

CONTRACTS
Winter 2000
Professor Ben-Shahar

Introduction to Remedies

In 1932, the Menzels bought a painting by Marc Chagall in Brussels for about \$150. When the Germans invaded Belgium in 1940, the Menzels fled, leaving the Chagall in their apartment. When they returned six years later, the Chagall was gone, replaced by a receipt from the German authorities. In 1955, the Perls, who ran an art gallery in New York, bought the Chagall from a Paris art gallery for \$2,800, unaware of its history and relying on the reputation of the Paris gallery as to title. Later that year, the Perls sold it to Mr. List for \$4,000. In 1962, Mrs. Menzel noticed a reproduction of the missing Chagall in an art book, together with List's name, and demanded its return. When List refused, she sued him for replevin, and obtained a judgment against him, after which the Chagall was returned permanently to her and in addition List had to reimburse Menzel for litigation costs in the amount of \$2000. List in turn sued the Perls, claiming liability for breach of an implied warranty of title. The liability issue was decided in favor of List, and the remaining issue to be decided was damages. List brought evidence that the value of the Chagall at the time of the trial is \$22,500.

[*Menzel v. List*, 246 N.E.2d 742 (N.Y.1969)]

What should be the amount of damages under expectation, reliance, and restitution measures?