

University of Nebraska - Lincoln

DigitalCommons@University of Nebraska - Lincoln

Historical Materials from University of Nebraska-
Lincoln Extension

Extension

1956

EC56-1120 The Lady and the Law

Clara N. Leopold

Follow this and additional works at: <http://digitalcommons.unl.edu/extensionhist>

Leopold, Clara N., "EC56-1120 The Lady and the Law" (1956). *Historical Materials from University of Nebraska-Lincoln Extension*. 3383.

<http://digitalcommons.unl.edu/extensionhist/3383>

This Article is brought to you for free and open access by the Extension at DigitalCommons@University of Nebraska - Lincoln. It has been accepted for inclusion in Historical Materials from University of Nebraska-Lincoln Extension by an authorized administrator of DigitalCommons@University of Nebraska - Lincoln.

AGRI

S
85

E7

#56-1120

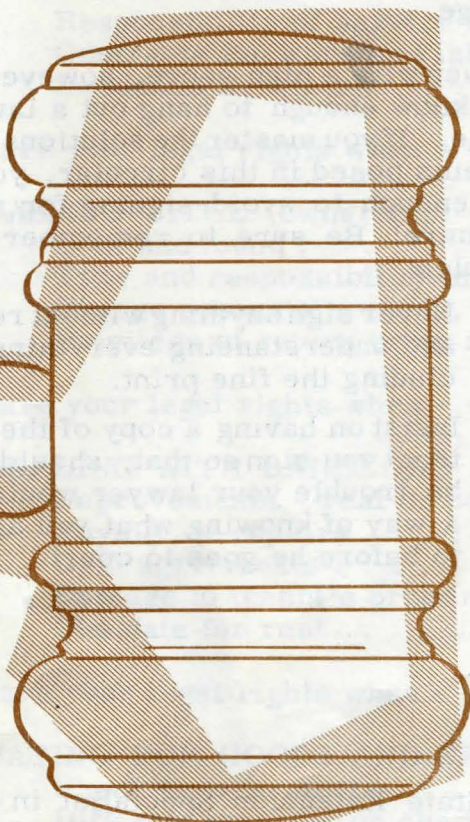
C.1

E. C. 56-1120

The Lady and



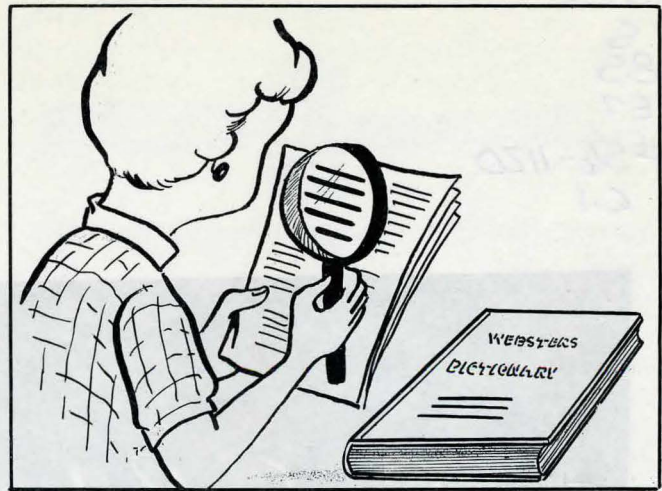
the LAW



EXTENSION SERVICE
UNIVERSITY OF NEBRASKA COLLEGE OF AGRICULTURE
AND U. S. DEPARTMENT OF AGRICULTURE
COOPERATING
E. F. FROLIK, DEAN E. W. JANIKE, DIRECTOR



Insist on your own copy



Read the fine print

FOREWORD

Only a trained lawyer is expected to understand and interpret the entire body of rules that make up business law. The aim of this circular is to provide the homemaker with legal information that will be of practical use to her -- not in any sense to show her how to circumvent the law, but to help her realize what is and is not legal, and how the law regards and interprets various legal matters.

Beginning on page 7 are typical situations of everyday family business transactions in which you might become legally involved. After you have studied the problems and decided on your own answers, check yourself with the answers that are given beginning on page 11. If you get 20

right, your knowledge of law is above average.

Even with a high score, however, you don't know enough to hang out a lawyer's shingle. If you master the solutions to the problems posed in this circular, you will know enough to avoid signing for a legal nightmare! Be sure to remember these two rules:

1. Never sign anything without reading and understanding everything, including the fine print.
2. Insist on having a copy of the contract you sign so that, should there be trouble, your lawyer would have a way of knowing what you agreed to before he goes to court.

