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1. Is Ryan able to disaffirm the contract?

Columbia Family Code S. 6701 states that a minor may make a contract in same manner as an adult, subject to disaffirmance in S.6702.

S. 6702 states that a contract of a minor may be disaffirmed by the minor or his/her parent or guardian before majority or a reasonable time afterwards.

In **Brady**, although parental consent is required for services to minors because minors may disaffirm their own contracts to acquire such services, the court holds that there may be valid termination to the contract by the minor by both parent and minor. The law in S 6702 shields minor from their lack of judgment and experience and under certain conditions vests in them the right to disaffirm their contracts .

Here, in this case, when Janice Wright gave Ryan her credit card, expiration date and pin, she did not supervise Ryan and the terms that he was agreeing to. As a result, Ryan entered the contract based on lack of experience and judgment due to his immaturity.

Furthermore, due to the terms, Ryan would not realize that he is prone to accumulate much higher cost than the allowable \$20. Therefore the court would find GameTrax to be a machination of other people.

Since Janice has written the letter as Martha did in Brady, and the court ruled that the minor may disaffirm the contract, so will the court rule in this case. Where the adult contract with a minor he does so at his own risk if the minor disaffirms before reaching teh age of majority or reasonable time afterwards.

Janice sent the letter as soon as she saw the charge on her credit card bill and disaffirmed the contract.

In **Miller**, the court held that a contract that is for the good of life and not necessities may be disaffirmed by a minor.

Here, Ryan being only 12 years old is a minor that was provided for. The card was not used to purchase necessities, but only for the video games, a good of life.

Ryan and Janice Wright may disaffirm the contract.

2. If so, did Janice's letter disaffirm the contract for Ryan?

In **Brady**, the court held that parent and child could disaffirm a contract on the policy that the law protects minors against himself and his indiscretion and immaturity as well as against machinations of other people and to discourage adults from contracting with minors. One who contract with minors does so at his own risk. The law shield minors from their lack of judgment and experience and under certain conditions vest in them the right to disaffirm their contracts.

Here, in this case, when Janice Wright gave Ryan her credit card, expiration date and pin, she did not supervise Ryan and the terms that he was agreeing to. As a result, Ryan entered the contract based on lack of experience and judgment due to his immaturity.

Furthermore, due to the terms, Ryan would not realize that he is prone to accumulate much higher cost than the allowable \$20. Therefore the court would find GameTrax to be a machination of other people.

Since Janice has written the letter as Martha did in Brady, and the court ruled that the minor may disaffirm the contract, so will the court rule in this case.

Janice's letter to GameTrax disaffirms the contract with Ryan.

3. Is Janice liable for the \$8,980 charge?

S3810. An act of agent within the scope of her actual or apparent ability binds the principal.

Here, because Ryan did not have actual or apparent authority, Janice is not bound for the \$8980.

Actual Authority

Co. Civ. Code 3801-Actual authority exists when at the time of taking action with legal consequence for the principal's manifestation to the agent, the principal wished for the agent so to act.

Here, at the time of taking action, when Ryan agreed to the terms of services, Game Trax

will argue that Janice Wright as the principal manifested to Ryan the agent that he may use her debit card for any online video games, some of which have additional charges.

However Janice may rebut that she only manifested to Ryan that he should not use more than \$20 to purchase games. When Janice Wright received her credit card bill and saw GameTrax's charge she sent a letter to GameTrax asking for a reversal of \$8980 charge because she did not assent to more than \$20 charge, she manifested that she did not intend for the agent so to act.

Apparent Authority

S.3802 states that "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."

In *Laredo*, the court established that "Actual authority exists when at the time of taking action with legal consequence for the principal's manifestation to the agent, the principal wished for the agent so to act."

Here, Janice Wright handing the credit card and its pertinent information to Ryan, caused it to appear as though Ryan was her sole agent, however because the occasion on which she handed her son the credit card was the only time that GameTrax used it, the sole time is not regular enough as Hand did in *Laredo* for Purcell.

Furthermore, unlike Hand in *Laredo*, Janice Wright did not always performed every contract for sale Ryan entered into, that she had to disavow any. Ryan was given the credit card information to use only once. This was also an absent fact to GameTrax that Janice Wright always gave Ryan her credit card to purchase games on GameTrax.

In the Terms and Service contract by GameTrax which Ryan signed with the "consent of his parent," after GameTrax followed up with Janice Wright to verify her consent, she only consented that she had given Ryan consent but did not state that she would be calling on

them to provide ryan with \$9000 worth of games.

GameTrax may argue that the terms of the contract state that the account was for game(s) of which some would accrue additional charges.

Because there was lack of a reasonable belief that Ryan had authority to several games to the value of \$9,000, the apparent authority does not exist.

GameTrax may also assert that Janice Wright did not revoke the apparent authority before the bill, but it is unreasonable for that thought because Janice would not have been aware to revoke the authority until after she received the bill of \$9,000.

Janice Wright's action is not traceable to her words or conduct because the dealing between her and GamTrax was not continual.

In conclusion, Janice Wright is not liable for the \$8,980 charge.

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END OF EXAM