

**MASSACHUSETTS BAR EXAMINATION  
SECOND DAY FEBRUARY 28, 2013  
ESSAY SECTION  
MORNING QUESTIONS**

1. In 2005, Adam, Betty and Chuck founded Nuts to You (“Nuts”), a company selling organic nuts to restaurants and natural foods supermarkets. They established Nuts as a Massachusetts corporation, and each of them were issued one-third of the stock in Nuts. In addition, each of them had a position at Nuts paying \$150,000 annually – Adam handled marketing and was the President of Nuts, Betty handled buying nuts from suppliers and was the Treasurer of Nuts, and Chuck ran their small factory that packaged the nuts and was the Clerk of Nuts. Nuts has never paid a dividend.

Last year, Adam and Chuck decided to remove Betty without cause from her marketing position and therefore, stopped paying her salary, although she remained the Treasurer of Nuts. Betty then went to work for Snack, a competitor of Nuts, and she convinced two Nuts employees to quit Nuts and come to work with her at Snack.

Meanwhile, Chuck learned that a supplier of Nuts had just gone into bankruptcy and was desperate to sell its excess inventory of organic nuts at half price. Chuck used \$100,000 of his own money to personally buy several truckloads of these nuts and then sold them overnight to a chain of natural foods supermarkets for \$200,000.

Meanwhile, Adam got engaged to Darlene whom he met at a bar. Adam hired Darlene to be his assistant at Nuts and had the company pay her a \$50,000 salary even though she had no office skills.

Chuck had been given the sole responsibility for buying fuel oil for the Nuts factory. However, when Adam’s college fraternity brother, George, said that he was now in the fuel-oil business, Adam signed a five-year contract on behalf of Nuts with George. This contract provided for George to be the exclusive provider of fuel oil for Nuts’ factory at a price that was far in excess of market price.

What are the rights of the parties?

2. Rev. Smith, an ordained minister, and his wife, Ann Smith (“Mrs. Smith”) had one child, Nancy (collectively, the “Smiths”). In 1967, the Smiths brought Bob, an orphan, into their home. Bob became close to the Smiths, calling Rev. Smith “Dad,” Mrs. Smith “Mom,” and Nancy, “Sis.” The Smiths were a deeply religious family, lived frugally, saved their money, invested well and acquired considerable wealth. The Smiths gave a portion of their income to Church and to other charities.

In 1972, Rev. Smith and Mrs. Smith executed wills prepared by Attorney providing exclusively for each other, if living, otherwise for Nancy. If neither the surviving spouse nor Nancy was living, the wills of Rev. Smith and Mrs. Smith provided that the survivor’s estate would pass to Rev. Smith’s sister, Mary. No other family members were named in their wills. Mary died in 1977 without any children. In 1978, Rev. Smith and Mrs. Smith executed new wills prepared by Attorney. No copies of the 1978 wills of Rev. Smith and Mrs. Smith have been found. There is no evidence that Rev. Smith intended to name or benefit any other of his relatives at the time of Mary’s death.

In 1995, Attorney prepared new estate plans (the “1995 Plans”) for Rev. Smith and Mrs. Smith. Rev. Smith was 92-years old and in poor health, Mrs. Smith was 87-years old and Nancy was 62-years old. The 1995 Plans provided that the assets in the estates of Rev. Smith and Mrs. Smith were to be placed into a revocable trust, called the Smith Family Trust (the “SFT”). Attorney and Bank were named Trustees of the SFT. The SFT directed the Trustees to pay the net income to the surviving spouse and then gave Trustees the discretion to use trust principal reasonably to make payments to or for the benefit of the surviving spouse as he or she may be deserving. The SFT provided that on the death of the surviving spouse, the remaining property was payable to Nancy. The SFT gave the surviving spouse the power of appointment over the remaining property to whomever he or she chose. If this power was not exercised, the SFT’s remaining property went to Nancy.

Rev. Smith died in 1997 and the property in his estate passed to the SFT. In 1998, Mrs. Smith discussed her estate goals with Attorney to provide for Nancy, minimize estate taxes, and maximize Mrs. Smith’s charitable contributions. Attorney then prepared and Mrs. Smith executed the Ann Smith Charitable Trust (the “CT”) in 1998. The CT provided Nancy with 5% of the trust assets annually during her lifetime. Upon Nancy’s death, the remainder of the CT was to be distributed to Charity. Since 1998, Mrs. Smith has given donations to Charity.