Circular prepared by Mrs. Clara N. Leopold, State Extension Specialist in Home Management. Acknowledgment is given the following people for assistance in the development, preparation and review of the material: the late Lloyd B. Snyder, Associate Professor Agricultural Economics, University of Nebraska; Dorothy Larery, Assistant Professor Home Economics, Univ. of Nebraska; Belle L. Graves, Professor Advanced Accounting & Business Law, Lincoln School of Commerce; Homer L. Kyle, Assistant Attorney General, State of Nebraska.

CONTENTS

INTRODUCTION

Page

Why Know about Law?	4
What is a contract?	4
Landlord and tenant relationships	5
Ownership of personal property	5
What are negotiable instruments?	6

What are your legal rights when - - - - - ?

BUYING GOODS

Withholding payment on conditional sales contract	7
Default by installment buyer	7
Goods on approval	7
Returned merchandise	7
Unsatisfactory merchandise	7
Unordered merchandise	7
Minor's contracts	8
Fitness for human consumption	8
Pledges and gifts	8

What are your legal rights when - - - - - ?

BUYING SERVICES

Responsibility of service businesses	8
Contracts for work and labor	8
Incidental services	8

What are your legal rights when - - - - - ?

PASSING TITLE (ownership)

Lost and found	9
Title and responsibility in conditional sales contract	9
Charge accounts	9
Privilege of return or on approval	9

What are your legal rights when - - - - - ?

DEALING WITH LANDLORD AND TENANT

Improvements - real or personal?	9
Paying for repairs	10
Oral agreements	10
Damage to tenant's property	10
Due date for rent	10

What are your legal rights when - - - - - ?

PAYING FOR GOODS AND SERVICES

Check endorsements	10
Different amounts on checks	11
Lost checks	11
Stop payment on checks	11
Promissory notes	11

The Lady and The Law

Why Know About Law?

Knowledge of the law should not be confined to those who make it a profession. There is no knowledge more essential to good citizenship. The law is so interwoven into the fabric of society that it cannot help but enter into our lives to a very real and vital extent. In the eyes of the law, ignorance is no excuse. Therefore it behooves every one of us, for our own benefit and protection, to become acquainted with legal regulations that affect every-day business relations of the family.

Every day you, as a homemaker, come in contact with the law. When you write a check, buy anything on the installment plan, get a receipt, take out an insurance policy turn on an electric light, order groceries, or make a telephone call, certain legal rules affect and govern you. And since you as the lady of the house handle the greater part of the family's transactions for the home, an understanding of your legal rights and responsibilities, as well as those of other people, will stand you in good stead. Knowledge of law will help you avoid friction and trouble with people.

What is a Contract?

A contract may be defined as a binding agreement between persons to do or not to do some particular thing, for the breaking of which a court of law will give damages. Once this legal "meeting of minds" has been made none of the parties can change his mind unless the other is willing, except on certain limited grounds, such as fraud or misrepresentation. However, a contract is not enforceable by law unless it meets certain requirements:

1. Parties agreeing to a contract must be competent.
2. There must be mutual assent, without jest, fear or fraud.
3. Something of value must be involved.
4. The agreement must be for a lawful purpose.
5. Certain contracts are required by law to be in writing.

Oral agreements are contracts too, and are as legally binding as written ones. However, agreements made in conversation are difficult to prove, so important contracts are generally written down on paper and signed. In fact, the law says that some kinds of contracts must be in written form, such as contracts for the sale of land or real estate or any interest in them; contracts for sale of personal property of stated minimum value (in Nebraska \$500.00) unless there has been a part payment; agreements not to be per-



Why know about Law?

formed before one year from the making of the agreement; promises to answer for the debt, default or miscarriage of another; and agreements made in consideration of marriage. However, the written requirement does not apply to contracts for the manufacture of goods especially for the buyer which are unsuitable for sale to anyone else in the ordinary course of business. These contracts are known as "contracts for work and labor", and may be made orally, regardless of amount or price involved.

Once a contract is in writing, the law does not recognize additional oral agreements. It assumes that the written contract contains EVERYTHING agreed to, and that you agree with everything it says. You are liable even if you didn't read it or understand it, and even if you were given oral promises that do not appear in the contract or are contradicted in it. If later there appears to be fraud, or an ambiguity, legal action may follow.

