Multistate Essay Examination July 2025

MEE Question 1 Corporations & LLCs

JULY 2025 MEE QUESTION 1 – CORPORATIONS & LLCs

Lin and Bo are chemists. Over the course of two years, working together, they invented a new kind of antibacterial soap that reduces bacteria on skin for much longer than ordinary antibacterial soap. They shared ownership of the soap formula equally.

Lin and Bo agreed to start a business to manufacture, distribute, and sell their antibacterial soap. First, they formed a limited liability company (LLC) in State A, which has enacted the current version of the Revised Uniform Limited Liability Company Act (RULLCA). Lin and Bo did not enter into a written operating agreement for the LLC and did not discuss altering any of the default rules for limited liability companies. After forming the LLC, they contributed their soap formula to it; they agreed that the formula was worth \$20,000 at the time of their contribution. Bo also contributed \$5,000 to the LLC, which the LLC used to buy soap ingredients and advertise its product.

During the LLC's first year of operations, Bo contributed an additional \$2,000 to it. After this contribution, neither Lin nor Bo made any other contributions to the LLC.

During its first two years of operations, the LLC made a total profit of \$5,000. Through the end of the second year of its operations, the LLC made no distributions to Lin or Bo.

At the start of its third year of operations, the LLC had \$5,000 in cash, the proprietary soap formula now worth \$40,000, supplies worth \$1,000, and no debt. At that point, Lin and Bo disagreed about the company's direction. Lin did not want to expand the business beyond soap. Bo wanted to expand the business into other consumer products.

Lin and Bo are at an impasse about whether to expand the business.

- 1. Whose preference will prevail—Lin's preference not to expand the business into other products or Bo's preference to expand the business? Explain.
- 2. If the parties agree to dissolve the LLC, how would the LLC distribute its assets between Lin and Bo? Explain.
- 3. If the parties do not agree to dissolve the LLC and one party seeks judicial dissolution, is a court likely to order a dissolution? Explain.

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MEE Question 2 Contracts

JULY 2025 MEE QUESTION 2 - CONTRACTS

Pete lives in the northern United States. In the winter months, he earns his living by clearing snow from driveways and parking lots.

One morning, following a particularly heavy snowfall, Debbie contacted Pete and asked him to come to her residence and clear the snow from her driveway. Debbie was not a regular customer of Pete's. They had the following exchange via email:

Debbie: Hi, Pete. Can you come to my house and clear the snow from my driveway? I live at 10 Arbor Lane, right here in town. What would you charge?

Pete: I'm pretty busy today clearing snow for all my regular customers. I'm not sure I could get to you at all today, but if things go well, I could be there around 4 p.m. I charge \$300 for a normal-size driveway.

Debbie: Well, I have a plane to catch tonight, and I must leave the house by 5 p.m. I'm desperate. If you can get the snow cleared from my driveway before 5 p.m., I'll pay a premium price of \$500.

Pete: I will do my best, but I can't make any promises.

Pete worked extra hard and fast that day to finish clearing snow for his regular customers. To further ensure that he got to Debbie's house in time to get her driveway cleared by 5 p.m., he passed up an opportunity to clear a parking lot for \$400. He was able to finish all his work for regular customers by 3:30, which left him plenty of time to get to Debbie's house and clear her driveway.

However, when Pete arrived at Debbie's house at 4 p.m., he saw that the driveway had already been cleared.

Pete left his truck, went to the front door of Debbie's house, and rang the doorbell. When Debbie appeared, he said, "I'm Pete. I accept your offer to clear your driveway. I'll get started right away." Debbie said, "Sorry, someone came by and offered to do the job for \$300, so I paid him to do it. As you can see, it's already done." Pete replied, "I still want my \$500." Debbie told Pete that she owed him nothing, and she shut the door.

Pete believes that, in light of the email exchange with Debbie, the fact that he passed up the opportunity to clear the parking lot, and the fact that he showed up at Debbie's house in time to clear her driveway by 5 p.m., he was entitled to clear Debbie's driveway and be paid \$500.

- 1. Did the exchange of emails form a contract? Explain.
- 2. When Pete traveled to Debbie's house and said to her, "I accept your offer to clear your driveway," did that form a contract? Explain.
- 3. Assuming that no contract was formed under Question 1 or 2, does Pete have a claim based on his reliance on Debbie's statement that she would pay a premium price of \$500 if he cleared the snow from her driveway by 5 p.m.? Explain.
- 4. Assuming that Pete has a valid claim against Debbie under Question 3, how much could he recover? Explain.

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MEE Question 3 Trusts and Future Interests

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JULY 2025 MEE QUESTION 3 – TRUSTS AND FUTURE INTERESTS

Testator was born in 1880 in a rural area of State A. At the age of 5, he was enrolled in the local one-room schoolhouse and remained in school there until he graduated at age 18. There were no more than 30 students in the school at any one time. All four students in Testator's graduating class attended State A University. In 1902, Testator graduated from State A University with a degree in business. Over the next 20 years, he was extremely successful financially.