Mrs. Smith never exercised the power of appointment over the SFT and Mr. Smith's will did not pour into the CT. In 2007, there were concerns about Mrs. Smith's mental capacity and her ability to care for herself. Nancy and Bob were appointed Mrs. Smith's Guardians. Nancy died in 2007. In December 2007, the Trustees distributed the SFT into the CT established in 1998. The Trustees made the distribution because of (i) Nancy's death, (ii) Mrs. Smith's insistence on more expensive 24-hour care at home instead of a nursing facility, (iii) the escalating cost of Mrs. Smith's care, and (iv) Mrs. Smith's persistent wishes to provide for Charity. Prior to Mrs. Smith's death in October 2008, all of the assets of the SFT had been distributed.

Rev. Smith's heirs (the "Heirs") have brought an action in Probate and Family Court alleging that the Trustees wrongly distributed the assets of the SFT and that the Heirs are entitled to the proceeds. None of the Heirs had any personal contact with the Smiths. Charity has intervened in the action.

What are the rights of the parties?

3. John was the Chief Executive Officer of SoftCorp, a Massachusetts software company. In 2008, SoftCorp entered into a contract with Company pursuant to which SoftCorp entered into software licenses with Company for which Company agreed to pay royalties. The contract contained a provision that gave SoftCorp the right to hire an “independent accounting firm to perform an audit” of Company’s books to determine whether SoftCorp was receiving the proper royalty payments. In 2012, SoftCorp exercised its right to hire an independent accounting firm and hired AccountCo, a Massachusetts firm, to perform an audit of Company’s books. In connection with the audit, Company provided AccountCo with sensitive financial records and made certain key employees available for interviews.

AccountCo’s audit determined that SoftCorp was owed \$20,000,000 in additional royalties dating back to 2008. SoftCorp filed suit in Massachusetts Superior Court against Company for breach of contract seeking to recover the \$20,000,000 in additional royalty payments. After the audit was performed but before suit was filed, SoftCorp hired AccountCo as an expert witness in its suit against Company. SoftCorp then issued a legal hold notice to a small group of its employees requesting that they save any and all emails that may be relevant to SoftCorp’s claim for \$20,000,000 in additional royalty payments. SoftCorp did not shut off the automatic deletion of emails nor did it follow up with the employees to make sure that they were complying with the legal hold notice.

In its discovery requests, Company sought the production of all drafts of AccountCo’s audit report; all emails between SoftCorp and AccountCo; all emails between all of SoftCorp’s employees concerning the audit; all communications between SoftCorp’s in-house counsel and AccountCo concerning the audit; and all written memoranda concerning any interviews of Company employees taken during the audit. SoftCorp has objected to the production of the requested documents claiming attorney-client and work-product privileges.

In the case brought by SoftCorp, SoftCorp produced very few internal emails and during the Rule 30(b)(6) deposition of SoftCorp, Company learned that Zeke, SoftCorp’s Senior Vice President of Information Technology, deleted numerous emails from his computer after the legal hold notice was issued but before suit had been filed against Company.

While SoftCorp’s suit against Company was pending, John passed away suddenly. His wife, Wanda, was named Executrix of his estate. Wanda has made a claim against SoftCorp that John’s estate is entitled to \$5,000,000 in additional compensation, which claim SoftCorp has

denied. Wanda, in her capacity as Executrix of John's estate, has filed suit in Massachusetts Superior Court seeking to recover the \$5,000,000 in alleged additional compensation. Wanda believes that Doug, SoftCorp's General Counsel, has critical information concerning her claim and has noticed Doug's deposition and has requested the production of Doug's file concerning John's compensation plan. SoftCorp has opposed the requests on the basis of attorney-client privilege. Wanda has claimed that as Executrix of John's estate, she is entitled to Doug's entire file, including privileged communications regarding John's additional compensation.

- a. Company has filed a motion to compel the production of all drafts of AccountCo's audit report, all emails between SoftCorp and AccountCo, all emails between all of SoftCorp's employees concerning the audit, all communications between SoftCorp's in-house counsel and AccountCo concerning the audit, and all written memoranda concerning any interviews of Company employees taken during the audit.
- b. Wanda has moved to compel Doug's deposition and the production of Doug's files.
- c. Company has filed a motion for sanctions against SoftCorp as a result of Zeke's deletion of emails, including a request that SoftCorp's case be dismissed.

