

LHS
Business Law II
Lesson 14-2 Denial of Remedies for Breach of Contract
Transparency

Goals

Following Lesson 14-2, students should be able to:

- Describe the election of remedies
- Describe the requirement to mitigate damages
- Explain how the statute of limitations and bankruptcy affect remedies for breach of contract

Read the top “What’s Your Verdict” on p. 201

--discuss

--injured party must choose a remedy when suing

- restitution or damages
- restitution or specific performance
- damages or specific performance

Exception:

--under Uniform Commercial Code (UCC), for a breach of contract for the sale of goods, the following remedies can be combined:

- 1) rescission and restitution
- 2) money damages

Read the bottom “What’s Your Verdict” on p. 201

--discuss

- DeChant’s failure to look for another job will eliminate or drastically reduce his available damages

Mitigate damages

--injured party must act to minimize their injury

Read “What’s Your Verdict” on p. 202

--discuss

- Yes, Lister waived her rights by not acting within one year

Waiver

--a party intentionally gives up a contractual right

Implied waiver

--by conduct

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Read top “What’s Your Verdict” on p. 203

--discuss

--No, Raley waited too long to file suit

Statutes of limitations

--deny remedy if you wait too long to file suit

--from the point there is a right to sue for breach/default

--4 years for contracts

--3 years for torts

--time varies by state

Read “In This Case” on p. 203

Read bottom “What’s Your Verdict” on p. 203

--discuss

--Yes, file for bankruptcy

Bankruptcy

--legal proceeding

--debtor’s assets are distributed among creditors

--does not discharge intentional torts

Think About Legal Concepts on p. 204 (1-6)

Think Critically About Evidence on p. 205 (7-10)