In 1922, Testator died leaving a substantial estate. He had never married and had no children. His closest living relative at his death was his first cousin, with whom he'd had little contact since his childhood.

Under his probated will, Testator bequeathed a total of \$500,000 to several art museums throughout the United States, \$250,000 to Capital City Concert Hall, and \$1,750,000 to the business college at State A University. He bequeathed the balance of his estate (\$2,500,000) to a valid perpetual charitable trust, with Bank X in State A named as trustee. Under the terms of the trust, all trust income was distributable annually to pay the education expenses of any persons, as selected by the trustee, who had graduated from a one-room schoolhouse in State A and were attending State A University while under the age of 25.

For many years, the trustee had no difficulty identifying potential beneficiaries under the terms of the trust. Over time, however, there was a substantial decrease in the number of students graduating from one-room schoolhouses in State A. By 2010, there were no such students attending State A University, and the remaining one-room schoolhouse in State A permanently closed. There are now no longer any persons to whom the trustee can distribute trust income in accordance with the terms of the trust.

The value of the trust assets is \$10 million, earning roughly \$500,000 of trust income annually.

Bank X would like to resign as trustee and recommends that a court appoint Bank Y as trustee. Bank Y is a reputable bank with extensive experience in trust administration and is willing to assume the trusteeship but only if the terms of the trust are modified to allow it to distribute trust income to graduates of any rural public high school in State A attending State A University.

Fred, the closest relative of Testator now living and the sole surviving descendant of Testator's first cousin, believes that the trust can no longer continue and should be terminated, and that the principal should therefore be distributed to him.

State A has adopted the Uniform Trust Code. There are no other applicable statutes.

- 1. Does Bank X need judicial approval to resign as trustee? Explain.
- 2. Does Fred have any interest in the trust? Explain.
- 3. Can the trust's terms be judicially modified? Explain.
- 4. Assuming that Bank Y has been appointed trustee and that the trust terms can be judicially modified, between the suggestions offered by Bank Y and Capital City Concert Hall, which suggestion would a court be more likely to adopt? Explain.

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MEE Question 4 Constitutional Law

JULY 2025 MEE QUESTION 4 – CONSTITUTIONAL LAW

Last year, Congress passed the "Economic Incentive Act" (Act), which the President signed into law. The preamble of the Act states that it was passed pursuant to Congress's power to regulate interstate commerce, and no legislative history indicates any other purpose.

The Act contains two substantive provisions. First, the Notice Provision prohibits "any employer with more than 100 employees from terminating an employee's employment without cause on less than 30 days' notice." The Notice Provision states that it applies to employees of both private businesses and state and local governments.

Second, the Housing Provision of the Act creates a federal program that provides grants to private developers of new low-income housing projects meeting the Act's requirements. The Housing Provision directs designated municipalities to administer this federal grant program by accepting applications for grants, reviewing the applications, making decisions, and enforcing the Act's requirements. The Housing Provision authorizes the United States to impose monetary penalties on a municipality that does not administer the grant program.

The last section of the Act provides:

Any person who is harmed by the failure of any state or municipality to adhere to any provision of this Act may recover actual damages suffered as a result of that failure and may bring an action to recover those damages in federal court. A state or municipality shall not be immune, under the United States Constitution, from suit in federal court under the Act.

A man worked for State A, which employs more than 100 people, and a woman worked for City, a municipality in State A, which employs more than 100 people. State A and City recently terminated the employment of the man and the woman due to budget cuts. The man and the woman each received only one week's notice from their employers.

The man and the woman have filed separate lawsuits in federal district court against State A and City seeking damages for violations of the Notice Provision of the Act. In the suits against them, State A and City have each moved to dismiss on two grounds: (1) sovereign immunity recognized by the United States Constitution bars the lawsuits, and (2) the Notice Provision of the Act commandeers state and local governments in violation of the Tenth Amendment. No provision of State A law indicates that State A consents to lawsuits in federal court.

County is a municipality in State A that has refused to accept grant applications for federal funding as required by the Housing Provision of the Act. The United States, therefore, recently applied that provision to impose a substantial monetary penalty on County. County has filed a federal lawsuit seeking a declaration that the Housing Provision of the Act is unconstitutional because it commandeers municipalities in violation of the Tenth Amendment.

- 1. Does sovereign immunity bar the man's lawsuit against State A? Explain.
- 2. Does sovereign immunity bar the woman's lawsuit against City? Explain.
- 3. Does the Notice Provision of the Act commandeer State A in violation of the Tenth Amendment? Explain.
- 4. Does the Housing Provision of the Act commandeer County in violation of the Tenth Amendment? Explain.

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MEE Question 5 Criminal Law and Procedure

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JULY 2025 MEE QUESTION 5 - CRIMINAL LAW AND PROCEDURE

A public high school in City, State A, has a rule that prohibits students from going to the gas station across the street from the school during school hours because the police have identified that gas station as the site of frequent drug dealing. The school includes the rule in the student handbook that the school provides to all students and their parents at the beginning of each school year. The school's principal also orally informs all students of the rule.