How should the Court rule on each of the evidentiary issues raised by each motion?

4. The town charter of Town, Massachusetts stated in part:

No full-time employee of Town shall suffer dismissal until first receiving a verbal warning from such employee's superior that specified employment misconduct could result in termination. Serious or repeated employment misconduct shall be the subject of a written warning by the town manager that such activity could result in termination, but after issuing such written warning, the town manager shall, on the occasion of the first warning, only suspend the employee for an appropriate time without compensation. Upon further written warning, the town manager may dismiss said employee, who shall be provided with written reasons for the dismissal upon request.

Inspector was hired as the building inspector for Town by Manager, who served as town manager. Among other things, Manager's duties included the appointment and removal of Town's building inspector. Inspector clashed frequently with Manager and with Town residents, who were unhappy with many of Inspector's decisions, and often complained to Manager. Undeterred, Inspector remained vocal about the reasons behind his decisions to Manager and to residents, insisting that they reflected the consistent and proper enforcement of the applicable codes.

One major conflict involved Town's trucking terminal (the "Terminal"), which abutted the property of one of Town's Selectman. Selectman complained to Inspector about the noise from the Terminal. As a result, Inspector issued against the Terminal a cease-and-desist order, which remained in place for several months before being lifted. Selectman continued to complain about the noise, however. Manager pressured Inspector to continue the enforcement action, but additional inspections by Inspector yielded no violations by the Terminal. Accordingly, Inspector refused to take further action. Angrily, Selectman told Inspector that Selectman would like to see Inspector fired. Upon learning of the incident, Manager threatened Inspector, shouting, "I'm going to get rid of you one of these days!"

Around the time of Inspector's dealings with Selectman regarding the Terminal, Inspector volunteered to manage the campaign of a candidate, who was running against Selectman in Town's elections. When Selectman found out that Inspector was involved in the candidate's campaign, Selectman told one of his friends, "That's not a good career move...Inspector will regret that."

Shortly thereafter, Inspector cited a local used car dealership for exceeding the maximum permissible number of junk cars on its lot. During a subsequent inspection, Inspector determined

that the violations had not been corrected, and again cited the dealership. The owner of the car dealership complained to Manager, whereupon Manager called Inspector into his office. After a heated argument in which Inspector refused to retract his citations, Manager terminated Inspector's employment on the spot.

What are the rights of the parties?

5. Adam and Brian rented an apartment in Boston. In December, they decided to hold a holiday party at the end of the month. Adam and Brian agreed that they would split the responsibilities for the party as follows: Adam would buy all of the food and beverages, and Brian would clean up the apartment before and after the party.

The day of the party was very hectic. The roommates were both busy with work and did not have time to prepare until the last minute. While Adam went out to buy the food and beverages, Brian was supposed to clean the apartment. Instead, Brian fell asleep and woke up about 15 minutes before the party started. He hurriedly vacuumed the living room carpet and mopped the bathroom and kitchen floors.

The three guests - Christopher, Daniel and Erica - arrived promptly for the party. Adam served each of the guests, including 17-year old Christopher, multiple alcoholic drinks. Feeling ill after a few drinks, Christopher stumbled to the bathroom. After a few minutes, Daniel went to check on Christopher, but when he entered the bathroom, Daniel slipped and fell onto the wet floor, hitting his head and suffering a minor laceration on his forehead. Erica decided to take Daniel to the emergency room as a precautionary measure. Christopher also wanted to leave the party at that time, but Adam and Brian refused to let him because they thought he was drunk. Instead, they locked him in the bathroom. Christopher banged on the door for five minutes before Adam and Brian finally let Christopher out and allowed him to leave the party.

After Christopher, Daniel and Erica had departed, Brian complained to Adam that Adam had served the guests too much alcohol. Not wanting to argue with Brian, Adam started to walk away. Brian grabbed Adam's arm to prevent him from leaving. Adam wrestled free and retreated to his bedroom. Brian angrily punched a hole in Adam's flat screen television. While Adam was in his bedroom, he received a telephone call from Daniel, who had just learned that he suffered a mild concussion as a result of his fall in the bathroom. Daniel told Adam that he paid a \$100 co-pay for this visit to the emergency room and would miss one week from his job as a waiter in order to recover from his injury.

