimburse to Deep South the amount that Bayou Bengal Bank paid on the check? Discuss.

The following facts apply to Questions 1.4 to 1.5.

Susie's son, Paul, recently filed for bankruptcy and returned home to live with his mother. When he moved into Susie's home, she told him to help himself to whatever he needed. A few days afterward, Susie asked Paul to purchase some groceries and told him to sign one of her checks to get himself some cash for the groceries. Susie is the only authorized signatory on her checking account. Paul located his mother's checkbook and signed his mother's name on a check payable to bearer in the amount of \$150. After cashing the check at the Bank, Paul met his girlfriend on the way to the grocery store. He changed his mind about grocery shopping and decided to take his girlfriend out to lunch, spending the entire \$150.

The next month, Paul went shopping at Dillard's to buy himself new clothes. To pay for the clothes that he bought, he wrote another check (signing his mother's name) on Susie's checking account payable to Dillard's for \$1,000. One month later, Paul went shopping at Macy's to buy himself some more clothes. He wrote another check, as before, on Susie's checking account payable to Macy's for \$1,000.

When Susie reviewed her preceding two bank statements the next month, she discovered the checks written on the account to Dillard's and Macy's. She then looked back at her earlier bank statement from three months earlier when Paul started living at home and recalled that she had authorized the check for \$150 for the cash to buy groceries but not the other two checks. Susie confronted Paul, who admitted that he had used the \$1,000 checks to buy clothes. He also admitted he had used the cash from the \$150 check to take his girlfriend out to lunch rather than to buy groceries. Susie immediately informed the Bank of the checks that Paul had signed and asked that the Bank credit her account for the amount of all three checks.

- **1.4.** Should the Bank be liable to refund to Susie's account the check written by Paul for \$150? Discuss.
- **1.5.** Should the Bank be liable to refund to Susie's account the \$1,000 checks to Dillard's and Macy's and what arguments might the Bank reasonably assert that it is not fully liable for these checks? Discuss.

[End of Question 1]

QUESTION 2 — 30 POINTS (THREE POINTS EACH SUBPART)

Short Answer Questions. Please answer each question providing a brief explanation.

- 2.1. What are presentment warranties?
- 2.2. In a member-managed limited liability company:
 - a) By what vote do members make decisions?
 - b) Is their vote counted by heads or their respective percentage membership interests?
 - c) In what manner may the voting approval requirements and/or method of calculating votes be changed?
- 2.3. In a validly formed Louisiana corporation, what qualifications must a director have to be considered a "qualified director"?
- 2.4. List three actions of a Louisiana corporation that might involve authorization or approval by qualified directors under the Business Corporation Act?
- 2.5. In a manager-managed limited liability company, list three types of decisions that would require the vote of the membership.
- 2.6. Does each partner in a general partnership formed for the purpose of investing in real estate have the authority to bind the partnership in borrowing money from banks for purchasing partnership property? Discuss.
- 2.7. Identify three circumstances causing the termination of a partnership under Louisiana law?
- 2.8. Regarding a validly formed Louisiana corporation:
 - a) What qualifies as an "emergency" for the board of directors to exercise emergency powers under the Business Corporation Act?
 - b) What powers can the board of directors exercise when there is an "emergency"?
 - c) What two elements must a corporate director, officer or employee satisfy to avoid personal liability for an action during an emergency?
- 2.9. Regarding a Louisiana corporation that was validly formed after January 1, 2015:
 - a) What is a voting trust?
 - b) How is a voting trust formed?
 - c) What is the maximum permissible term of the voting trust?
- 2.10. For a validly formed Louisiana corporation, what is a proxy, and what are the requirements for a valid proxy under Louisiana law?

[End of Question 2]

<u>QUESTION 3 — 20 POINTS (FIVE POINTS EACH SUBPART)</u>

Ben, Elaine and Charlie wanted to start a hotel. They agreed to form a corporation named "Taft Hotel Inc." ("THC"). They agreed that each would receive 1,000 shares and that the board of directors would consist of the three of them. Elaine and Charlie each contributed \$250,000 for their shares. Ben agreed to work without salary for one year as president of the corporation in return for his shares. Ben introduced the group to his good friend, Fred, who wanted to invest in the proposed hotel. Fred agreed to contribute \$100,000 for an additional 400 shares. All of the shares were properly authorized and are still held by the shareholders to whom they were initially issued.

The board of directors met, and Ben recommended that THC purchase an old bank building to house the hotel. At the same meeting, Ben was authorized to negotiate to buy the old bank building. A week later at the next board meeting, Ben reported that the building was owned by Robinson Corporation and that he had negotiated the purchase of the building for the price of \$400,000. Ben recommended the purchase stating that this was a good price. Ben did not provide any documentation as to the seller, the building, or the proposed sale. All three directors voted to approve the sale.

Ben did not disclose to the board that the Robinson Corporation was owned by Ben and his family and that Ben owned 60 percent of the outstanding shares of Robinson Corporation. Ben and Elaine did not tell Charlie that they were having a long-time affair.

Ben, on behalf of THC, closed the purchase of the old bank building and delivered in payment a check on the THC account in the amount of \$400,000.

Following the purchase, THC converted the bank building into a hotel and opened it for business. However, Ben was so busy seeing Elaine that he had little time to supervise the hotel. Ben also took advantage of his position as President of THC to rent rooms (without charge to himself) for his liaisons with Elaine.

The hotel quickly went downhill and was forced to close its doors. Fred investigated and found out all of the facts regarding Ben's interest in the Robinson Corporation, his affair with Elaine and his supervision and use of the hotel. In addition, he learned that the old bank building was appraised at \$250,000 at the time of purchase by THC.

- 3.1. Was the approval of the purchase of the old bank building valid? Discuss.
- **3.2.** If the purchase of the old bank building had been approved by all of the shareholders of THC, would that have constituted a valid approval? Discuss.
- **3.3.** What actions for damages should Fred bring against THC or its directors as a result of the purchase of the old bank building? What would he need to establish? Discuss.
- 3.4. Do the factual circumstances described above entitle Fred to withdraw from THC and receive fair value for his shares as an oppressed shareholder as that term is defined in the Business Corporation Act? Discuss.

[End of Question 3]

QUESTION 4 – 20 POINTS (TWO POINTS EACH)

Multiple choice questions, each worth 2 points, testing the following areas of law:

- 4.1 Corporate officers formation
- 4.2 Negotiable instruments holder in due course
- 4.3 Limited Liability Corporations dividing profits
- 4.4 Corporations shareholders meetings
- 4.5 Corporations election of directors
- 4.6 Corporations quorum requirements
- 4.7 Negotiable Instruments requirements for an instrument to be negotiable
- 4.8 Corporations mergers
- 4.9 Partnerships formation
- 4.10 Partnerships assets upon withdrawal

[End of Question 4]

END OF BUSINESS ENTITIES AND NEGOTIABLE INSTRUMENTS TEST

LOUISIANA STATE BAR EXAMINATION CIVIL CODE I FEBRUARY 2017

QUESTION 1 — 40 POINTS

Harold and Annie were married in New Orleans about ten years ago. On the night before their wedding, Harold presented Annie with a written agreement which provided that, in the event of a divorce, each spouse fully and irrevocably waived any and all rights to either interim or final periodic support. Harold and Annie each signed the agreement, and they were married the next day. The day after the wedding ceremony, Harold and Annie purchased a home in New Orleans for \$800,000. They paid the full purchase price at closing using \$600,000 jointly borrowed from a bank in exchange for a mortgage and the remaining \$200,000 by check from Harold's trust fund established before his marriage.

The next year, Annie gave birth to their child Lily. Annie continued working as a physician but reduced her work schedule to three days per week in order to care for Lily. Harold continued his career in sales. When Lily was a toddler, Annie had a brief affair, but she ended that affair as soon as Harold learned about it. Annie apologized and explained that she was lonely and feeling undesirable after the birth of their child, after which Harold and Annie resumed their family life without disruption.

Last year, Harold's employer promoted him to the Regional Manager position, which, in addition to a substantial pay increase, entailed a transfer to Alexandria, Louisiana. Rather than close Annie's medical practice, uproot Lily from school, and sell their home in New Orleans, Harold and Annie agreed that Harold would get an apartment in Alexandria, would live there Monday through Friday, and would return home each weekend. They also agreed that Annie would care for Lily (getting her to school, carpooling, practices, doctors' appointments and other activities during the week), and that Harold would share child duties on the weekends.

Unbeknownst to Annie, Harold began to have an affair with his co-worker Beth shortly after renting the apartment in Alexandria. Harold did not tell Beth that he was married, and Beth had no idea that Annie or Lily existed. Harold and Beth were married before a justice of the peace. They purchased a new home together and began to live as husband and wife. Harold continued his weekend returns to New Orleans and explained his absences by telling Beth that he had training exercises out of town. He lived this double life for several months until Beth surprised him with a weekend visit by locating him on a GPS app on her cell phone. When Beth showed up at Harold's New Orleans home, she found Harold having dinner with Annie and Lily. Beth told Annie that she and Harold were married.

