

1. Contract Formation

- a. Unilateral v. Bilateral: the offer is probably bilateral if there is some doubt that an offeree can do it.
- b. Bilateral contracts:
 - i. Lonergan v. Scolnick: Rstmt §25; Before a contract can be formed there must be a meeting of the minds of the parties as to a definite offer and acceptance.
 - ii. Normile v. Miller: A qualified acceptance is a counter offer. An offer or counter-offer can be revoked any time before acceptance. Furthermore, terms that indicate that an acceptance must be received by a certain date/time do not create an option contract but are conditions of the offer.
 - iii. See Questions: 1,2,3(pg 62-4) and 1,3 (pg 71-2)
- c. Unilateral Contracts:
 - i. Peterson v. Pattberg: An offer to enter into a unilateral contract may be withdrawn at any time before performance is completed.
 1. Classical unilateral contract: Brooklyn Bridge example required completed performance to accept the offer.
 - ii. Cook v. Coldwell Banker: Introduced the concept of substantial performance. The offeror cannot revoke after substantial performance but the offeree must complete or attempt to complete the act.
 1. Classical contract v. Modern contract:
 - a. Asks: did the offeror receive any benefit from the offeree's actions that were made in an attempt to accept the offer. Cook says it matters, Pattberg says it doesn't.
 2. Rstmt §45: An option contract is created when the offeree tenders or begins the invited performance.
 - a. Tender can be the first in a series of payments
 - iii. Duldulao v. St. Mary Nazareth: An employee handbook or other policy statement creates enforceable contractual rights if the traditional requirements for contract formation are present.
 1. Per Pine River, the language must include:
 - a. A clear enough statement that an employee would reasonably believe that an offer has been made.
 - b. The statement is disseminated to the employee in such a manner that the employee is aware of its contents and reasonably believes it to be an offer
 - c. The employee accepts the offer by commencing or continuing to working after learning of the policy statement.
 2. Efforts to decrease employee rights have been resisted on the grounds of lack of consideration.
 - a. Torosyan v. Boehringer: If an employee handbook reduces an employee's benefits, continued employment does not indicate acceptance of those new terms. Torosyan argues that the employee is offered a "false choice."
 - iv. See problem 2-1

- v. Very few offers today are unilateral, with 2 exceptions
 1. the contract states that the only appropriate form of acceptance is completion of performance
 2. offers to the public, such as rewards, in which a bilateral contract is inappropriate