Conditional Sales Contracts

Many persons today purchase articles of comparatively large value under a contract that provides that the price is to be paid in a series of installments instead of a lump sum. This kind of a contract is commonly known as an "easy payment plan" or installment buying.

What makes this different from any other contract? A contract for which there is to be a series of payments is often in the form of a conditional sales contract. The title and ownership of the property remains with the seller until the buyer has paid the

full purchase price, even though the buyer has possession of the goods. But note that all risks of ownership for that property are the buyer's and that loss and destruction of the property are the responsibility of the buyer. Upon default of payments, or if the buyer fails to live up to his contract and the seller sustains a loss, the seller may recover the deficiency from the buyer. If the resale should result in a profit, the buyer is entitled to it.

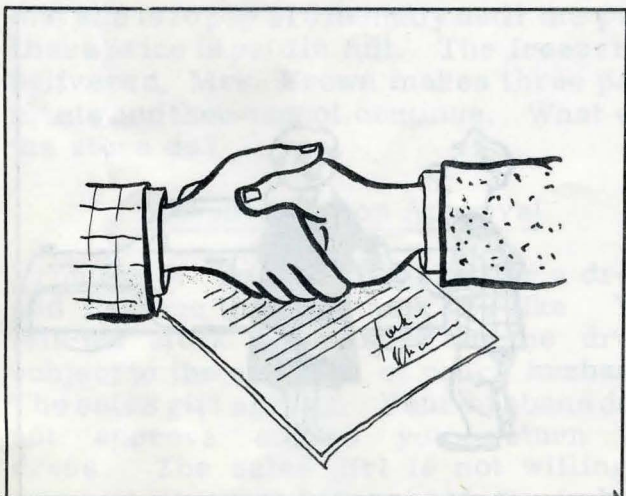
Landlord and Tenant Relations

The law of landlord and tenant is another extension of the principle of contracts and is governed, more or less, by the same rules. A lease, for example, embodies the terms agreed to by the landlord and tenant, the breach of which may give rise to damages. The law requires that a lease for more than a year be in writing. If a lease is oral, or if a written lease is short and indefinite, with no specific terms except the promise to be leased and the rent to be paid, the law implies certain duties and liabilities to the parties in respect to each other. It is customary and preferable for the parties to fix their rights, duties and liabilities toward each other by the terms of the written lease. In such cases, of course, the lease governs.

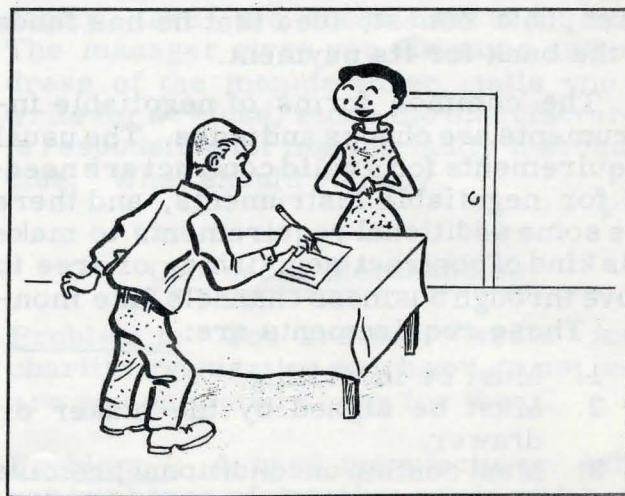
Leases, although they may look alike, vary in many respects. A person should never sign a lease without carefully reading it. The landlord and the tenant should both have a copy of the lease.

Ownership of Personal Property

Most property is either real or personal. "Mobility" is the distinguishing



What is a contract?



Landlord-tenant relationship

feature. Fixed, immovable property such as land, houses, trees and farms are called real property. Articles such as a coat, a piano, a watch, lumber are movable objects readily transferred from one place to another. Such property is called personal property.

A very large proportion of everything you own is classed as personal property. Ownership and responsibility for acts relating to personal property are the baffling questions that often confront us.

Generally, only the owner of goods has a legal right to transfer title to others. "He who has no title can transfer none" is a well established legal maxim. Hence, neither a thief nor a finder of goods ever has a valid title to transfer to others. However, if the owner of found articles fails to claim them within a certain period of time, the finder may get good title to the goods.

What are Negotiable Instruments?