Beth returned to Alexandria and changed the locks on their home. Beth turned to her childhood sweetheart, George, for solace. George was still in love with Beth and thrilled to resume their relationship. Beth filed a proceeding to declare her marriage to Harold as a nullity and later married George. Shortly after her marriage to George, Beth discovered that she was pregnant. Her son Nicholas was born 270 days after Beth kicked Harold out of their home. George was with Beth at the hospital for the delivery and signed the birth certificate. DNA testing revealed that Harold was Nicholas' father.

Equally outraged at Harold when learning about Beth, Annie demanded a divorce and asked Harold to move out. Harold left but stayed in the New Orleans area, hoping to make amends with Annie. In the nine months that Harold and Annie lived separately, they occasionally met for dinner to discuss family matters. After one of those dinners, Harold and Annie had sexual relations.

Please answer the following eight subquestions (5 points each). Explain each answer; an answer without an explanation will receive no credit.

- **1.1.** What are Annie's options for divorce? Explain any potential time delays and complications associated with each option.
- 1.2. Is Annie entitled to interim spousal support? Why or why not?
- **1.3.** Is Annie entitled to final spousal support? Why or why not?
- **1.4.** How is the New Orleans home classified: as separate property or as community property? Discuss.
- **1.5.** If Harold and Annie cannot agree on custody for Lily, to whom should the court initially award custody? Discuss.
- **1.6.** Are Harold and Beth legally married to each other? Why or why not?
- **1.7.** Is Beth entitled to receive interim and/or final spousal support from Harold? Why or why not?
- **1.8.** Is Beth entitled to receive child support from Harold? Why or why not?

[End of Question 1]

LOUISIANA STATE BAR EXAMINATION CIVIL CODE I FEBRUARY 2017

QUESTION 2 — 40 POINTS

Frank purchased a 10-acre tract of land in Louisiana 35 years ago, after his wife died. The property is "L" shaped, bounded on the east by a river; on the north in part by the land of his neighbor and friend, Nathan, and in the part closer to the river by another property owner; on the south by another property owner, and on the west by a public highway.

Frank promptly built a home for himself and his then-young daughters, Amy and Betsy, on the western portion of his property near the highway but did not use the rest of the property for anything other than occasional recreational use. Frank also promptly installed a dirt road from the highway to the river across his property just south of the boundary with Nathan's property so that he and his daughters could access the river with their trucks and boat trailer. Although Frank installed a locked gate across the road near the highway, he gave a gate key to Nathan so that Nathan and his family could use the dirt road to get their boats to the river as well. With Frank's ready approval, Nathan even put gravel down on the road so that they could all traverse it more easily. Fifteen years ago, Nathan sold his land to Mark in a valid sale. When Nathan sold his land to Mark, Nathan gave his gate key to Mark; Mark and his family thereafter continued to use the roadway to access the river without any objection from Frank.

Twelve years ago, Frank signed an agreement allowing Louisiana Machinery, and its successors or assigns, to build and operate a pipeline near the southern boundary of his property for delivery of water from the river to Louisiana Machinery's property on the west side of the highway. The agreement requires that the pipeline be buried at least five feet beneath the ground and be removed at the expiration of a 50-year term. The agreement was promptly recorded in the parish conveyance records.

Eight years ago, Frank validly donated to Amy and Betsy two acres on the far east side of his property next to the river, as depicted below; the donation was made subject to any existing contracts and encumbrances.

Louisiana		Nathan's tract (later sold to Mark)		1	
Machinery's	ay	\leftarrow	road that Frank installed	\rightarrow	
tract	Highwa	∆(Home)	Frank's tract	portion donated to Amy and Betsy	River
pipeline→					
				\downarrow	

Shortly thereafter, Frank remarried, this time to a woman named Wilma. Two years ago, Frank died and left the remaining eight acres and his home to his daughters subject to a usufruct in favor of Wilma. Wilma spent \$50,000 renovating the kitchen and bathrooms of the family home on the western portion of the property, \$25,000 for an entirely new roof, and another \$25,000 on necessary repairs. Wilma asked Amy and Betsy to pay this \$100,000, but they refused.

About a year ago, Amy sought to move back into the family home, but Wilma refused. Amy decided to build both a small home and restaurant at the southern end of the two-acre property, which had remained undeveloped ever since Frank first acquired the initial ten-acre property. Amy's construction crew used the gravel road to access the two-acre property, but the noise and activity annoyed Wilma. When Amy sought to install a small electric utility line along the gravel road to connect into the nearest utility lines (which were along the highway), Wilma refused to allow the workers to install an electric line across the eight-acre tract.

Only after Amy had completed construction of the house and restaurant did Betsy learn of their construction. When Wilma likewise refused to allow Betsy to move back to the home Frank had built, Betsy told Amy that she wanted to move into Amy's new house when she finished building it. Amy, however, refused to allow Betsy to live in that house. Betsy then demanded that Amy tear down both the house and restaurant, but Amy refused to do so. So Betsy decided to build her own house on the property, but Amy objected because, she stated, with a second house, there would be too many structures on the property. Ignoring Amy's objection, Betsy proceeded to build her own small home on the two-acre property.

Wilma recently replaced the lock on the gate across the gravel road and did not give anyone else a new key; thus she is now preventing anyone other than herself from using the gravel roadway. Mark, Amy and Betsy were all outraged at Wilma's interference with their continued use of the gravel roadway.

Please answer the following eight subquestions (5 points each). Explain each answer; an answer without an explanation will receive no credit.

- 2.1. What is the nature of Louisiana Machinery's pipeline rights over the ten-acre property? Discuss.
- 2.2. How is the portion of the pipeline across the ten-acre property classified: as a movable or as an immovable? Who owns that portion at this time? Discuss.
- 2.3. Has Mark acquired any rights over the gravel roadway via prescription? Discuss.
- 2.4. What rights, if any, do Amy and Betsy have against Wilma to obtain electricity for their two-acre tract? Discuss.
- 2.5. What rights, if any, do Amy and Betsy have to use the gravel road? Discuss.
- 2.6. Describe what rights, if any, Wilma has to prevent Amy and Betsy from moving back into their family home.
- 2.7. Describe what rights, if any, Wilma has to demand that Amy and Betsy pay for the renovation and repair work.
- 2.8. Does Betsy have the right to demand that Amy demolish and remove Amy's house or the restaurant? Does Amy have the right to demand that Betsy demolish and remove Betsy's house? Discuss as to each item.

[End of Question 2]

LOUISIANA STATE BAR EXAMINATION CIVIL CODE I FEBRUARY 2017

<u>QUESTION 3</u> (20 points)

Multiple choice questions, each worth 2 points, testing the following areas of law:

- 3.1 Acquisitive prescription
- 3.2 Child custody; burdens of proof
- 3.3 Conflicts of laws
- 3.4 Community/Separate Property; allocation of assets from divorce; one spouse's separate property used for the other spouse's separate property
- 3.5 Payment for improvements by a usufructuary
- 3.6 Usufructuary entitled to set-off for payments made for ordinary repairs
- 3.7 Treatment of cash and stock dividends for stock subject to a usufruct
- 3.8 Movables by anticipation
- 3.9 Usufruct; repairs
- 3.10 Usufruct; repairs

[End of Question 3]

END OF CIVIL CODE I TEST

LOUISIANA STATE BAR EXAMINATION CIVIL CODE II FEBRUARY 2017

QUESTION 1 — 40 POINTS

Kevin and his wife, Barbara, were married in Louisiana and domiciled in Louisiana for their entire marriage. They never executed a matrimonial agreement. Kevin and Barbara had three children: Emily, Frank, and George. Kevin had no other children. Three years ago, George died, leaving his spouse, Jenna, and three children: Lily, Mary, and Nancy.

Kevin died intestate in Louisiana on November 1, 2015. He is survived by each person listed above, other than George. Neither Emily nor Frank is a forced heir of Kevin. Kevin is also survived by his mother, Harriet, and his only sibling, Susan.

At the time of his death, Kevin owned the following property located in Louisiana:

- Community Property: his undivided one-half interest in a home (the "Family Home") that he and Barbara purchased during their marriage with community funds.
- Separate Property: naked ownership of an undivided one-half interest in the family farm (the "Farm"), inherited from his father and subject to the usufruct of Harriet.
- Separate Property: certain timberland (the "Timberland") purchased by Kevin prior to his marriage to Barbara.
- **1.1.** Who succeeds to Kevin's interest in the Family Home? Discuss. (12 points)
- **1.2.** For question 1.2 only, assume that Emily does not wish to be in the chain of title to the Family Home. What action must she take to effectuate her wish, and what are the legal requirements for such action? May Emily nonetheless inherit a portion of Kevin's interest in the Farm? Discuss. (9 points)

FOR QUESTIONS 1.3 AND 1.4 ONLY, assume that Barbara married Art on February 1, 2016.

- 1.3. What effect, if any, does Barbara's marriage to Art have on ownership of the Family Home? Discuss. (4 points)
- 1.4. For question 1.4 only, also assume that Barbara gave birth to Olivia on July 1, 2016. Under these circumstances, who succeeds to Kevin's interest in the Farm? Discuss. (7 points)

FOR QUESTIONS 1.5 AND 1.6 ONLY, assume that Kevin never had any children.

