EXAM ID: ____________

FINAL EXAMINATION
FEDERAL COURTS
LAW 6232 – Section 10 – Siegel
Fall 2025

INSTRUCTIONS

1. This is an open book examination. You may use any written materials that you have brought with you to the exam. "Written" materials include materials that are handwritten, typewritten, printed, or published, and, to the extent permitted by the school's examination procedures, electronic materials stored on your electronic device prior to the start of the exam. You may copy or retype text from written materials into your exam answer. However, during the exam, it is forbidden to access the Internet, to consult any other person directly or indirectly, or to make use of an artificial intelligence program.

2. You have **THREE HOURS** to complete the exam. The exam consists of this instructions page and 6 pages of questions. There are **FIVE QUESTIONS**. All students must answer all questions. Questions 1, 2, and 3 should take about 40 minutes each and Questions 4 and 5 should take about 30 minutes each.

3. **WORD LIMIT**: For exams prepared using exam software, you must turn on the software's "word count" feature. Your answers are limited to a total of **5000 words** for the entire exam. A penalty will be applied to exams that exceed the word limit.

4. Do not put your name anywhere on your answers. Use your Exam ID. Do not write "Thank you for a great class" or anything similar on your exam. If you are writing your answers by hand, remember to *write legibly*.

5. If, with regard to any question, you think additional facts are needed to answer the question, state clearly what facts you think are missing, make a reasonable assumption about these facts, and answer the question based on your assumption. Do not change the given facts.

6. Using good judgment, address all the issues presented and assigned by the questions, even if your answers to some issues would, in real life, eliminate the need to address other issues.

7. Unless otherwise specified, assume all events described in the questions occurred in the United States and answer all questions on the basis of current law. Unless otherwise specified, explain your answers to all questions.

8. The content of some state law may have been changed for exam purposes. In places where the exam specifies what state law provides, ignore any outside knowledge you have of the state law and accept what is stated in the exam.

9. Good luck.

QUESTION ONE

The Centers for Disease Control and Prevention (CDC) is a federal agency. Until November 2025, its website states that "Studies have shown that there is no link between receiving vaccines and developing autism." In November 2025, CDC changes its website to state instead that "The claim 'vaccines do not cause autism' is not an evidence-based claim because studies have not ruled out the possibility that infant vaccines cause autism."

In March 2027, Congress passes the Budget Act for the federal government's 2027 fiscal year, which runs from October 1, 2026 to September 30, 2027. A provision of the Act defines the term "Critical Vaccine Information" ("CVI") as the statement "Studies have shown that there is no link between receiving vaccines and developing autism." The provision requires CDC to restore the CVI to its website and to arrange for "widespread publicity" of the CVI. The provision appropriates $25 million for this purpose. All money appropriated by a federal budget act must be spent by the end of the fiscal year to which the act applies. Appropriated money not spent by the end of the fiscal year cannot be spent thereafter.

CDC changes its website back to its prior wording and places a small advertisement in the back pages of the Journal of the American Medical Association that contains the CVI. The total cost of these steps is $10,000. CDC takes no other steps to publicize the CVI.

Portia is a 25-year-old woman who cannot receive the measles vaccine because she is allergic to it. She depends on "herd immunity" to avoid measles. "Herd immunity" is a population's resistance to the spread of a disease achieved when a high percentage (for measles, at least 95%) of the population is immune to the disease because of vaccination or prior exposure.

Portia sues the CDC in federal district court. Her complaint, filed August 8, 2027, alleges the above facts and claims that by not arranging for widespread publicity of the CVI, CDC is denying access to the CVI and is also damaging the herd immunity on which Portia relies. Portia seeks an injunction requiring CDC to fulfill its duty to arrange for widespread publicity of the CVI.

On September 15, 2027, Congress enacts a federal Budget Act for federal fiscal year 2028 (October 1, 2027 to September 30, 2028) that makes no reference to CVI.

CDC's response to Portia's complaint is due on October 7, 2027. On that day, CDC moves to dismiss the complaint based on such grounds as might be expected. CDC does not address the merits of the case but moves to dismiss on one or more threshold grounds that we studied in class. CDC does *not* assert sovereign immunity. Both sides make all appropriate arguments.

You are the law clerk to the district judge considering the case. Write a memorandum discussing the issues raised and making a recommendation as to how to rule on each issue and on the overall motion to dismiss.

QUESTION TWO

"Chatbots" are artificial intelligence programs that simulate human verbal interaction. Congress is concerned about people losing money by following investment advice given by chatbots. Congress passes the federal Chatbot Advice Regulation Act ("CARA" or Act). The Senate Report accompanying the Act states that the purpose of the Act is to protect users of chatbots from losing money in bad investments. The Act provides, in its entirety:

> No chatbot made available in interstate commerce shall provide any user with investment advice. The provider of any chatbot that violates this Act shall be subject to a fine of up to $10,000 for each user as to whom a violation occurs. The Federal Communications Commission may bring a civil action to collect this fine.

