

Mid-Term Exam

McAndrews Plywood, Inc. (MPI) is an Arkansas corporation, located in Helena, Arkansas. It purchased some machinery in the State of Washington, but the machinery needed to be modified before it could be used in the Helena factory. Through the use of a business directory, MPI located Adams Machinery Company (Adams), an Oregon corporation that had both experience and the capability to modify the machinery. Through telephone communications, MPI reviewed the references of Adams and then made arrangements with Adams.

Before Adams would undertake the work, it required a down payment and a financial statement. MPI mailed (to Adams in Oregon) a financial statement on its letterhead and a check for \$33,800 written on a bank in Arkansas. The machinery was shipped from Washington to Oregon, and the modifications began.

Adams did the work, which took approximately one year, and delivered the machinery to Arkansas. It forwarded a bill for the remaining \$14,000. Adams has never been paid.

Adams brought suit against MPI in a court of general jurisdiction in Oregon. Service was made on MPI in Arkansas by an Arkansas sheriff adhering to both the Oregon and the Arkansas Rules of Civil Procedure. (The summons and complaint were personally delivered to the President of MPI).

Upon advice of counsel, MPI ignored the lawsuit in Oregon. After passage of 30 days, Adams obtained a default judgment in the amount of \$14,000. Adams has now brought the judgment to Arkansas and is attempting to register it as an Arkansas judgment. MPI objects to registration.

You are the Arkansas trial judge. Decide the case. Write the opinion.

Notes:

- 1) The Oregon long arm statute is identical to the Rhode Island statute, found on page 282 of the supplement.
- 2) Your opinion should reflect your knowledge of the governing law and principles, should apply the law to the applicable facts, should reach a conclusion, and should be well supported by law and policy when appropriate. Your ability to communicate clearly and effectively is essential.
- 3) Do not waste time repeating the facts at the beginning of your opinion. Work them into the opinion as needed and when appropriate.
- 4) This question is based generally on Williams Machine & Fabrication, Inc. v. McKnight Plywood, Inc., 64 Ark. App. 287, 983 S.W.3d 453 (1998).