While driving home from the party, Christopher's car collided with Henry's car, and both cars were completely destroyed. Henry suffered a broken leg as a result of the accident.

What are the rights of the parties?

**MASSACHUSETTS BAR EXAMINATION  
SECOND DAY FEBRUARY 28, 2013  
ESSAY SECTION  
AFTERNOON QUESTIONS**

6. Last year ABC Corporation (“Corporation”), hired the Professional Bookkeeping Company (“Professional”), to provide bookkeeping services for Corporation. Professional assigned Betsy to work at Corporation. Betsy’s job at Corporation included (i) endorsing with her signature and then depositing into Corporation’s bank account at Bank all checks made out to Corporation that arrived in the mail and (ii) drafting, signing and mailing checks to pay Corporation’s bills after Corporation’s President, Peter, approved payment, and (iii) balancing Corporation’s financial books and bank statements on a monthly basis.

Yesterday, Professional’s General Manager, Gary, called Peter and told Peter for the first time that Betsy was both Gary’s daughter and a convicted felon. Gary also told Peter that Betsy had just told Gary that the following events had occurred roughly two weeks before:

- a. Jake (who worked as a night janitor at Corporation) stole a tax-refund check made out to Corporation for \$1,000 that he found on Peter’s desk. Jake then forged Betsy’s signature on the back of the check and deposited the check into his bank account at Bank.
- b. Betsy wrote and signed a Corporation check for \$2,000 to Car Dealer to buy herself a used car. Car Dealer deposited the check into its bank account at Bank. Betsy’s car was totally destroyed in an accident a few days later, and was not insured.
- c. Peter gave Betsy a \$3,000 check made out to Corporation that had been given to him by a client. Peter asked Betsy to deposit the check into Corporation’s bank account. Instead, Betsy set up a bank account at Bank in the name of “ABC, Inc.” and deposited the check into that bank account. There is no entity named ABC, Inc. and Betsy was the only signatory for this bank account.
- d. Peter told Betsy to pay \$4,000 to Sarah Smith of Alabama, a Corporation client. By accident, Betsy mailed the \$4,000 check to Sarah Smith of Boston, a different Corporation client. Sarah Smith of Boston deposited the check into her bank account at Bank.

Upon learning of these four events, Peter called Bank and found out that there was no money in the bank accounts of Jake, Betsy, Sarah Smith of Boston, and ABC, Inc. There was plenty of money in Car Dealer's bank account.

What are the rights of Corporation and Bank?

7. In 2003, Mary and Kate met while living in City, Massachusetts and developed a relationship. In 2004, Mary and Kate moved to California for Kate to establish residency and to attend medical school. Mary, a lawyer, left her job in City. Mary helped Kate pay for medical school. Mary also paid their rent and living expenses. In 2005, Mary and Kate decided to have a child and Mary was to be the birth mother. In October, 2005, Mary and Kate executed a declaration of domestic partnership in California, where same-sex domestic partners have rights identical to marriage. After several attempts, Mary was unable to conceive a child. Therefore, Kate would be the birth mother. Joe was the sperm donor and Kate's attempt to conceive a child was successful. In 2007, Mary and Kate returned to live in Massachusetts so that Kate could get better health care and also, so Kate could obtain a prestigious medical internship. In 2008, Kate gave birth to a daughter, Ann, who was born with several medical issues.

Initially, Mary and Kate both took care of Ann. Mary had a more flexible schedule, could work from home, and as a result, Mary accommodated Kate's internship schedule, including regular overnight shifts at Hospital. In 2009, Mary took a leave from her practice to become Ann's primary caregiver. Also in 2009, Mary and Kate began proceedings for Mary to adopt Ann. Mary and Kate's relationship began having problems and then Kate began a relationship with another intern, Jane. The relationship between Mary and Kate ended in early 2010. However, Mary continued to live with Kate and Ann but Mary remained Ann's primary caregiver.

In June of 2010, Kate and Ann moved out of the house that they shared with Mary, but Mary continued to care for Ann. Mary gave up her legal career to care for Ann exclusively. Then, Kate accepted a medical internship in Utah and took Ann with her, telling Mary that they would return to Massachusetts, give Mary regular updates about Ann, and use a "web camera" so that Mary could see Ann. Mary began to feel depressed as she missed Ann and felt lonely. Mary received treatment for depression and was prescribed medication.