Thereafter, Peter loses $500,000 by investing money after interacting over the internet with Coach, a chatbot provided by Coach Group, Inc. ("CGI"). Peter asked Coach what the price of a ceratin stock, which cost $2 a share at the time Peter asked, would be six months later. Coach answered that the price would probably be $10 a share, but added, "this is not investment advice." Peter bought $1 million worth of the stock, and six months later the share price was only $1.

Peter is a citizen of California. CGI is a corporation incorporated in California. Peter sues CGI in federal district court in California for $500,000 in damages. Count 1 of Peter's complaint asserts a claim under the CARA. Count 2 asserts a tort claim under California law, namely, that CGI negligently caused Peter to lose money and that CGI's negligence consisted of violating the CARA. California law provides that violating a safety statute constitutes "negligence per se."

CGI files an answer. In the answer, (1) CGI denies violating CARA—it asserts that merely predicting the future price of a stock does not constitute "investment advice" under CARA, especially when accompanied by the disclaimer, "this is not investment advice"; (2) CGI asserts that the CARA does not authorize private suits for damages; and (3) CGI asserts that imposing liability on CGI for what Coach said to Peter would violate CGI's rights of free expression under the First Amendment to the United States Constitution.

CGI moves to dismiss Count 1 on the ground that CARA does not authorize private suits for damages. Peter opposes the motion. The parties make all appropriate arguments.

Part A. You are the law clerk to the district judge handling the case. Write the judge a memo explaining how the court should rule on the motion.

Whatever you thought of the motion, the district court grants it and dismisses Count 1 of the complaint. CGI then moves to dismiss Count 2 for lack of subject matter jurisdiction. Peter opposes the motion. The parties make all appropriate arguments.

Part B. Write the judge a memo explaining how the court should rule on the motion.

QUESTION THREE

The Servicemen's Group Life Insurance Act (SGLIA), a federal statute, provides that the U.S. military shall offer its members, as a job benefit, the opportunity to purchase life insurance. The Act directs each military service (Army, Navy, etc.) to enter into a contract with a private insurance company pursuant to which the service purchases a "master" policy from the company and then permits service members to buy life insurance pursuant to the master policy.

The SGLIA provides:

> **Upon the death of an insured service member, the proceeds of the life insurance policy shall be paid to the beneficiary or beneficiaries the member designated in writing prior to death, if any. If there is no such designated beneficiary, the proceeds shall be paid to the first person or people on the following list who survive the service member:**
>
> **(1) the member's spouse at the time of the member's death;**
> **(2) the member's children and other descendants;**
> **(3) the member's parents; or**
> **(4) the member's siblings.**

David is a member of the Army. He is a domiciliary of the state of Illinois, but he moves frequently as he is transferred by the Army among various posts. In 2025, while he is stationed in Germany, he purchases $250,000 worth of life insurance under the SGLIA. David is married to Mary. He has no children, but Mary has one son, Frank, by a prior marriage. David has not adopted Frank. David's only living relative is his brother, Louis. (See diagram at left.) Using a government-provided form, David designates Mary as the primary beneficiary of the life insurance policy, and designates Frank as the contingent beneficiary should Mary predecease David.

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Louis -- David == Mary
                   |
                 Frank
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In 2027, while David is stationed in the state of Georgia, Mary, who is having an affair with another man, murders David. Mary is prosecuted and convicted for the murder and sentenced to life in prison. Frank played no role in the crime. The possibility that an insured service member might be murdered by the designated beneficiary of his life insurance policy is not mentioned in the SGLIA.

State courts have long followed the rule of the classic New York state case, *Riggs v. Palmer* (NY 1889), which held as a matter of common law that a murderer may not inherit property from his victim, even though no such restriction is contained in the state inheritance statute. States have long applied a similar common law rule to bar murderers from collecting life insurance because of the victim's death, regardless of whether such a rule is contained in state life insurance statutes.

States differ, however, on the issue of exactly what should happen to the proceeds of the victim's estate or life insurance policy. The majority of states apply the rule that the proceeds should be distributed as though the murderer predeceased the victim, which could lead to the proceeds passing to relatives of the murderer. A minority of states, however, provide that the murderer's relatives are also barred from receiving anything, except that the murderer's children may receive the proceeds *if* they were also the victim's children. Georgia follows the majority rule; Illinois follows the minority rule.

Almost all states' conflict of laws principles provide for issues relating to life insurance policies to be resolved according to the law of the state where the insured person was domiciled at death. The SGLIA contains no choice of law provision.

Mary, Frank, and Louis each claim the insurance money. A proper action is filed in a federal district court in Georgia in which the three are parties. The parties make all appropriate arguments.

You are clerking for the federal district judge presiding over the action. Write a thoughtful memorandum to your judge explaining who should get the insurance money.

QUESTION FOUR

Damages for personal injuries awarded in a tort case are not subject to federal income tax. States differ as to whether a jury in a tort case should be told this "nontaxability rule." Some states require the jury to be told, out of concern that otherwise the jury might award too much in damages (by awarding extra money to cover taxes it mistakenly thinks the plaintiff will owe). Other states require that the jury *not* be told, out of concern that knowing the nontaxability rule might cause the jury to award too little. To resolve this issue, Congress passes the Tell It to the Jury Act ("TIJA"), a federal statute, which provides that the jury in any personal injury tort case in any state or federal court must be informed of the nontaxability rule.