On October 10, at 2:30 p.m., during the last class of the day, the school principal looked out a window of the school building and observed a student walking from the school toward the gas station across the street. Once at the gas station, the student walked close to a car, talked to the driver through the open driver's-side window, and handed something to the driver. The principal could not see whether the student took anything from the driver, but after the car drove away, the principal saw the student put his hands in the front pockets of the jacket he was wearing.

The student returned to the school. About 10 minutes later, the principal ordered the student into the principal's office. When the student arrived, the principal reached into the front pockets of the student's jacket, which he was still wearing, and removed three \$20 bills and a small, clear plastic bag containing two white pills. As set forth in the student handbook, possession of any kind of medication in school is prohibited unless permission has been given by the school. The student did not have the school's permission to possess any medication. The principal informed the student that the money would be returned to him if it was not connected with a crime. The principal told the student to return to class.

The principal decided to search the student's assigned locker. The school's locker policy provides that lockers are the property of Local Public School District (LPSD), that an assigned locker may be searched at any time, and that the school administration has a master key to all lockers. This policy is written in the student handbook. In addition, on the outside of every locker is a sticker stating, "This locker is the property of LPSD and may be subject to search." The principal unlocked the student's assigned locker with the master key. On the locker's top shelf was a clear plastic bottle containing white pills that appeared to be identical to the pills found in the student's jacket pocket. There was also a small, clear plastic bag containing a green, leafy material that looked and smelled like marijuana, possession of which is a crime in State A. The principal confiscated both the bottle of pills and the plastic bag of leafy material.

The principal phoned City police. An officer arrived at the school and took into custody the items seized by the principal from the student and the locker. Chemical testing of these items determined that the white pills were methamphetamine and the leafy material was marijuana.

That evening, City police obtained a valid warrant to arrest the student for possession of controlled substances in violation of State A law.

The next day, two City police officers arrived at the school during the school day and arrested the student, who was wearing his backpack. The officers searched the student and his backpack, from which an officer removed the student's unlocked cell phone. One of the officers looked through the cell phone's text messages and found a series of messages that set meeting times and places and listed "number of units" and "cost." A message from 10:00 a.m. on October 10 referred to a meeting in the gas station parking lot at 2:35 p.m. and mentioned a "cost" of \$60.

State A charged the student with possession of controlled substances.

- 1. Did the principal's search of the student's jacket pockets violate the student's rights under the Fourth Amendment? Explain.
- 2. Did the principal's search of the student's locker violate the student's rights under the Fourth Amendment? Explain.
- 3. Did the officer's search of the student's text messages violate the student's rights under the Fourth Amendment? Explain.

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MEE Question 6 Torts

JULY 2025 MEE QUESTION 6 - TORTS

After a homeowner's curbside mailbox was damaged, the homeowner phoned Quick Mailboxes, a small corporation that installs and repairs mailboxes. The homeowner told the Quick Mailboxes receptionist, "I don't care how you fix it; I just want it done by the end of the week." The receptionist said that the company would charge \$220 for the repair, and the homeowner agreed to hire Quick Mailboxes to perform the job.

Quick Mailboxes has 10 local employees. It conducts background checks on all its employees, verifies that they have appropriate driver's licenses, and trains them as needed. After receiving the homeowner's call, Quick Mailboxes promptly sent Jane, one of its part-time employees, from its main office to the homeowner's property to perform the repair. Jane works 20 hours each week for Quick Mailboxes. She drives to work sites in a small, old pickup truck owned by Quick Mailboxes.

When Jane arrived at the homeowner's address, she stopped the pickup truck along the curb on the hilly street so that she could survey the mailbox's damage from her window. As she was about to exit the truck, she answered a personal call on her cell phone. The call lasted about three minutes. Distracted by the call, Jane left the truck without shifting it into "park" and did not engage the parking brake before she walked to the homeowner's front door to introduce herself and explain the work she planned to perform.

While Jane and the homeowner were talking at the front door, the Quick Mailboxes truck began rolling down the street. The homeowner saw it and stared in surprise but said nothing. Seconds later, the truck rolled partly off the pavement into a street sign. The post holding the street sign collapsed, sending the sign crashing onto a vintage luxury car worth \$430,000 that a neighbor had parked on the public street.

The neighbor had the car repaired. Because of the special parts needed and the difficulty of finding them, the repairs cost \$55,000. The neighbor also suffered serious emotional harm, requiring medical attention, because he had happened to look out his living room window just as the sign fell and damaged his car, which had significant sentimental value to him.

- 1. Is Jane directly liable to the neighbor in a negligence action? Explain.
- 2. Is Quick Mailboxes liable to the neighbor either directly or vicariously? Explain.
- 3. Is the homeowner liable to the neighbor because the homeowner hired Quick Mailboxes? Explain.

- 4. (a) Assuming that any of the parties is liable, can the neighbor recover the cost to repair the car even though the repairs were unusually expensive? Explain.
 - (b) Assuming that any of the parties is liable, can the neighbor recover damages for emotional harm? Explain.