- **1.5.** Who succeeds to Kevin's interest in the Family Home? Discuss. (4 points)
- **1.6.** Who succeeds to Kevin's interest in the Timberland? Discuss. (4 points)

[End of Question 1]

LOUISIANA STATE BAR EXAMINATION CIVIL CODE II FEBRUARY 2017

QUESTION 2 — 40 POINTS

Ellen was a domiciliary of the State of Louisiana. She and her husband, Fred, had five children: Kendra, Laura, Marcie, Paul, and Quincy. Her son Quincy had two children: Abby and Bella.

In 2010, Ellen executed a testament, the dispositive provisions of which read in the following order:

- 1. I appoint Fred the independent executor of my last will and testament. If Fred cannot so serve, I appoint Kendra as the independent executrix of my last will and testament. If Kendra cannot so serve, I appoint Marcie as independent executrix of my last will and testament.
- 2. I leave Fred all of my interest in our family home.
- 3. I leave Marcie my vintage 1968 Corvette; if Marcie does not survive me, I leave this Corvette to the National Corvette Museum of Bowling Green, Kentucky.
- 4. I leave my 2009 Honda to Paul.
- 5. I leave my interest in ACME Brick, L.L.C. to Marcie and my good friend Tom.
- 6. I leave a cash sum equal to 10% of my gross estate to charity. I direct my executor to select the charities and determine how much each should receive.
- 7. I leave my 2009 Honda to Laura.
- 8. I leave Quincy my grandmother's sterling silver service ("Granny's Silver"). Quincy is to take good care of Granny's Silver and at his death deliver it to Abby and Bella.
- 9. I leave the residue of my estate to my children, in the following shares: as to Kendra, a forty percent share; as to my other children, a fifteen percent share each.

This document was in writing, dated, signed by Ellen on each page and, at the end, bore the attestation clause as required by the Civil Code. It was executed in the presence of a notary public and witnessed by the notary's secretary and by Kendra's husband, Hubert, who had driven Ellen to the notary's office.

Ellen divorced Fred in 2012, and they never reconciled. All issues concerning the community were properly resolved in the divorce proceeding, and Ellen received in full ownership all property described above.

Ellen has now died and is survived by all other parties discussed above.

2.1. Who inherits the family home and in what proportions? Discuss. (12 points)

2.2. Is Kendra entitled to be appointed as Ellen's independent executrix? Discuss. (6 points)

- 2.3. With respect to the Corvette, is the possible substitution of the National Corvette Museum for Marcie a permitted substitution under the Louisiana Civil Code? Discuss. (3 points)
- 2.4. Who inherits the Honda? Discuss. (3 points)
- 2.5. Is the charitable bequest of 10% of the gross estate valid? Discuss. (3 points)

2.6. Is the bequest of Granny's Silver valid? Discuss. (3 points)

FOR QUESTION 2.7 ONLY, **assume** that Ellen's friend Tom (referenced in clause 5 of the testament) predeceased Ellen and died intestate as a Louisiana domiciliary, leaving as his sole heir his daughter, Ursula.

2.7. Who inherits the ACME Brick, L.L.C. membership interests? Discuss. (6 points)

FOR QUESTION 2.8 ONLY, assume the following: Ellen's father, William, was a Texas domiciliary and died at his home in Texas in 2013; he left immovable property in Louisiana. William had executed a typewritten testament in which he left all of his property, "wherever situated, real or personal," to Ellen. Although William's testament is in the form required under Texas law, it does not contain the attestation clause required under the Louisiana Civil Code.

2.8. Is William's testament valid and enforceable as to his immovable property in Louisiana? Why or why not? (4 points)

[End of Question 2]

LOUISIANA STATE BAR EXAMINATION CIVIL CODE II FEBRUARY 2017

QUESTION 3 – 20 POINTS

Multiple choice questions, each worth 2 points, testing the following areas of law:

- 3.1 Collation
- 3.2 Filiation
- 3.3 Form of trusts
- 3.4 Ingratitude
- 3.5 Devolution of separate property
- 3.6 Form of testament
- 3.7 Form of olographic testament
- 3.8 Trusts; alienation
- 3.9 Form of trusts
- 3.10 Joint legacy

[End of Question 3]

END OF CIVIL CODE II TEST

LOUISIANA STATE BAR EXAMINATION CIVIL CODE III FEBRUARY 2017

QUESTION 1 — 30 POINTS

PART A — 18 POINTS

Andy owned a parcel of immovable property containing a shopping center building. In January 2000, Andy and Grocery, Inc. reached agreement on the terms under which a portion of the building would be leased to Grocery, Inc. for a term of thirty years at a monthly rent of \$10,000. A written lease agreement, containing these terms and a full and proper description of the portion of the shopping center to be leased to Grocery, Inc., was prepared, but it was never signed by either Andy or Grocery, Inc. Neither the unsigned lease nor a notice of the lease was recorded. The only provision of the lease addressing repairs or maintenance of the leased property required Grocery, Inc. to repair any leaks in the front windows. The lease contained no express provisions with respect to default or termination. Grocery, Inc. commenced occupancy of the leased premises in January 2000 and has been in continuous occupancy since then. Grocery, Inc. paid Andy all rental payments promptly when due, through the rental payment due for the month of December 2016.

In December of 2016, Andy sold the entire shopping center to Paul. The written act of sale to Paul, which was signed by Andy and Paul, contained a full and proper legal description of the shopping center and stated that the sale was subject to all leases of the property, including specifically the lease to Grocery, Inc. The act of sale also provided that Andy assign to Paul all of Andy's rights under those leases and that Paul assume all obligations of Andy arising under the leases after the date of the sale.

In January of 2017, Paul received a check from Grocery, Inc. for monthly rent due for that month. Paul immediately returned the check to Grocery, Inc. with a letter contending that Paul was not bound by Grocery Inc.'s lease, since the lease had never been properly executed and was not recorded. In the letter, Paul further noted that Grocery, Inc. was in breach of the lease as a result of its failure to fix a small continuing leak in the front display window and its failure to repair a major leak in the roof that had caused damage to the merchandise of several other tenants. The leak in the roof was not caused by Grocery, Inc. nor any person on the premises with its consent. A few days later, Paul filed an action to evict Grocery, Inc., based on the claims that no written lease existed and no lease or memorandum of lease in favor of Grocery, Inc. in default, Paul sought judicial dissolution of the lease based on Grocery Inc.'s failure to repair the window leak as well as the roof leak.

Question 1.1. (8 points)

- a. Is Paul likely to be successful in his action to evict Grocery, Inc. based on his claims that no written lease existed and no lease or memorandum of lease in favor of Grocery, Inc. had been recorded? Discuss.
- **b.** What, if any, claims might Grocery, Inc. have against Andy in the event that Paul is successful in his eviction action? Discuss.

Question 1.2. (10 points)

Assume for this Question 1.2 that, immediately prior to the sale of the shopping center to Paul, Andy and Grocery, Inc. signed and properly recorded a written lease agreement containing the identical terms specified above. Should Paul be entitled to have the lease with Grocery, Inc. judicially dissolved based on the failure of Grocery Inc. to repair the leaks in the window and the roof? Discuss.

PART B — 12 POINTS

Sam owned a parcel of immovable property in Caddo Parish (the "Property") that included an office building. In January of 2005, Sam entered into a written twenty-year lease of the Property and office building with David for a monthly rental of \$5,000. Sam entered into a separate written agreement with David at the same time, granting to David the option to purchase all of the Property for \$1,000,000, the fair market value at the time, to be exercised at any time during the term of the lease to David. Both the lease and the option agreement were signed by Sam and David, contained a full and proper legal description of the Property and were recorded in January 2005 in the conveyance and mortgage records of Caddo Parish. The option agreement has never been reinscribed in the mortgage records.

Sam sold the Property to Paula in December of 2016 in a credit sale for a price of \$3,000,000, with the entire balance due one year from the date of sale. The act of credit sale was duly executed by the parties, recorded in the mortgage and conveyance records of Caddo Parish within one day of the act of credit sale and contained a proper legal description of the Property. The act of credit sale specifically provided that the sale was subject to the recorded lease in favor of David but made no mention of the separate option agreement in his favor. The act of credit sale was made on an as-is, where-is basis, without warranty of title, peaceable possession, or condition. The waiver clause was brought to Paula's attention at the closing and was initialed by her. Within a month following the sale, Paula made various improvements to the Property, including a complete renovation of an empty office into a luxury office for Paula's private use. None of the improvements enhanced the value of the Property.

In February of 2017, David sent notice to Sam and Paula of his election to purchase the Property pursuant to his option to purchase. When Sam and Paula refused to sell him the Property, David brought an action for specific performance against Paula to enforce the option agreement. Paula, in her answer, asserted as defenses that David's option was beyond its permissible term and that David had failed to preserve it by properly reinscribing it. Paula also pleaded lesion beyond moiety. She filed a separate action against Sam, calling Sam in warranty to defend her against David's action. Her suit against Sam also asked for rescission of the credit sale, damages to compensate her for the improvements she had made to the Property and attorney's fees.