There are special types of contracts to pay money, which are known in law as negotiable instruments. They might be called business papers that allow us to do business with one another on a credit basis--that is, the money is represented in the paper, and various credit instruments take the place of cash. Negotiable instruments are intended to be circulated freely, like money, and with much of the reliability and stability of money. Their use is strictly regulated by law. Nebraska law makes it a criminal offense to write and deliver to another person a no-fund check or a check when there are insufficient funds in the bank for payment, with intent to defraud. Of course, he is not guilty if he draws the check under the mistaken, but honest, idea that he has funds in the bank for its payment.

The common forms of negotiable instruments are checks and notes. The usual requirements for a valid contract are needed for negotiable instruments, and there are some additional requirements to make this kind of contract negotiable, or free to move through business channels like money. These requirements are:

1. Must be in writing.
2. Must be signed by the maker or drawer.
3. Must contain unconditional promise or order to pay an exact sum of money.

4. Must be payable on demand, or at a fixed or determinable future time.
5. Must be payable to order or to bearer.

Most printed forms for notes contain additional provisions such as the place of payment and rate of interest. If no rate of interest is specified, the note will bear interest at the rate prescribed by State law. That rate in Nebraska is 6%. The interest can be different than the amount prescribed by law, but in Nebraska 9% is the legal maximum interest rate. However, small loan companies, industrial banks and certain other lending organizations licensed by the state, may charge a higher rate under certain circumstances.

Almost everyone makes at least one promissory note during his lifetime. Practically every mortgage is accompanied by a note signed by the mortgager. It is usually necessary to give a note in order to borrow any substantial sum; and in modern installment buying, a series of notes payable over a period of time is often used.

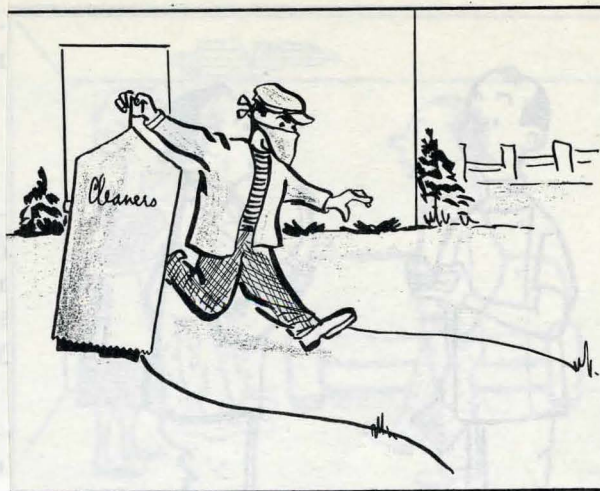
The homemaker in her everyday transactions probably is more concerned with bank checks than any other form of negotiable instrument. A check is one form of bills of exchange. It is a written order to a bank to pay a certain sum in money from a depositor's checking account. It must be paid on demand. The money is payable to the order of the party specified on the face of the check, who is known as the payee. "To the order of" means that the check can be cashed by the payee or can be signed and passed to another person for cashing.



Ownership of personal property



TV on the blink. What now?



Can they do this to you?

What are your legal rights when..?

BUYING GOODS

Withholding Payment On Conditional Sales Contract

Problem 1: The picture in your TV set flickers. You are buying the set on a conditional sales contract. Despite repeated promises, the dealer hasn't sent a repairman. You withhold your installment. The dealer threatens to repossess the set. Can he do so?

Default by Installment Buyer

Problem 2: Mrs. Brown buys a food freezer at a furniture store. She signs a conditional sales agreement in which it is agreed that she is to pay \$15 monthly until the purchase price is paid in full. The freezer is delivered, Mrs. Brown makes three payments and then cannot continue. What can the store do?

Merchandise on Approval

Problem 3: You are shopping for a dress and find one that you think you like. You tell the clerk you want to buy the dress subject to the approval of your husband. The sales girl agrees. Your husband does not approve and so you return the dress. The sales girl is not willing to accept the returned dress. Must you keep the dress?

Returned Merchandise

Problem 4: You pay cash for a coat in a ready-to-wear shop. Your husband disapproves, so you take it back to the shop, unworn. The manager refuses to return your money. Can you force him to give you a refund?

Unsatisfactory Merchandise

Problem 5: You buy a dress and pay more for it than you really wanted to pay. Now you get caught in the rain in the 'extravagant' dress and discover that the skirt is shrinking up to your knees. You indignantly take the dress back to the shop. The manager gives you the name and address of the manufacturer, tells you to write for a refund, since the manufacturer is responsible for making faulty merchandise. What should you do?