Thereafter, Phillip, a citizen of Maine, goes to Daredevil Amusement Park in Maine, which is owned by DAP, Inc. ("DAP"), a corporation incorporated in Maine. Phillip rides on a roller coaster at the park. A park employee fails to secure the safety bar on Phillip's seat. Phillip is thrown from his seat during the ride and suffers serious injuries. Phillip sues DAP in Maine *state* court. He claims that DAP is liable for the negligence of its employee. He seeks $1 million in damages.

DAP moves to dismiss on the ground that the contract printed on the back of Phillip's ticket provided that the ticket holder waived all claims against DAP. Phillip relies on the Maine Public Accommodations Act ("MPAA"), a state statute, which states: "No place of public accommodation may require customers to waive claims for injury caused by the owner's negligence, and any purported waiver of such claims shall be void." Phillip also relies on the Federal Roller Coaster Act ("FRCA"), a federal statute, which states: "No operator of a roller coaster may require riders to waive claims for negligence, and any purported wavier of such claims shall be void." DAP argues that MPAA does not apply because it applies only to claims based on "the owner's negligence," not negligence by an employee. DAP also argues that FRCA is unconstitutional because it is not within the powers of Congress. The Maine trial court holds that MPAA applies in cases where an owner is liable for negligence by an employee ["Ruling 1"]. It also holds that FRCA is constitutional ["Ruling 2"]. It holds that each of the two statutes, by itself, voids the waiver on Phillip's ticket. The court therefore denies DAP's motion to dismiss.

The case is tried by jury. DAP disputes both its liability and the amount of Phillip's damages. In proposing jury instructions, DAP asks the court to apply TIJA (i.e., to tell the jury the nontaxability rule for tort damages). Phillip argues that TIJA is unconstitutional as applied to a case in state court because it is beyond the power of Congress. The trial court agrees with Phillip ["Ruling 3"]. It follows the Maine practice, which is *not* to tell the jury the nontaxabiliy rule. The jury returns a verdict for Phillip in the amount of $1 million, upon which judgment is entered.

DAP appeals. An intermediate Maine appellate court affirms the judgment in all respects. DAP asks Maine's highest court to consider the case, but that court declines. DAP then seeks certiorari from the U.S. Supreme Court with regard to Rulings 1, 2, and 3 described above.

On which rulings, if any, may the U.S. Supreme Court grant certiorari? Explain.

QUESTION FIVE

Paloma, a citizen of Maryland, is a Professor of Sociology at a private university in Maryland. Douglas, a citizen of North Carolina, is a Professor of Sociology at the University of North Carolina, which is a state school owned and operated by the state of North Carolina. Paloma is working on a paper she plans to submit to a scholarly journal. She hasn't shown the paper to anyone. It contains a novel idea that she believes will get her a better-paying professorship at a more elite university. One day she sees that Douglas has published a paper that embodies her exact idea using a large amount of her exact language. Paloma believes that Douglas must have somehow had access to her unpublished paper, perhaps by hacking her computer.

Paloma sues Douglas and the state of North Carolina in federal district court in North Carolina. She alleges the above facts. She asserts that the defendants have infringed her rights under the federal Copyright Act and the North Carolina state common law of trade secrets. She alleges that the state is liable for the wrongs committed by its employee, Douglas. She seeks $500,000 in damages, an order that the defendants retract Douglas's paper and acknowledge that it is copied from Paloma's paper, attorney's fees, and costs.

Douglas denies having had any access to Paloma's paper, by hacking or otherwise. He claims that his paper is his original creation. He also asserts that everything he did with regard to his paper was done in the course of his work as a North Carolina state employee.

The federal Copyright Act provides that remedies for copyright infringement may include damages, injunctive relief, attorney's fees, and costs. It clearly provides that states (and their instrumentalities, officers, and employees) are not immune from suit under the Act and are subject to all remedies provided by the Act. The North Carolina common law of trade secrets permits damages and injunctive relief, but does not provide for attorney's fees or costs.

The defendants move to dismiss both claims based on sovereign immunity. They also assert that the North Carolina common law of trade secrets applies only to secrets that provide an advantage in running a business, not to ideas that have value only in boosting someone's academic career. They ask the federal court to abstain from deciding the trade secrets claim until a state court can rule on whether trade secret law could apply to the kind of ideas involved in the case. (North Carolina does not allow a federal court to *certify* questions to a state court for decision.) The plaintiff opposes the defendants' motions. Both sides make all appropriate arguments.

You are the law clerk to the federal district judge handling the case. Your judge says to you, "There's no North Carolina case right on point, but it does seem pretty crazy to claim that trade secret law covers academic ideas such as the ideas involved in this case."

Write the judge a memorandum addressing the issues presented by the case.

END OF EXAM