<u>Question 1.3.</u> (5 points)

Is Paula likely to be successful in her defenses to David's action? Discuss.

<u>Question 1.4.</u> (7 points)

- a. Assume that David is successful in his action. Is Paula likely to be successful in her demand for rescission? Discuss.
- **b.** Is Paula likely to be successful in her claim for damages and attorney's fees, and if so, what damages might she be entitled to recover? Discuss.

[End of Question 1]

LOUISIANA STATE BAR EXAMINATION CIVIL CODE III FEBRUARY 2017

QUESTION 2 — 15 POINTS

PART A — 10 POINTS

Ann and Carrie entered into a contract to sell in which Ann agreed to deliver 200 cogs of a specified metal content to Carrie within thirty days at a price of \$40 per cog. Due to an interruption in the supply of a required metal, which greatly increased the metal's price but did not eliminate the supply, Ann failed to deliver the cogs to Carrie within the thirty-day period. Shortly after the thirty-day period expired, Carrie purchased the cogs from another supplier at the price of \$100 per cog, which exceeded the \$80 per cog price for which cogs were then readily available in the market. As a result of Ann's failure to perform, Carrie filed suit against Ann, seeking to recover damages from two lost sales to Carrie's customers, the additional cost Carrie incurred in purchasing the cogs from another supplier following Ann's failure to deliver, non-pecuniary losses including mental anguish, and attorney's fees incurred in filing the suit against Ann. Of the two lost sales, one involved an existing customer with monthly purchase requirements that Carrie customarily fulfilled but was unable to fulfill due to Ann's failure to deliver the cogs. The other lost sale could not reasonably have been predicted. Each of the two lost sales had a verifiable loss of profit, based on Carrie's costs.

<u>Question 2.1.</u> (10 points)

- a. Is Carrie entitled to collect damages for breach of contract, and if so, what damages is she entitled to collect under the facts of the problem? Discuss.
- b. What defenses, if any, does Ann have to Carrie's claims for damages? Discuss.

PART B — 5 POINTS

Guy entered into an agreement with Wade in which Wade would perform engineering consulting services for Guy in connection with Guy's manufacturing business. Wade intentionally provided faulty advice that resulted in various losses to Guy, including two lost sales and non-pecuniary damages. Of the two lost sales, one involved an existing customer with monthly purchase requirements that Guy customarily fulfilled, and the other involved a sale that could not have reasonably been predicted. Each lost sale had a verifiable loss of profit, based on Guy's costs. Upon learning of Wade's action, Guy took immediate steps to rectify the error and to lessen the resulting damage from Wade's actions.

Question 2.2. (5 points)

What damages, if any, should Guy be entitled to recover against Wade? Discuss.

[End of Question 2]

LOUISIANA STATE BAR EXAMINATION CIVIL CODE III FEBRUARY 2017

QUESTION 3 — 35 POINTS

Don was interested in opening a car repair shop. He found the perfect property on which to locate his business, a lot and building in Calcasieu Parish. He purchased this property, Property A, in September of 2002, and in connection with the purchase, borrowed \$1,000,000 from Lake Charles Bank. The loan was evidenced by a note payable in equal monthly installments due on the first day of each month over a twelve-year repayment term. The note, which was dated September 1, 2002, did not contain a right to accelerate payment. At the same time he signed the note, Don granted to Lake Charles Bank a mortgage on Property A, to secure "my promissory note dated September 1, 2002 in the principal amount of \$1,000,000 payable to the order of Lake Charles Bank." The mortgage further recited the maturity date of the note, September 1, 2014, and contained a full and proper legal description of Property A. The mortgage was signed by Don, but his signature was neither witnessed nor notarized. The mortgage records of Calcasieu Parish in September of 2002. It has never been reinscribed.

In 2008, one of Don's creditors, Auto, Inc., obtained a money judgment against Don for past due amounts owed and recorded the judgment in the mortgage records of Calcasieu Parish in 2008. Auto, Inc. has taken no steps to execute upon its money judgment. A balance remains validly due to Auto, Inc.

In October of 2009, starting with the payment due on October 1, 2009, Don stopped making payments on the Lake Charles Bank note and has made no further payments on that note since that time. Lake Charles Bank has taken no action to collect its note.

Don had to make frequent trips out of town to visit his elderly parents, so he entrusted dayto-day operations of the car repair shop to his friend, Mike. Because suppliers were asking Mike about his authority to operate Don's business, Don executed in favor of Mike a mandate agreement, which was in proper authentic form, signed by Don and accepted by Mike. The mandate agreement stated the following:

I, Don, hereby authorize Mike as my mandatary and agent, to do all acts that he may deem necessary in connection with the operation of my business. The authority of Mike includes the right to incur indebtedness on my behalf, to purchase and to sell immovable and movable property, and to mortgage, pledge, grant security interests in or otherwise encumber any immovable or movable property that I may own or acquire, in order to secure my present or future indebtedness, including any indebtedness so contracted by said mandatary.

The mandate agreement, which was never recorded, contained no description of any specific tract of immovable property.

Mike became aware that a tract of land owned by Susan was for sale at a bargain price. Thinking that this tract would be an ideal location for Don to open another repair shop, Mike called Don, who encouraged Mike to purchase the tract on Don's behalf. On February 1, 2012, Susan entered into a written credit sale in which she sold the property, Property B, to Don for \$250,000 cash, with the balance of \$600,000 to be payable in three annual installments of \$200,000 each, plus interest, beginning on February 1, 2013, followed by a subsequent payment on February 1, 2014 and a final payment on February 1, 2015. As Don's mandatary, Mike signed the act of credit sale and a promissory note that was dated the same day as the act of credit sale and that contained the payment terms specified in the act of credit sale. Susan also signed the act of credit sale, which was recorded in the mortgage and conveyance records of Calcasieu Parish on February 25, 2012.

Shortly afterward, Don opened a repair shop on Property B but had very disappointing results. Don has never made any payment on the promissory note held by Susan. When Susan pressed him for payment, he stated that Mike was the person responsible for payment, since the purchase was "Mike's idea" and Mike was the person who signed the note, and that Susan should look solely to Mike for payment.

A few weeks before this exam, Don sold Property B to Fred pursuant to an act of cash sale duly recorded in the conveyance records of Calcasieu Parish. Fred is currently possession of Property B.

Each mortgage and sale described above contains a valid description of the property subject to such agreement. Also, the cash portion of each purchase described above was duly paid.

Question 3.1. (10 points)

What are the rights of Lake Charles Bank under its note as of the date of this exam? Is its mortgage enforceable against Don? Discuss.

<u>Question 3.2.</u> (15 points) What rights, if any, does Susan have:

- a. Against Don individually? Discuss.
- b. Against Mike individually? Discuss.
- c. With respect to Property B? Discuss.

In providing your answer to question 3.2, do not discuss the priority of any rights of Susan with respect to any other creditor.

Question 3.3. (10 points)

Answer the following:

- a. Does Auto, Inc.'s judicial mortgage have priority over the mortgage of Lake Charles Bank on Property A? Discuss.
- b. Does Auto, Inc.'s judicial mortgage have priority over any security rights of Susan in Property B? Discuss.

[End of Question 3]

LOUISIANA STATE BAR EXAMINATION CIVIL CODE III FEBRUARY 2017

QUESTION 4 – 20 POINTS

Multiple choice questions, each worth 2 points, testing the following areas of law:

- 4.1 Offers of sale; revocation and acceptance of same
- 4.2 Revocatory actions
- 4.3 Guarantees; rights and defenses of guarantor
- 4.4 Relative nullity and recovery of voluntary payment
- 4.5 Management of the affairs of another (negotiorum gestio)
- 4.6 Compensation between mutual obligors
- 4.7 Discrepancies in act of sale; mutual error; sale by boundaries
- 4.8 Tolling agreements; prescription on promissory notes
- 4.9 Warranties under options to purchase
- 4.10 Privileges

[End of Question 4]

END OF CIVIL CODE III TEST

LOUISIANA STATE BAR EXAMINATION CONSTITUTIONAL LAW FEBRUARY 2017

WARNING:

The following are not issues on the ESSAY PORTION (Questions 1 and 2) of the Constitutional Law Examination: mootness, ripeness, political question, case or controversy, standing or justiciability. NO CREDIT WILL BE GIVEN FOR DISCUSSION OF THESE ISSUES IN EITHER OF THE TWO ESSAY QUESTIONS.

QUESTION 1 — 40 POINTS

The state legislature has recently completed a study on the behavior of Louisiana teenagers. The study revealed a relationship between school dropout rates and the level of violent criminal activity. The study indicated that the connection was most pronounced among boys ages 15 to 17 years old, revealing a significant increase in violent crime activity in school districts that also had a high dropout rate.

