

# 10-17-2026 | Lecture 8 - Statute of Frauds, Capacity, and Policing the Bargaining Process

What is the minority legal view regarding estoppel under UCC Section 2-201?

UCC Section 2-201 explicitly displaces estoppel because the section lists specific exceptions without mentioning estoppel.

What traditional rationale supports the Pre-Existing Duty Rule?

It prevents overreaching, hold-up tactics, and extortion during performance.

What is the legal status of a contract entered into under direct physical compulsion?

It is completely void.

Under the majority view, what two factors demonstrate that part performance on a land contract is "unequivocally referable" to the agreement?

1) Obtaining possession of the property, and 2) Making valuable improvements to the property.

How can contracting parties structure an alteration to avoid the Pre-Existing Duty Rule at common law?

By mutually rescinding the original contract and entering a new contract supported by fresh mutual promises.

What are the three general recognized categories of legal incapacity?

1) Minority (Infancy), 2) Mental Incapacity, and 3) Intoxication/Drug Impairment.

What is a shibboleth in general context and language usage?

An identifying word, speech habit, or behavior distinguishing group membership, or a trite, oft-repeated belief of questionable veracity.

What is the doctrine of public policy in contract enforcement?

A doctrine permitting courts to refuse enforcement of a contract based on overriding societal values or harm to public interest.

What conditions satisfy UCC Section 2-201(3)(a) for specially manufactured goods?

Goods made specifically for buyer, unsuitable for ordinary sales, where seller made substantial manufacturing start or procurement commitments before repudiation.

What is equitable estoppel (estoppel in pais)?

An equitable doctrine preventing a party from asserting a position inconsistent with a prior representation of fact relied upon by another to their detriment.

Does exercising or threatening to exercise a lawful legal right constitute economic duress?

No, exercising a legal right (such as disputing the value of services in good faith) does not constitute economic duress.

What is the distinction between a contract being "within the statute" versus "outside the statute"?

Contracts "within the statute" fall into a Statute of Frauds category and must be written; contracts "outside the statute" do not require a writing.

When a minor disaffirms a contract, what recovery is a non-minor seller generally entitled to seek absent fraud?

Reasonable compensation for the use, depreciation, or willful damage to the returned goods.

Within what period must a minor exercise the power to disaffirm a contract?

During minority or within a reasonable time after attaining the age of majority.

In contract formation, what does legal capacity refer to?

A person's or legal entity's right and ability to enter into binding legal agreements.

What essential terms must generally be included in a writing to satisfy the Statute of Frauds?

The identity of the contracting parties, the subject matter, and the essential terms and conditions of the agreement.

What is the general rule regarding a minor's contractual obligation for "necessities" (necessaries)?

A minor cannot disaffirm liability for the reasonable value of necessities essential for health and well-being.

Under UCC Section 2-201(3)(c), when is an oral contract enforceable without a writing?

With respect to goods for which payment has been made and accepted, or goods that have been received and accepted.

Will a partial payment made by a fiduciary result in an accord and satisfaction?

No, partial payment by a fiduciary holding another's assets will not result in an accord and satisfaction.

Under UCC Section 2-201(2), how does the merchant's confirmation exception ("read your mail" exception) function?

A written confirmation sent between merchants within a reasonable time satisfies the Statute of Frauds against the recipient if not objected to in writing.

Can multiple separate writings be combined to satisfy the Statute of Frauds?

Yes, provided the writings all relate to each other and collectively establish all essential terms.

In what year and country was the original Statute of Frauds enacted?

It was enacted in England in 1677 under the title "An Act for the Prevention of Frauds and Abuses."

Which three primary statutory frameworks govern electronic contracting?

1) E-SIGN Act (federal), 2) UETA (state model act), and 3) UCITA (computer information/software transactions).

What effect does an attempted oral modification have when a contract contains a valid "no modification" clause?

It is unenforceable as a contractual modification, but it can operate as a waiver.

What is collateral estoppel (issue preclusion)?

A civil procedure doctrine holding that factual determinations litigated between parties are binding and conclusive in future litigation.

How does the judicial admission exception operate under UCC Section 2-201(3)(b)?

An oral contract is enforceable if the party against whom enforcement is sought admits in court pleadings or testimony that a contract was made.

Which party must sign a writing for it to be enforceable under the Statute of Frauds?

It must be signed by the party against whom enforcement is sought ("the party to be charged").

Within how many days may a claimant cure an unintended accord and satisfaction under UCC Section 3-311(c)(2)?

