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SELECT PROVISIONS OF THE COLUMBIA CIVIL CODE

Section 3800. Agency Defined.

Agency is the fiduciary relationship that arises when one person (a “principal”) manifests assent to another person (an “agent”) that the agent shall act on the principal’s behalf and subject to the principal’s control, and the agent manifests assent or otherwise consents so to act.

Section 3801. Actual Authority.

An agent acts with actual authority when, at the time of taking action that has legal consequences for the principal, the agent reasonably believes, in accordance with the principal’s manifestations to the agent, that the principal wishes the agent so to act.

Section 3802. Apparent Authority.

Apparent authority is the power held by an agent or other actor to affect a principal’s legal relations with third parties when a third party reasonably believes the actor has authority to act on behalf of the principal and that belief is traceable to the principal’s manifestations.

Section 3803. Creation of Actual Authority.

Actual authority is created by a principal’s manifestation to an agent that, as reasonably understood by the agent, expresses the principal’s assent that the agent take action on the principal’s behalf.

Section 3804. Creation of Apparent Authority.

Apparent authority is created by a person's manifestation that another has authority to act with legal consequences for the person who makes the manifestation, when a third party reasonably believes the actor to be authorized and the belief is traceable to the manifestation.

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Section 3810. Binding Effect.

Any act of an agent within the scope of his or her actual or apparent authority binds the principal.

SELECT PROVISIONS OF THE COLUMBIA FAMILY CODE

Section 6701. Minor's Power to Contract.

A minor may make a contract in the same manner as an adult, subject to the power of disaffirmance under Section 6702.

Section 6702. Minor's Power to Disaffirm.

Except as provided in Section 6703, a contract of a minor may be disaffirmed by the minor or by the minor's parent or guardian before majority or within a reasonable time afterwards.

Section 6703. Exception to Minor's Power to Disaffirm.

A contract, otherwise valid, entered into during minority, may not be disaffirmed on that ground if: (a) the contract is to pay the reasonable value of things necessary for the support of the minor or the minor's family; (b) these things have been actually furnished to the minor or to the minor's family; and (c) the contract is entered into by the minor when not under the care of a parent or guardian able to provide for the minor or the minor's family.

Miller v. Miller
Columbia Court of Appeal (1963)

By his complaint, Bryce Miller sought judgment against his mother Josephine Miller for \$26,000, representing payments issued to him when he was under 18 years of age under a contract of employment as an actor. Bryce now appeals from a judgment in favor of Josephine.

Bryce was born March 11, 1940. In 1953, Bryce entered into a contract with Couch Studios, Inc., to portray a role in a television series. At the same time, Bryce entered into a contract with Josephine, under which she relinquished any right to any money paid to him pursuant to his contract with Couch. Pursuant to this contract, Couch issued to Bryce 30 checks in the aggregate amount of \$35,000. Of these, Bryce endorsed and deposited four checks in the aggregate amount of \$9,000 into his own account. At Bryce's direction, Couch delivered the remaining 26 checks in the aggregate amount of \$26,000 to Josephine. Josephine endorsed Bryce's name on these checks and deposited them into her own account. Bryce authorized Josephine to use the money "to take care of both of us."

By this action, Bryce seeks to recover the \$26,000 received by Josephine. There can be no doubt that Josephine held this money for Bryce. By her contract with him, she had relinquished any right to any of it. He was entitled to recover all of it—unless Columbia Family Code section 6703 stood in the way. Under that provision, a minor under the care of a parent who is unable to provide for him may contract to pay the reasonable value of things necessary for his support and that of his family and may not disaffirm such a contract. This being true, it must follow that the minor can authorize the use of money held for him for those purposes, and cannot recover the money thus paid out.

In entering judgment for Josephine, the trial court found that she expended the \$26,000 she had received for herself and for Bryce. That finding, however, was

insufficient to support the judgment. The court did not find that Josephine expended the money for herself and for Bryce *for things necessary for their support*. Nor could the court have so found. The evidence showed that, at all relevant times, Josephine had an independent and substantial source of income. It also showed that she expended the \$26,000 she had received, as she herself admitted, for the “good things of life,” not necessities.

The judgment is reversed.

Brady v. Thomas

Columbia Court of Appeal (2004)

Martha Thomas and her minor son Craig Thomas appeal the judgment in favor of Craig's former personal manager, Sharyn Brady, for unpaid commissions under a contract. Because Craig had a right as a minor to disaffirm the contract, we reverse.

In 1999, Brady entered into an "Artist's Manager's Contract" with Martha and Craig, who was then 10 years old. Martha signed the contract and wrote Craig's name on the signature page where he was designated "Artist." Craig did not sign the contract. Pursuant to the contract, Brady was to act as Craig's exclusive personal manager in exchange for a commission of 15 percent of all consideration paid to Craig as an artist during the three-year term of the contract.