A Louisiana State Senator was very disturbed by what he perceived as a breakdown in personal responsibility and social order among Louisiana teenagers. Thus, he sponsored a bill, which was passed by the Louisiana Legislature, signed by the governor and enacted into law, creating a state executive agency called the Louisiana Forestry Camp ("LFC"). The LFC requires that boys ages 15 to 17 who have dropped out of school and reside in Louisiana be sent to camps located on public lands administered by the Louisiana Forest Service until they have reached their eighteenth birthday. During that time, it also provides them with a comprehensive education leading to a high school diploma at the time of their release from the LFC. Boys who are ordered to attend the camps may not come and go as they please and need special permission from the camp director to leave with family when family visit on the weekend. These leave periods cannot extend beyond a six-hour period.

Izayah, age 15, has dropped out of school and, consequently, has been drafted into the LFC. He and his parents are very upset that Izayah has been drafted into the LFC, and they believe that law violates: (1) the Due Process Clause and (2) the Equal Protection Clause.

What arguments should Izayah's parents make in support of their challenge to the law, and how successful are they likely to be? Discuss.

IN ADDITION TO THE DISCLAIMER AT THE BEGINNING OF THE CONSTITUTIONAL LAW TEST, DO NOT DISCUSS STATE ACTION.

[End of Question 1]

LOUISIANA STATE BAR EXAMINATION CONSTITUTIONAL LAW FEBRUARY 2017

QUESTION 2 — 40 POINTS

A city in Louisiana ("City") recently opened a new central bus station. Within the central bus station, the City has provided a large bulletin board that is available for free posting of documents. The City's only requirement for documents is that they be in both English and Spanish. The City indicates that the reason for this requirement is because the City's population is about equally divided between English- and Spanish-speaking residents.

The America for Americans Organization (AAO) desired to use the bulletin board to post a flyer but refused to post the flyer in English and Spanish. The flyer was only in English and stated that the AAO's primary goal is the restriction of immigration into the United States. The flyer also advised of the time and place of meetings and solicits memberships for \$10 each. The City refused to allow the AAO to post its flyer on the bulletin board because it would not post the flyer in both English and Spanish.

The AAO is furious about the City's refusal to allow it to use the bulletin board. It has sued the City, contending that the City's restriction is a violation of the rights of AAO's members under the First Amendment to the U.S. Constitution? Is the AAO's challenge likely to succeed? Discuss. IN ADDITION TO THE DISCLAIMER AT THE BEGINNING OF THE CONSTITUTIONAL LAW TEST, DO NOT DISCUSS STATE ACTION.

[End of Question 2]

LOUISIANA STATE BAR EXAMINATION CONSTITUTIONAL LAW FEBRUARY 2017

QUESTION 3 – 20 POINTS

Multiple choice questions, each worth 2 points, testing the following areas of law:

- 3.1. Commerce Clause
- 3.2. States' Reserve Powers/Tenth Amendment
- 3.3. Equal Protection
- 3.4. Free Exercise Clause
- 3.5. Procedural Due Process
- 3.6. Standing
- 3.7. Takings Clause
- 3.8. Commerce Clause
- 3.9. State Action
- 3.10. Free Speech Time, Place and Manner Restrictions

[End of Question 3]

LOUISIANA STATE BAR EXAMINATION CRIMINAL LAW, PROCEDURE AND EVIDENCE FEBRUARY 2017

QUESTION 1 — 50 POINTS

Adam and Brittany, both 21, were sitting at a sports bar drinking beer when Adam got a call from his mom who told Adam to go and get his little brother, Teddy (age 14), from the movie theater and bring Teddy home. Adam paid the bill at the sports bar and then he and Brittany got into his car and picked up Teddy. On the way to bring Teddy home, Adam, feeling the effects of the beer he drank earlier, got distracted and drove out of his lane for a few seconds. Thereafter, a Louisiana State Trooper got behind Adam and signaled for him to pull over by activating the lights on the police vehicle. Instead of pulling over, Adam sped up, made a quick left turn and tried to lose the trooper. The trooper, however, stayed right behind Adam. In addition to his lights, the trooper turned his siren on, signaling for Adam to pull over. Adam again increased his speed and weaved in and out of traffic, at one point entering the opposite lane of travel and almost hitting an oncoming vehicle head-on. Next, Adam ran a red light, and his vehicle was broadsided by another vehicle. Adam tried to get away again, but the trooper used his police vehicle to box in Adam's vehicle. Adam rammed the trooper's car several times but after failing to break through, Adam finally surrendered. Teddy suffered major brain damage as a result of the crash. Brittany was killed instantly as a result of the crash. Brittany was also pregnant at the time, and the baby did not survive.

<u>QUESTION 1.1.</u> (50 points)

What crimes has Adam committed under the Louisiana Criminal Code? Discuss.

[End of Question 1]

LOUISIANA STATE BAR EXAMINATION CRIMINAL LAW, PROCEDURE AND EVIDENCE FEBRUARY 2017

QUESTION 2 — 30 POINTS

After having a few drinks, Jason left his office work party to go home. On the way home, however, Jason fell asleep and ran off of the road into a rice field. After leaving the roadway, Jason's vehicle flipped several times, and Jason was ejected from the vehicle. After a passerby called 911 and reported the accident, paramedics as well as firefighters were sent to the scene. Miraculously, Jason had only suffered minor scrapes and bruises as a result of the accident. Still, at the urging of the paramedics, Jason agreed to be transported by ambulance to the hospital out of an abundance of caution.

Deputy Stenson arrived at the accident scene shortly after the paramedics left with Jason for the hospital. During his inspection of the scene, Deputy Stenson located a whiskey bottle with the cap on lying on the ground about ten feet from Jason's vehicle. The whiskey bottle was about three-fourths empty. One of the firefighters also indicated to Deputy Stenson that Jason appeared to be intoxicated as he spoke to the paramedics. Suspecting Jason may have been driving while intoxicated, Deputy Stenson decided to go to the hospital and speak to Jason.

When Jason first got to the hospital, he was irritated and was acting belligerent towards the medical staff. Doctors gave him a strong sedative to help calm him down. Not long thereafter, Deputy Stenson arrived and was informed by doctors that Jason had been given a sedative. Deputy Stenson proceeded to question Jason and noted that his answers were somewhat incoherent. Deputy Stenson also noted that Jason seemed confused. Deputy Stenson thereafter got Jason to admit to him that he had been drinking prior to driving. Deputy Stenson also got Jason to sign a consent form authorizing the nurse on staff to obtain a sample of his blood. After the nurse collected the blood sample, Jason was released from the hospital and immediately placed under arrest and Mirandized by Deputy Stenson. Several weeks later, after the chemical tests came back from the lab and showed Jason's blood as being above the legal limit, Jason was ultimately charged with one count of Reckless Operation and one count of Operating a Vehicle While Intoxicated.

Please address the following questions (a maximum of ten points each).

QUESTION 2.1. (10 points)

What state and/or federal constitutional bases, if any, exist for challenging Jason's statement to Deputy Stenson that he drank alcohol prior to driving? Discuss.

QUESTION 2.2. (10 points)

What state and/or federal constitutional bases, if any, exist for challenging the arrest of Jason and any subsequent evidence obtained as a result of same? Discuss.

QUESTION 2.3. (10 points)

What state and/or federal constitutional bases, if any, exist for challenging the admissibility of the blood test? Discuss.

[End of Question 2]

LOUISIANA STATE BAR EXAMINATION CRIMINAL LAW, PROCEDURE AND EVIDENCE FEBRUARY 2017

QUESTION 3 — 20 POINTS

Multiple choice questions, each worth 2 points, testing the following areas of law:

- 3.1. Right to counsel
- 3.2. Preliminary examination
- 3.3. Prescription of charges
- 3.4. Instituting prosecution
- 3.5. Suppressing evidence
- 3.6. Bill of particulars
- 3.7. Warrant of arrest; effective period
- 3.8. Challenge of venire
- 3.9. Judgment of acquittal
- 3.10. Post-verdict judgment of acquittal

[End of Question 3]

END OF CRIMINAL LAW, PROCEUDRE AND EVIDENCE TEST

LOUISIANA STATE BAR EXAMINATION FEDERAL JURISDICTION AND PROCEDURE FEBRUARY 2017

QUESTION 1 — 30 POINTS

<u>Questions 1.1 – 1.5 are based on the following facts.</u>

Farm Supply, LP (Farm) is a limited partnership organized under Mississippi law that operates farm and supply stores in Louisiana and Texas. Its general partner is GP, Inc. (General) which is incorporated in Arkansas and serves as a general or managing partner for a number of other entities that do business in Mississippi, Louisiana and Texas. Most of General's efforts focus on operations in Louisiana, and these operations comprise the bulk of General's revenue. Most employees of General work in Louisiana, but the management team in Houston, Texas makes the decisions about hiring, firing, and the direction of the business. The sole limited partner in Farm is Alice, who is a life-long resident of Arkansas.

Mary operates a sole proprietorship known as Mary's Hogs (Hogs), the sole function of which is to raise hogs on a farm in Louisiana. The business holds licenses and trademark registrations in Louisiana. Mary was born and raised in Mississippi, where she lives in a home she owns. She travels three times a week to a business office in Louisiana, where she makes all important business decisions about Hogs.