By tendering repayment of the full amount of the instrument within 90 days after payment.

What standard remedy is recoverable under a successful claim of promissory estoppel?

Reliance damages.

Within how many days must a merchant object to a written confirmation under UCC Section 2-201(2) to preserve a Statute of Frauds defense?

Within 10 days after receipt.

How does UCC Section 2-209 modify the common law Pre-Existing Duty Rule for sales of goods?

A contract modification under the UCC requires no new consideration to be legally binding.

What elements establish economic duress?

A wrongful threat to property or finances threatening immediate loss, combined with the lack of adequate alternative means or goods to prevent loss.

What legal standard determines whether a mark, symbol, or electronic name qualifies as a signature?

Intent—whether the mark was executed or adopted with the intent to authenticate the writing.

How does promissory estoppel differ from equitable estoppel?

Promissory estoppel involves reliance on a promise rather than a representation of fact.

What legal right does a minor possess under the infancy doctrine?

The power to disaffirm (avoid) contracts entered into while a minor.

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| Which three categories of societal concern form the basis of public policy defenses?                                                     | Moral concerns, Economic concerns, and Political/Self-governance concerns.                                                             |
| What are the two major subcategories of overreaching in contract bargaining?                                                             | A) Pressure in Bargaining (duress, coercion, undue influence), and B) Concealment and Misrepresentation (fraud, deceit).               |
| How does Restatement (Second) of Contracts evaluate the part-performance exception without using the "unequivocally referable" standard? | It evaluates whether detrimental reliance changed the party's position so severely that only specific performance can avoid injustice. |
| What is the majority legal view regarding promissory estoppel and the Statute of Frauds?                                                 | Promissory estoppel serves as a reliance-based exception that can preclude a Statute of Frauds defense.                                |

How can an organization prevent accidental accord and satisfaction under UCC Section 3-311(c)(1)?

By sending prior conspicuous notice to debtors that disputed debt payments must be sent to a designated person or office.

How does UCC Section 1-103(b) interact with other provisions of the Uniform Commercial Code?

General principles of law and equity (including estoppel and fraud) supplement the UCC unless explicitly displaced by a particular provision.

What factual conditions are required for goods or services to qualify as necessities for a minor?

The minor must be in actual need of them and obliged to procure them independently.

Which six traditional categories of contracts fall within the Statute of Frauds?

1) Land interest sales, 2) Goods sales for 500 dollars or more, 3) Marriage consideration, 4) Performance exceeding one year, 5) Suretyship, 6) Executor promises to pay estate debt from personal funds.

How does Alabama Code Section 26-2A-20(8) define an incapacitated person?

An individual impaired by mental illness, deficiency, physical disability, advanced age, or chronic drug/alcohol use lacking sufficient capacity to make responsible decisions.

What primary requirement does the Statute of Frauds impose on covered contracts?

It requires that covered contracts be set forth in a signed writing to be legally enforceable.

Which three institutional entities serve as sources of authority for policing contract bargaining?

Legislatures, Judicial Actions, and Administrative Agencies.

What is the legal definition of duress?

An improper threat that deprives a party of free will and leaves them with no reasonable alternative, inducing contract formation.

Under UCC Section 2-209, what constraint applies to a modified contract if the modified agreement falls within the Statute of Frauds?

The contract modification must independently satisfy the Statute of Frauds.

What statutory threshold triggers the Statute of Frauds under UCC Section 2-201 for the sale of goods?

A purchase price of 500 dollars or more.

What three core elements are required to establish promissory estoppel?

1) A promise, 2) Promisor's intent to induce reliance, and 3) Promisee's justifiable detrimental reliance.

What limit is placed on contract enforcement under the judicial admission exception of UCC Section 2-201(3)(b)?

The contract is not enforceable beyond the specific quantity of goods admitted in court.

What is the Pre-Existing Duty Rule in contract law?

A party who already has a legal obligation to perform an act cannot demand additional consideration to perform that exact same act.

Under UCC Section 3-311, what is required for cashing a check to operate as an accord and satisfaction?

The debtor must tender an instrument in good faith as full satisfaction of an unliquidated or bona fide disputed debt with a conspicuous statement.

In legal history, how has the legal status of contracts made by incapacitated persons evolved?

It evolved from being categorized as "void" to "voidable" to "unenforceable."

What is the legal status of a contract entered into under non-physical forms of duress?

It is voidable at the option of the aggrieved party.