In 2001, Craig obtained a recurring acting role on the Acme Television Network show *The Go-Kart Kid*. Some weeks later, Martha sent a certified letter to Brady stating that Craig no longer needed her management services, could no longer afford to pay her a 15 percent commission because they owed a "huge amount" of taxes, and were thereby "terminating" the contract. Within days, Brady responded, informing Craig that he was in breach.

In 2002, Brady filed suit against Craig for breach of contract. After a bench trial, the court found that Brady had proven her case by a preponderance of the evidence, and awarded her commissions of \$154,700. In doing so, it rejected Craig's defense that the contract was invalid because Craig was a minor at the time he entered into it. Craig appealed from the ensuing judgment.

As a general proposition, parental consent is required for the provision of services to minors for the simple reason that minors may disaffirm their own contracts to acquire such services. According to Columbia Family Code section 6701, "[a] minor may make a contract in the same manner as an adult, subject to the power of

disaffirmance” provided by Columbia Family Code section 6702. In turn, Columbia Family Code section 6702 states that, generally, “a contract of a minor may be disaffirmed by the minor or by the minor’s parent or guardian before majority or within a reasonable time afterwards.” The law shields minors from their lack of judgment and experience and under certain conditions vests in them the right to disaffirm their contracts. Although in many instances such disaffirmance may work a hardship upon those who deal with a minor, the right to avoid contracts is conferred by law upon a minor for his protection against his own improvidence and the designs of others. It is the policy of the law to protect a minor against himself and his indiscretions and immaturity as well as against the machinations of other people and to discourage adults from contracting with a minor. Any loss occasioned by the disaffirmance of a minor’s contract might have been avoided by declining to enter into the contract in the first place. Simply stated, one who provides a minor with services does so at his or her own risk.

No specific language is required to communicate an intent to disaffirm a minor’s contract. A minor’s contract may be avoided by any act or word disclosing an unequivocal intent to repudiate its binding force and effect. We find that Martha’s certified letter was sufficient to constitute a disaffirmance of the contract by Craig because it stated that Martha and Craig were “terminating” the contract.

Therefore, we conclude that Craig had the right to, and did, disaffirm the contract. Accordingly, the judgment is reversed.

Laredo v. Purcell Fruit Co.
Columbia Supreme Court (1950)

Linda Laredo brought an action for breach of contract against Purcell Fruit Co. In her complaint, Laredo alleged that she had entered into a contract with Purcell, represented by its agent Henry Hand, to sell a crop of oranges for \$30,000. In its answer, Purcell denied that it had entered into any such contract of sale, alleging that it had authorized Hand only to enter into a contract of consignment under which it agreed to pack, ship, market, and sell the crop and pay her the net proceeds, which amounted to \$10,000. After trial, a jury found in favor of Laredo and awarded her \$30,000. Purcell appealed from the ensuing judgment.

Purcell's theory, at trial and on appeal, is that Hand did not have actual authority to make any contract of sale with Laredo. Under Columbia law, actual authority exists "when, at the time of taking action that has legal consequences for the principal, the agent reasonably believes, in accordance with the principal's manifestations to the agent, that the principal wishes the agent so to act." Columbia Civil Code section 3801. Purcell claims that the evidence introduced at trial shows that, at the time of his dealings with Laredo, Hand did not, and could not, reasonably believe that it wished him to enter into any contract of sale.

In contrast, Laredo's theory, at trial and on appeal, is that, at the very least, Hand had the apparent authority to make the contract of sale with her. Under Columbia law, apparent authority exists "when a third party reasonably believes the actor has authority to act on behalf of the principal and that belief is traceable to the principal's manifestations." Columbia Civil Code section 3802. Laredo claims that whatever the evidence introduced at trial might show about Hand's actual authority to enter into the contract of sale with her, it shows his apparent authority to do so.

Laredo's theory prevailed below. It prevails here as well. The evidence introduced at trial establishes the following facts: Over many years, Purcell has entered into contracts of sale as well as contracts of consignment for oranges in Columbia; Hand was Purcell's sole agent in Laredo's area; Hand drove a truck provided to him by Purcell, on which was printed in large, bold letters, "Henry Hand, Agent for Purcell Fruit Co."; Hand had in his possession form contracts of sale printed by Purcell and bearing Purcell's name; Purcell had always performed every contract of sale Hand had entered into, and had never disavowed any; all of these facts were well known to Laredo and to the other orange growers in the area; in addition, Don Gordon, the owner of Purcell, visited Laredo and the other orange growers in the area at the beginning of the season to tell them that Hand would be calling on them. Perhaps Purcell had not granted Hand actual authority to enter into a contract of sale with Laredo on Purcell's behalf. Or perhaps it had revoked such authority before the fact. But that matters not. Hand had apparent authority to enter into a contract of sale with Laredo on Purcell's behalf. Laredo reasonably believed that Hand had authority to act on Purcell's behalf and that belief was traceable to Purcell's own words and conduct. In light of Hand's apparent authority, there was unquestionably a contract of sale between Laredo and Purcell.

The judgment is affirmed.