Hogs purchased feed and other supplies from Farm on open account. After years of a good relationship, Hogs stopped paying and left a balance of \$90,000. Farm was unable to get Hogs to pay; so, Farm filed a suit in a Louisiana federal court against Hogs and prayed for recovery of the amount due on the account. Two weeks later, but before the complaint was served on Mary, Alice took advantage of a job opportunity and moved to Mississippi, where she plans to live and work.

Question 1.1 (15 points):

Does the federal court in Louisiana have subject-matter jurisdiction over Farm's complaint? Discuss.

Question 1.2 (4 points):

Assume for the rest of Question One that the case remains pending in the federal court in Louisiana.

Hogs believes its animals were undernourished and did not gain weight quickly enough because Farm made unauthorized changes to its feed formula that were not reflected on the label of the products. Hogs estimates resulting losses at \$55,000. Hogs wants to assert a state-law claim against Farm and attempt to recover that amount from Farm without having to file a separate suit.

- a. What procedural device might Hogs use to assert its claim against Farm in the federal suit? Discuss.
- b. Would the federal court have subject-matter jurisdiction over the claim? Discuss.

Question 1.3 (4 points):

Hogs also has an account with Porky, Inc. (Porky), an Oklahoma citizen. Hogs believes Porky has been billing its farm for more feed than was actually delivered, and an audit indicates Hogs has been over-billed by \$10,000. Hogs would like to assert its claim against Porky in the same federal suit as the Farm suit. Can Hogs properly file a third-party complaint against Porky in federal court? Discuss.

Question 1.4 (4 points):

Assume Hogs elected not to assert any claims against Farm and Porky in this suit. It instead filed a general denial answer that raised no defenses. The same day Hogs filed its answer, it served two requests for production on Farm, asking for one (1) copy of all Farm's receipts, ledgers, and other documents related to the allegedly unpaid account and two (2) copies of all correspondence between Farm and its attorneys that make reference to the payment dispute.

What two objections might Farm properly assert in response to the requests for production? Discuss.

Question 1.5 (3 points):

Assume that Hogs filed a general denial answer that raised no defenses or objections. Hogs later learns that the person who served Farm's summons and complaint was a 16-year old employee of Farm. Hogs' attorney filed a motion to dismiss for insufficient service of process. Should the court grant or deny the motion? Discuss.

[End of Question 1]

LOUISIANA STATE BAR EXAMINATION FEDERAL JURISDICTION AND PROCEDURE FEBRUARY 2017

QUESTION 2 — 25 POINTS

<u>Questions 2.1 – 2.6 are based on the following facts.</u>

Louis, a citizen of Louisiana, purchased a new set of car tires from Motor Company (Motor), a Mississippi citizen. The tires were manufactured by Tire Company (Tire), a citizen of Texas and installed by Motor at its Woodville, Mississippi store.

Louis was driving on Interstate 10 near Slidell, Louisiana, a city north of New Orleans, when one of the newly installed tires suddenly deflated. Louis pulled to the side of the highway, where his car was soon struck by a car driven by Bob, a citizen of Alabama. Louis suffered more than \$150,000 in property and personal injury damages.

Louis filed a suit in a Slidell, Louisiana state court on January 3, 2016, against Tire, Motor, and Bob. Long arm service was made on Tire on February 10, 2016 and on Motor on March 15, 2016. Louis' initial attempts to serve Bob were unsuccessful, but Louis continued his efforts. Tire and Motor discussed the matter and decided that they would prefer the case be heard in a federal court. Their attorneys were nervous that a deadline might be missed if they waited to hear from Bob so Tire and Motor took action on April 10, 2016 to remove the case to federal court.

Question 2.1 (5 points):

- a. Describe in detail the procedure counsel for Tire and Motor should have followed to remove the case to federal court.
- b. To which federal court may the case be removed? Discuss.

Question 2.2 (3 points):

Louis' attorney believes there are procedural defects in the removal. What must the attorney file to seek a return of the case to state court and what time limits, if any, does the attorney face? Discuss.

Question 2.3 (6 points):

Louis' attorney made a timely submission of the proper filing to raise objections to the removal. She objected that the removal was defective because (1) Bob did not join in the removal, (2) the removal was untimely, and (3) the removal was improper because the plaintiff is a citizen of the forum state. Explain whether or not each of these objections is valid.

Question 2.4 (3 points):

Assume the case remains in federal court. Louis learned that the sole proprietor of Motor purchased a new home in Louisiana shortly before Louis filed suit. Louis believes that this means there is a lack of complete diversity among the parties, and he filed a motion on June 15, 2016 on that ground to challenge the removal. The defendants claimed that Louis' arguments are untimely. How should the court rule on the defendants' argument that Louis' motion is untimely? Discuss.

Question 2.5 (4 points):

Assume the case remains in federal court. A Louisiana statute provides that a party in possession of audio or video recordings of another party, such as made by an investigator, must provide them to the recorded party before that party sits for a deposition. A second Louisiana statute provides that a plaintiff may not recover more than the "Blue Book" value of a destroyed car, even if the plaintiff can prove that his car was more valuable. The applicable federal law does not include any such discovery requirements or damage limitations.

Louis believes that the defendants have video surveillance of him and that modifications to his car made it much more valuable than the Blue Book listing. Should the federal court apply either of the two state statutes in Louis' case? Discuss.

Question 2.6 (4 points):

Bob believes that the only reason his car struck Louis' was that Bob was forced to the shoulder of the highway by a large truck owned by Southern Transportation, Inc. (Transportation), a Louisiana corporation.

- a. What pleading should Bob file to assert a claim against Transportation? Discuss.
- b. Does the federal court have subject-matter jurisdiction over the claim? Discuss.
- c. Louis, on learning that Transportation may have contributed to his damages, would like to amend his complaint to add Transportation as a defendant. Does the federal court have subject-matter jurisdiction over such a claim? Discuss.

[End of Question 2]

LOUISIANA STATE BAR EXAMINATION FEDERAL JURISDICTION AND PROCEDURE FEBRUARY 2017

QUESTION 3 — 25 POINTS

Questions 3.1 - 3.5 are based on the following facts.

Cal, a citizen of California, was interested in opening a chain of beauty products stores in Louisiana. He looked for fellow investors and found Flo from Florida and Vera from Virginia. The three investors met in Florida for four days to finalize the terms of their agreement, which called for Flo and Vera to make monthly capital contributions over the course of the next three years. Cal was to use the funds to open and stock the Louisiana stores. The contract contemplated six stores opening across Louisiana during the first three years, with more to be funded by profits if the business was successful.

Flo is a life-long citizen of Florida, but she has owned a condominium in New Orleans for more than 10 years and stays in it six to eight weeks each year. Vera was born in Louisiana but moved to Virginia 20 years ago. She does not have any business connections in Louisiana other than the stores, but she spends Thanksgiving with her aunt in Lafayette, Louisiana every year. Both Flo and Vera have extensive business investments in California and visit the state often to tend to those businesses. They play no role in the management of the Louisiana stores other than the investment of their capital.

The stores were not doing well two years into the arrangement. Flo and Vera accused Cal of breaching their agreement by not producing timely financial reports, and they stopped making their monthly capital contributions. Cal would like to sue Flo and Vera for \$100,000 each, representing the remaining contributions due under the contractual agreement.

Question 3.1 (4 points):

- a. Cal would like to file the suit in federal court in his home state of California. Is California a proper venue for the civil action? Discuss.
- b. Would a Louisiana or a Florida federal court be proper venues? Discuss.

Question 3.2 (8 points):

Cal decided to file the complaint against Flo and Vera in a Louisiana federal court.

- a. May the Louisiana federal court exercise over Flo (i) general personal jurisdiction or (ii) specific personal jurisdiction? Discuss.
- b. May the Louisiana federal court exercise over Vera (i) general personal jurisdiction or (ii) specific personal jurisdiction? Discuss.

Question 3.3 (4 points):

Assume that any venue and jurisdictional obstacles are overcome, and the case proceeds in a Louisiana federal court. Vera filed an answer which admitted that she did not pay the \$100,000 called for by the agreement, but she raised the defense that she was not obligated to make the payments because Cal had first breached the agreement by not providing timely financial reports. Vera, six months before she stopped making payments under the agreement, secretly entered into a contract with a competing retailer to make a substantial investment in it should the stores built with Cal and Flo go out of business. Vera also has letters written by Cal in which Cal stated that bookkeeping problems might result in his required financial statements being late.

- a. Should Vera produce (i) the contract or (ii) the letters in her initial disclosures? Discuss.
- b. Should Vera produce (i) the contract or (ii) the letters if she were responding to a request for production of documents that asked for copies of all correspondence related to the business venture and any agreements between Vera and competing businesses? Discuss.

Question 3.4 (6 points):

Vera filed an answer admitting that she did not pay the \$100,000 called for by the agreement, but she raised the defense that she was not obligated to make the payments because Cal had first breached the agreement by not providing timely financial reports. Cal filed a motion for summary judgment against Vera. He supported it with Vera's answer and her deposition testimony in which she admitted a financial arrangement with a competing business that was contingent on the failure of the beauty products stores. Cal asserted that this conflict of interest was Vera's actual motivation for stopping payments. He also argued that all financial reports have been timely provided. He supported that argument with a letter from his office manager in which the manager wrote that all financial statements had been timely prepared and were mailed to all investors within two days of issuance.