In November 2010, Kate stopped all contact with Mary but Mary continued to send money and gifts for Ann. Kate gave no updates about Ann. There was no more "web camera" contact either. Kate cancelled her telephone service. Kate did not respond to any of Mary's attempts to have contact. Kate made decisions about Ann's daycare and living arrangements, without consulting Mary. Jane moved in with Kate and Ann. Jane could be abusive towards Kate in front of Ann. Kate spoke to Attorney about getting a restraining order against Jane when

she was drunk and abusive. A court ordered Kate to allow Mary to see Ann. Kate demanded that Mary not refer to herself as Ann's "mommy." Kate did everything to keep Mary out of Ann's life. Kate refused to allow Mary to adopt Ann, as they had planned. Both Mary and Kate have asked Joe for child support. Also, Kate entered into a civil union in Vermont with another woman in 2001 that was never dissolved.

In 2012, Mary filed a complaint for divorce in the Massachusetts Probate and Family Court Department seeking sole custody of Ann. Mary claims that Ann has lived in several places with Kate in one year and has had many caregivers. Further, Kate has accepted a residency in Michigan where she has no ties or family. Mary's family is in Massachusetts. Also, Mary claims that Kate cannot care properly for Ann because of Kate's long hours as a medical resident for the next few years.

What are the rights of the parties?

8. Tommy, a 21-year old, won \$1,000,000 on a lottery scratch ticket. Tommy immediately decided to throw a party for himself and several friends including Louise, who secretly had a crush on him, at CLUB, one of Town's most popular clubs. Tommy drove to CLUB and, while driving, smoked some marijuana and drank some beers. After he arrived at CLUB, Tommy had several more beers and started walking around "flashing" cash and paying for people's drinks. He started talking with Sally, a 19-year old, who was there with her boyfriend, Roger. Sally had several shots of tequila before coming to CLUB. Louise saw Tommy talking to Sally and became distraught. When Roger saw Sally talking to Tommy, he became enraged and knocked Tommy to the floor. Sally immediately grabbed Roger's arm and whispered to him, "Stop. He's drunk and has a ton of cash. Let's get him outside." Roger, realizing what Sally meant, apologized to Tommy and suggested they go outside for a "smoke." In the meantime, a line had formed at CLUB's front door where bouncers were checking identification and slowly letting people in.

As Tommy, Sally and Roger walked toward the front door, Jeff, one of Roger's sworn enemies, walked in. Jeff immediately took a swing at Roger, but missed and struck Sally, knocking her to the floor. In the confusion, Tommy pulled a knife out of his pocket and started swinging wildly at nearby patrons. Patrick, who was one of the patrons, saw Tommy with the knife and grabbed Tommy's arm to stop him. As they both fell to the ground, the knife plunged into Patrick's chest, immediately killing him.

Tommy got up and ran out the door and across the street to a bakery where Bob, the owner, had just closed for the night. Tommy opened the unlocked door and entered. Bob saw blood on Tommy's hands and shirt and grabbed an unlicensed gun that he kept for protection below the counter. He yelled at Tommy to leave. Tommy, in a state of confusion, first started walking towards the back of the store away from Bob and then turned around to face Bob. Bob then fired the gun hitting Tommy in the leg. Tommy staggered out the front door of the bakery and into the middle of the street, where he collapsed in pain. In the meantime, Louise, who had been watching everything, ran to her car which was parked nearby. She drove over to Tommy, threw him in the back seat of her car and sped away towards her house. As Louise sped through a red light, a car driven by Mary swerved to avoid Louise's car, spun out of control and killed Zack, a pedestrian on the sidewalk.

What crimes, if any, were committed by Tommy, Sally, Roger, Jeff, Patrick, Bob, Louise and Mary and what defenses, if any, are available?

9. Eleven years ago, Patrick, who was eight-years old, developed a severe respiratory reaction to toxic fumes released from a factory near Boston. The factory was owned and operated by Masscorp, a Massachusetts corporation. Shortly after Patrick sustained his injuries, Masscorp suspended its operations at the factory, which was left empty and unused.

Abe, who owned 60% of the outstanding shares of Masscorp, moved from Massachusetts to New York a year after Patrick was injured. Bill, who has always resided in Massachusetts, owned 35% of the shares of Masscorp. Holdco, an Ohio corporation, owned the remaining shares of Masscorp. Holdco's only office was located in Ohio. At the time of Patrick's injury, Abe was Masscorp's President and Bill was Masscorp's Vice President and Chief Operating Officer, and in such capacity, Bill was responsible for the factory's building maintenance.

