On May 1, Corporate Properties, Inc., a commercial property owner, calls Bobbi-Ann, a real estate agent, and states that it would like Bobbi-Ann to act as the sales broker for the marketing and sale of Corporate Properties' office building. Corporate Properties, Inc. promises that if a buyer makes a serious offer within sixty days, Corporate Properties must pay Bobbi-Ann's commission of 8.0% of the gross proceeds of the sale. The market rate for broker sales commissions in the areas is 5.0%.

Bobbi-Ann puts for sale signs on the building, places ads in real estate pamphlets and one a locally focused Web site, and features the property in a "walking" tour online.

On June 1, Corporate Properties tells Bobbi-Ann that it is canceling their arrangement. Ten days later, Corporate Properties closes a sale on the building without Bobbi-Ann's participation. Bobbi-Ann files a suit against Corporate Properties for the amount of her commission. In whose favor is the court likely to rule, and why?

Issue: 1) Is there an enforceable agreement between Bobbi-Ann and Corporate Properties; 2) If not what other remedies could a Bobbi-Ann request of the Court?

Rule: For there to be a valid agreement, there must be a valid offer and acceptance. Where the offer is for a unilateral agreement, acceptance must be made by performing the requested performance. Because an offeror is generally entitled to revoke an offer any time prior to acceptance, courts have adopted a rule that once an offeree has commenced performance, the offeror may be estopped from revoking its offer. In particular, court's may apply the doctrine of promissory estoppel to prevent the offeror from revoking his offer. If the courts find that promissory estoppel does not apply, courts may still utilized the equitable remedy of quasi-contract to prevent unjust enrichment – to prevent the offeror from unjustly retaining a benefit received.

ANALYSIS: Corporate Properties has made an offer to Bobbi-Ann for a unilateral contract, which Bobbi-Ann must accept by commencing performance. Bobbi-Ann begins performance by putting up the signs, placing the ads, and featuring a tour of the building on the Internet.

Historically, if Bobbi-Ann had not completed performance prior to Corporate Properties revoking its offer, there would be not contract, and the court would have to apply the doctrine of quasi-contract to provide a remedy for Bobbi-Ann, since it certainly seems like Corporate Properties revoked its offer to avoid having to pay Bobbi-Ann her commission. Under quasi-contract the court could order that Corporate Properties reimburse Bobbi-Ann for all of her out of pocket expenses, and would also need to determine some appropriate value for Bobbi's services. Although the offer promised Bobbi-Ann an 8.0% commission, this is an above market rate. The court would be more likely to order payment of a commission to Bobbi-Ann at the market rate of 5.0%

If the Court determines that it is appropriate to apply the remedy of promissory estoppel, this would prevent Corporate Properties from revoking their offer, and since the sale of the property actually closes within the original 60 day term of employment provided for in Corporate Properties' offer, Bobbi-Ann would have completed the required performance, and the Court could then award damages based on breach of contract rather than quasi-contract.

CONCLUSION: The court under either the doctrine or substantial performance or promissory estoppel would award Bobbi-Ann the full amount promised by Corporate Properties.