Vera filed a memorandum in opposition to the motion. She supported it with her own affidavit in which she testified that she never received the last three monthly financial reports that were due before her default. She added that she did stand to make a great deal of money through her arrangement with the competing company, but she swore that those facts did not affect her decision to default on her payments to Cal.

How should the court rule on the Motion for Summary Judgment? Discuss.

Question 3.5 (3 points):

The case proceeded to trial before a jury. At the close of the evidence, Cal is convinced that neither Flo nor Vera proved their defense that he breached the contract.

- a. What motion might Cal make to seek judgment in his favor before the case is submitted to the jury? Discuss.
- b. What standard should the court apply in deciding that motion? Discuss.

[End of Question 3]

LOUISIANA STATE BAR EXAMINATION FEDERAL JURISDICTION AND PROCEDURE FEBRUARY 2017

QUESTION 4 — 20 POINTS

Multiple choice questions, each worth 2 points, testing the following areas of law:

- 4.1 Appeal
- 4.2 Substitution of parties; amendment of pleadings
- 4.3 Joinder of claims
- 4.4 Grounds for judgment as a matter of law
- 4.5 Rule 26 Initial Disclosures
- 4.6 11th Amendment immunity
- 4.7 Personal jurisdiction; waiver on appeal
- 4.8 Jones Act claim; waiver on appeal
- 4.9 Interpleader
- 4.10 Rule 11

[End of Question 4]

LOUISIANA STATE BAR EXAMINATION LOUISIANA CODE OF CIVIL PROCEDURE FEBRUARY 2017

QUESTION 1 — 25 POINTS

- 1.1. **2 pts.** When may a deposition be taken by telephone or other remote electronic means?
- 1.2. **0.5 pt.** (a) If a civil trial is by a jury of six, how many of the jurors must concur to render a verdict unless the parties stipulate otherwise?
 - **0.5 pt.** (b) If a civil trial is by a jury of twelve, how many of the jurors must concur to render a verdict unless the parties stipulate otherwise?
- 1.3. **2 pts.** List four of the bases for which a juror may be challenged for cause.
- 1.4. Plaintiff was injured when the vehicle which he was operating was rear-ended by an 18wheeler operated by Driver and owned by Owner. Driver was acting within the course and scope of his employment with Owner at the time of the collision. The collision occurred in Calcasieu Parish. Plaintiff is domiciled in Allen Parish. Driver is domiciled in Tensas Parish. Owner is a Utah corporation but is qualified to do business in Louisiana through an application to do business filed with the Secretary of State, designating Lincoln Parish as its principal business establishment in Louisiana. It has appointed a registered agent and has a Louisiana office, both located in Lincoln Parish.
 - **5 pts.** (a) Which parish or parishes would be a proper venue for Plaintiff's lawsuit against Driver <u>and</u> Owner? Explain.
 - **4 pts.** (b) A lawsuit has been filed by Plaintiff naming Driver and Owner as defendants. Driver and Owner believe that Plaintiff has filed suit in the wrong venue. What must be filed to challenge the venue and when must it be filed?
 - **3 pts.** (c) During discovery, Plaintiff's attorney learns that an eye witness to the accident lives in another parish, over 100 miles from the courthouse in which the trial is to be held. Plaintiff's attorney wants to present that witness for testimony at trial. Can the witness be compelled to testify at trial? Why or why not?
 - **2 pts.** (d) Plaintiff's attorney is deposing Driver. During the deposition, defense counsel for the Driver makes and continues to make lengthy objections which appear to be giving guidance and instruction to the Driver as to how to answer the questions. Are such objections appropriate under the Code of Civil Procedure? Why or why not?
 - **2 pts.** (e) Defendants have been served with Plaintiff's discovery requests seeking potentially thousands of documents. Defendants' attorney believes these documents are not relevant to the litigation and not reasonably calculated to lead to the discovery of admissible evidence. Defendants' attorney also believes that the discovery was propounded by Plaintiff to cause defendants to incur unnecessary effort and expense. What, if anything, can defense counsel file with the court to restrict this discovery, and what showings should be made in order for the court to restrict this discovery?

- **3 pts.** (f) Plaintiff's counsel propounded interrogatories asking Defendants to identify all witnesses to the accident. Defendants timely and accurately answered the interrogatories. Two weeks before trial, Defendants learn of a new, previously unidentified witness who observed the accident. Defendants do not plan to call this witness at trial because the testimony will be adverse to Defendants' interests. What responsibility, if any, do Defendants have to divulge the identity of this new witness to opposing counsel?
- **1 pt.** (g) Jury Selection has begun in the case. During jury selection, a potential juror advises that she is the legal secretary for the Plaintiff's lawyer. Defense counsel asks the judge to excuse this potential juror for cause. What should be the basis for defense counsel's request?

[End of Question 1]

LOUISIANA STATE BAR EXAMINATION LOUISIANA CODE OF CIVIL PROCEDURE FEBRUARY 2017

QUESTION 2 — 25 POINTS

2.1. Defendant has just been served under the Louisiana long-arm statute with a petition filed in Civil District Court for the Parish of Orleans. The petition alleges that software the Defendant sold to Plaintiff was defective and that Plaintiff sustained damages as a result of the installation of the software in the computer systems of Plaintiff's customers. When the software proved defective, Plaintiff was required to replace the software and reimburse its clients for the damages that they had sustained.

Defendant is a Georgia corporation with its principal place of business in Atlanta, Georgia. The vast majority of its business is done within a 100-mile radius of Atlanta. It does not have a business office in Louisiana, an agent for service of process in Louisiana, or any employees or representatives in Louisiana. It does not own any property or have any assets in Louisiana. It has never sent any of its sales or service staff or other representatives to Louisiana for business purposes. It has never advertised in local Louisiana media, although it did place an ad in a national trade magazine for one month and placed its name in the Red Book, a software developer's publication distributed to software dealers nationwide.

Plaintiff, a New Orleans software dealer, obtained Defendant's name from the Red Book, telephoned Defendant's office in Georgia and inquired about certain computer software; the software was unavailable from Defendant at that time. Two months later, Plaintiff telephoned Defendant's Georgia office a second time. The software was then available, and Plaintiff purchased the software. The software was shipped via Federal Express to Plaintiff. Prior to the sale to Plaintiff, Defendant had only one previous contact in Louisiana: a sale to a Baton Rouge customer of one module for \$500.00. That prior sale also was generated by a telephone call by that customer to Defendant's Georgia office.

- **2 pts.** (a) Defendant does not wish to litigate in Louisiana. Describe the pleading or pleadings that it would file, and when, in response to this petition.
- **4 pts.** (b) Analyze Defendant's chances for success with the remedy sought in the pleading or pleadings that it filed.

Fact Pattern for Questions 2.2 to 2.8:

After a trial, the jury returned its verdict in favor of Plaintiff and against Defendant on December 4. The judge instructed Plaintiff to prepare and furnish to Defendant a proposed judgment based upon the jury's verdict. Plaintiff complied, but Defendant had an objection to the proposed judgment. Thereafter, the judge held a conference in chambers on Monday, December 21 and presented a judgment of his own, to which all parties had objections. The judge then entered the courtroom and, on the record and in the presence of the lawyers for both parties, announced his judgment, signed the judgment he had prepared, and handed it to the deputy clerk of court for filing. The judge acknowledged that all parties had objections to the judgment, and counsel for all parties reiterated and stated those objections on the record. The sheriff served on both lawyers notice of the judgment on Wednesday, January 2.

- 2.2. **1 pt.** What is last date on which Defendant can move for a new trial or judgment notwithstanding the verdict (JNOV)?
- 2.3. Following the jury's verdict in favor of Plaintiff, Defendant timely filed motions for a new trial and for judgment notwithstanding the verdict.
 - **4 pts.** (a) What are the possible grounds upon which the judge should grant a new trial?
 - **4 pts.** (b) What are the standards that the judge should use in analyzing the jury's verdict in order to determine the availability of a judgment notwithstanding the verdict?
- 2.4. **2 pts.** Assuming that Defendant makes no application for new trial or JNOV, how many days and from what date does Defendant have to file for a suspensive appeal?
- 2.5. **2 pts.** How many days and from what date does Defendant have to file the suspensive appeal bond?
- 2.6. **2 pts.** How many days and from what date does Defendant have to file for a devolutive appeal?
- 2.7. **2 pts.** If Defendant filed an untimely application for a new trial and it was denied on March 2, how many days and from what date does Defendant have to file for a devolutive appeal?
- 2.8. **2 pts.** Plaintiff filed no post-judgment motions but wants to preserve his rights to have the court of appeal consider his objections to the judgment. Defendant has perfected its suspensive appeal and the record has been lodged with the court of appeal. What must Plaintiff file and when?