Since Patrick's accident, the value of the real estate on which the factory was located has increased to well over \$1,000,000. Six months ago, Patrick learned that the property had begun to attract potential buyers. The next day, he filed a civil action in Superior Court for his injuries, which have left him with life-long disabilities. Patrick named Abe, Bill, Holdco and Masscorp as defendants.

Holdco was served process by certified mail, return receipt requested. A duly-appointed Massachusetts process server served process upon Bill at his house, for Bill, for Masscorp, and also for Abe. Bill filed a notice of removal 20 days later in the United States District Court in Boston. Three days later, Abe and Holdco filed a motion to dismiss.

What are the rights of the parties?

10. Elizabeth was an associate at a Boston law firm. Because she often worked long hours, she decided to hire a cleaning service to clean her apartment on a weekly basis. Concerned that her personal property would be damaged or stolen, Elizabeth only wanted to hire a cleaning service that was fully bonded and insured. After researching several cleaning services, she contacted Frank's Maid Company because Frank specifically advertised that he was fully bonded and insured. Frank and Elizabeth met for an interview. During the interview, Elizabeth reiterated her concern about her property being damaged or stolen. Frank reassured her that he was fully bonded and insured. As a result of the reassurance, Elizabeth decided to hire Frank. She provided Frank a copy of the key to her apartment and asked him to start the next day.

When Frank arrived the next day, he discovered that there was no parking available anywhere near Elizabeth's apartment building. Frank called Elizabeth and she told him that it was all right for him to park on her neighbor, Gary's front lawn. However, Frank did not realize that he had driven his truck into Gary's prize-winning rose bushes. Once inside Elizabeth's apartment, Frank cleaned the bathroom first. After he finished cleaning, Frank needed to use the bathroom himself. When he flushed the toilet, the water overflowed onto the bathroom floor. Within a few minutes, the water started to leak downstairs into the first-floor apartment beneath Elizabeth's apartment. Eventually, the toilet water stopped running and Frank looked for something with which he could dry the bathroom floor. He went into Elizabeth's bedroom looking for a towel, but instead grabbed a sweater that was on her bed. Frank used the sweater to dry the bathroom floor. As Frank went to return the sweater to the bedroom, he noticed that there was an envelope full of cash on the bed. Frank picked up the envelope and wrapped it inside the sweater. He shut the bedroom door and proceeded to clean the rest of the apartment. He left the premises with both the envelope and the sweater.

Frank called Elizabeth and told her that he had completed the cleaning and that "everything went well." He did not mention anything about the toilet incident, the sweater or the money. Elizabeth thanked Frank for his work and promptly mailed a check payable to Frank.

When Elizabeth arrived home from work, she discovered that both the envelope full of cash and the sweater were missing from her bedroom. She immediately called Frank and asked him about the missing items. He said that he did not know anything about them. Elizabeth was very upset and told Frank that the cash in the envelope was for her monthly rent.

Later that evening, Helen, who rented the first-floor apartment beneath Elizabeth, called Elizabeth to complain that water from Elizabeth's bathroom had leaked into her apartment and destroyed her expensive gaming system. Helen also said that the leak left a water stain on the ceiling. Helen told Elizabeth that she had also informed their landlord, Isaac, about the incident.

After her conversation with Helen, Elizabeth called Frank and asked him about the leaking water. Frank could tell that Elizabeth was still very upset, so he finally told her about the overflowing toilet. Elizabeth demanded that Frank pay for any damages that resulted from the overflowing toilet, including replacement of Helen's gaming system and repair of the water stain. She also asked about the envelope and sweater again, but Frank again denied any knowledge of their whereabouts. Frank told Elizabeth that because business had been slow, he did not have any money to pay for the damage. He also admitted that he had no bond or insurance to cover any damage. Frank simply told Elizabeth that "accidents happen" and hung up the telephone.

The next morning, Gary called Elizabeth and told her that someone working at her house had parked a truck on his lawn and destroyed his prize-winning roses. Gary demanded that Elizabeth replace the roses. Isaac also called Elizabeth that morning and asked her to pay for paint to cover the water stain on Helen's ceiling. During the call with Isaac, Elizabeth told him that her money had been stolen and that she would not be able to pay rent for the month.

What are the rights of the parties?