[End of Question 2]

LOUISIANA STATE BAR EXAMINATION LOUISIANA CODE OF CIVIL PROCEDURE FEBRUARY 2017

QUESTION 3 — 25 POINTS

- 3.1. **3 pts.** Expert witness reports have been exchanged, and the discovery depositions of both experts have been taken. Attorney for Defendant believes that Plaintiff's expert is completely unqualified to give expert testimony in the suit and that his methodology is "junk science." What motion should be brought before the court to test the expert's qualifications and opinions; what is the time deadline for bringing the motion; and, what is the deadline for the judge to rule on the motion?
- 3.2. **2 pts.** Defendant asks you to defend him in an ongoing lawsuit following the untimely death of his prior counsel. The lawsuit, which was brought against Defendant four years ago, involves claims of patent infringement relating to the invention of a fire ant pesticide. Discovery that was propounded to Defendant at the same time the lawsuit was filed has never been answered. The suit record and the files of Defendant's prior counsel reflect no other action or activity in the case. What course or courses of action do you recommend to Defendant?
- 3.3. **3 pts.** Plaintiff's petition did not request trial by jury. Defendant answered Plaintiff's petition, requesting a trial by jury. Nine months after the answer was filed, Defendant filed a motion to withdraw its request for trial by jury, and this motion was granted. May Plaintiff now file a request for trial by jury despite the fact that Plaintiff did not request a jury trial in the original petition. If so, what deadlines, if any, exist? Explain briefly.
- 3.4. Plaintiff sued Defendant for breach of contract. The contract specified the amount of damages that would be recoverable by the Plaintiff in the event of a breach. On January 2, after adequate discovery, the court fixed a trial date for a trial to begin July 1. Plaintiff now decides to file a Motion for Summary Judgment seeking a determination by the judge that Defendant breached the contract.
 - **1 pt**. (a) When is the latest from the trial date that Plaintiff can file and serve the motion and all supporting documents?
 - **1 pt**. (b) Plaintiff has timely filed and served the Motion for Summary Judgment. The court has set a hearing date on the motion. When is the latest that Defendant can file and serve an opposition to the motion, including all documents in support of the opposition?

3.5. In 2009, Paula purchased 100 acres of land in Jefferson Davis Parish from Sam and built a home on it which was her primary residence. Since that time, Paula has continued to live in the home and maintain the entire 100 acres. She has paid the taxes on the property as they came due together with any other necessary expenses for the maintenance of the property.

Paula just became aware that a timber company began cutting timber on a remote portion of the property a few weeks ago. When she confronted the timber crew, she was informed that the timber company, which is a limited liability company domiciled in Rapides Parish, had purchased the rights to cut the timber from Bob. The foreman of the crew had a copy of the Timber Deed and showed it to Paula. The Timber Deed, which was signed by Bob and the timber company and bore a stamp from the clerk of court indicating that it had been recorded in the Conveyance Records of Jefferson Davis Parish, recited that Bob had bought the land from Sam by an act of sale recorded in 2003. The foreman further informed Paula that he would continue to cut the timber and planned to begin trucking the logs out to a lumber mill which is located in Acadia Parish. Paula is concerned about this disturbance to her use and enjoyment of the property. She is also concerned about the potential loss of the timber that the timber company is threatening to harvest.

- **5 pts.** (a) What action(s) can Paula file to prevent the continuing timber cutting operations? When must she file? Discuss fully.
- **4 pts.** (b) Paula is fearful that, even if a suit is filed, the timber company will continue to cut the trees and transport the cut logs during the pendency of the suit. What can she do to immediately prevent the logging and transport of the cut logs? What must she show in order to be successful in preventing the timber company from taking these actions? Discuss fully.
- **3 pts.** (c) Bob has learned of Paula's actions and the fact that she claims ownership of the 100-acre tract. What proceeding(s) may Bob bring to recognize his claim of ownership of the property?
- **2 pts.** (d) What is the proper venue for Paula's actions? What is the proper venue for Bob's actions?
- **1 pt.** (e) A mortgage company claims to have a mortgage on the property granted by Bob. What action can the mortgage company take to protect its interest in the property?

[End of Question 3]

LOUISIANA STATE BAR EXAMINATION LOUISIANA CODE OF CIVIL PROCEDURE FEBRUARY 2017

QUESTION 4 – 25 POINTS

- 4.1. **4 pts.** When a lawyer signs a pleading filed for a client, what does the lawyer certify personally, if anything?
- 4.2. **2 pts.** What are the pleadings to which the lawyer's certification applies?
- 4.3. **3 pts.** List three obligations that an attorney has as an officer of the court.
- 4.4. **4 pts.** When a lawyer signs a discovery response, what does the lawyer certify personally, if anything?
- 4.5. **4 pts.** During a discovery deposition, under what circumstances may a party instruct a deponent not to answer a question?
- 4.6. **4 pts.** What are the mandatory grounds for recusal of a judge from a particular case?
- 4.7. **2 pts.** List four reasons for which a court should deny the consolidation of two separate actions for trial.
- 4.8. **2 pts.** Which two kinds of exceptions are required to be pleaded prior to or in the answer?

[End of Question 4]

END OF LOUISIANA CODE OF CIVIL PROCEDURE TEST

LOUISIANA STATE BAR EXAMINATION TORTS FEBRUARY 2017

QUESTION 1 — 40 POINTS

Question 1A (26 points)

Zack was not feeling well and drove himself to the emergency room at Louisiana General Hospital for treatment. While at the emergency room, Zack was treated with intravenous drugs. Zack was prematurely discharged from the emergency room. He was still intoxicated from the intravenous drugs at the time of discharge. Zack did not have another person who was available to drive him home.

Zack drove himself from the emergency room while intoxicated. Because of the intoxication, Zack ran a stop sign and crashed into Theresa. Theresa was texting her grandmother, Maria, at the time of the crash. Both Zack and Theresa suffered severe injuries from the car crash.

What theory or theories of liability might reasonably be asserted in each of the following actions; what defenses can reasonably be raised, and which party is likely to prevail?

- 1.1. Theresa v. Zack. Discuss.
- 1.2. Zack v. Theresa. Discuss.
- 1.3. Zack v. Louisiana General Hospital. Discuss.
- 1.4. Theresa v. Louisiana General Hospital. Discuss.

Question 1B (14 points)

After the crash and despite her injuries, Theresa sent a text to Maria that read, "I have just been in an accident @ corner of Main St. and 1st Ave. Send help." Maria called an ambulance and the ambulance arrived at the scene shortly after the wreck. The ambulance then took Theresa to the hospital. Theresa suffered through the entire ambulance ride and passed away soon after arriving at the hospital.

About 30 minutes after Theresa was transported from the scene by ambulance, Maria arrived at Main St. and 1st Ave. and saw the wreckage that was formerly Theresa's vehicle. Maria fell down on the ground and sobbed uncontrollably after viewing the wreckage. The condition of the car revealed that it would be unlikely anyone survived the wreck. Maria's grief was debilitating. Maria eventually made it to the hospital only to find out that Theresa passed away minutes before Maria arrived at the hospital [assume for purposes of 1B only that Theresa died as indicated here, not only "suffered severe injuries" as stated in 1A above].

Theresa is survived by her grandmother, Maria, her father, Frank, and her sister, Susan. Theresa and Susan had an extremely close relationship.

What tort claims may reasonably be brought by the following parties, and against whom? Discuss each.

1.5. Maria

- 1.6. Frank
- 1.7. Susan

[End of Question 1]

LOUISIANA STATE BAR EXAMINATION TORTS FEBRUARY 2017

QUESTION 2 — 40 POINTS

Sarah worked for ACME Trucking Company (hereinafter, "ACME"). On February 3, 2017 at approximately 3 p.m., Sarah was driving her truck in a southerly direction on La. Highway 34 in St. Helena Parish. Sarah was talking on her cell phone when one of the tires of the truck suffered tread separation. The truck tire was manufactured by BadDay Tires. ACME knew that there was a potential problem with BadDay Tires, but ACME decided to purchase those tires from BadDay Tires anyway.

Because Sarah was on the phone, she was unable to control the truck after the tread separation, and she crashed into Paul who was traveling in a northerly direction on the same highway. Both Paul and Sarah suffered injuries from the wreck.

What theory or theories of liability might reasonably be asserted in each of the following actions; what defenses can reasonably be raised, and which party is likely to prevail?

- 2.1. Sarah v. ACME. Discuss.
- 2.2. Sarah v. BadDay Tires. Discuss.
- 2.3. Paul v. ACME. Discuss.
- 2.4. Paul v. BadDay Tires. Discuss.
- 2.5. ACME v. BadDay Tires. Discuss.

[End of Question 2]

LOUISIANA STATE BAR EXAMINATION TORTS FEBRUARY 2017

QUESTION 3 — 20 POINTS

Multiple choice questions, each worth 2 points, testing the following areas of law:

- 3.1 Battery
- 3.2 Defamation
- 3.3 Medical Malpractice
- 3.4 Invasion of Privacy
- 3.5 Tortious Interference with Contract
- 3.6 Self-defense (Intentional Torts)
- 3.7 Merchant Liability
- 3.8 Assault
- 3.9 Comparative Fault
- 3.10 Negligence; Duty

[End of Question 3]

END OF TORTS TEST