Unordered Merchandise

Problem 6: You are sent "seals" for a charity organization which you do not use. Are you obligated to pay for them?

Problem 7: A card manufacturer sends you two boxes of greeting cards which you use, knowing that the manufacturer expects

-
r

-
0
r
s
y

-
e

makes a down payment and agrees to pay on a monthly basis thereafter. Unable to maintain the installment payments, Jack defaults and the motorscooter is taken from him. What can he do?

Fitness for Human Consumption

Problem 10: You buy a loaf of bread at the grocery store, naming the brand, which is handed to you in the original wrapper. You later find a nail concealed in the bread which causes injury to one of your teeth. May you sue the grocery store or must you proceed against the bread manufacturer?

Pledges and Gifts

Problem 11: You sign a pledge to give a church or charity a \$50 contribution. May this promise be legally enforced?

What are your legal rights when..?

BUYING SERVICES

Responsibility of Service Businesses

Problem 12: The cleaner leaves a bag of cleaned clothes outside your door. The clothes are stolen. Is the cleaner responsible?

Problem 13: You as a customer leave some clothes at the cleaning establishment. Later fire breaks out in the establishment, destroying all the garments, including yours. Is the cleaner responsible?

Do you get your refund?

Problem 14: You park your car in a parking lot, pay 35¢ for the privilege, and receive a ticket which states that the ticket must be surrendered before the car can be taken away. At the request of the parking lot attendant, you leave the ignition key in the car. Later when you return for the car, you find that it has been stolen. Is the parking lot owner liable?

Contracts for Work and Labor

Problem 15: You are going to have a new house and have hired a contractor to build it. The house is more than half finished when it is blown down by a tornado. Upon whom does the loss fall?

Problem 16: Your husband orally contracts with a dentist to make a set of dentures for him at a cost of \$250. When the teeth are ready, your husband refuses to accept them. Can the dentist collect?

Incidental Services

Problem 17: You go into a store to buy a new coat. The clerk helps you select several, then you lay your coat on a chair--the only place you can see to put it. As you are trying on the coats, you suddenly notice that your own coat is gone. Is the store responsible?

What are your legal rights when..?

PASSING TITLE (ownership)



Who do you sue?

Title and Responsibility in Conditional Sales Contracts

Problem 18: You purchase an electrical refrigerator under a conditional sales contract. It is damaged by fire while in your possession. There are still ten payments to be made on the contract. Upon whom would the loss fall?

Title in Open Account Contracts

Problem 19: You send your son to the drug store to buy a bottle of hand lotion. He charges it to your account. On the way home he drops the package, the bottle breaks, the lotion is lost. Since the lotion isn't paid for, who stands the loss, you or the druggist?

Lost and Found

Problem 20: While shopping in a grocery store, you notice a \$5 bill on the floor. As you pick up the money, the grocer comes up behind you and asks for the bill, on the grounds that you found it in his store. May you keep the money or must you turn it over to him?

Sale with Privilege of Return or on Approval

Problem 21: You buy a Schwinn bicycle for your son John's birthday. The storekeeper agreed that if your son found the bicycle unsatisfactory, it could be returned within 30 days. If the bicycle is stolen during the 30 day period, who would have to stand the loss?

Cash Sales



Is the cleaner responsible?

Problem 22: You pay cash for a dress which is to be delivered to you. Prior to delivery, the store is burned and the dress is destroyed. On whom does the loss fall?

What are your legal rights when..?

DEALING WITH LANDLORD AND TENANT

Improvements - Real or Personal

Problem 23: You are a tenant and install a new light fixture in the house. Upon termination of your lease, you want to take the fixture with you. The landlord protests on the grounds that the removal of the fixture will ruin the wall paper. Who is entitled to the fixture?

Problem 24: You are a tenant who has leased a house and land. You plant a number of trees, shrubs and bushes. At the expiration of your lease, you want to remove these plantings. Can you legally do so?

Paying for Repairs

Problem 25: You rent a house, and the lease says nothing about who is to make repairs. A few months after you have been living in the house, you have plumbing troubles. You ask the landlord to make the necessary repairs and he refuses. Can you refuse to pay the rent until repairs are made?

Paying for Repairs

Problem 25: You rent a house, and the lease says nothing about who is to make repairs. A few months after you have been living in the house, you have plumbing troubles. You ask the landlord to make the necessary repairs and he refuses. Can you refuse to pay the rent until repairs are made?

Oral Agreements

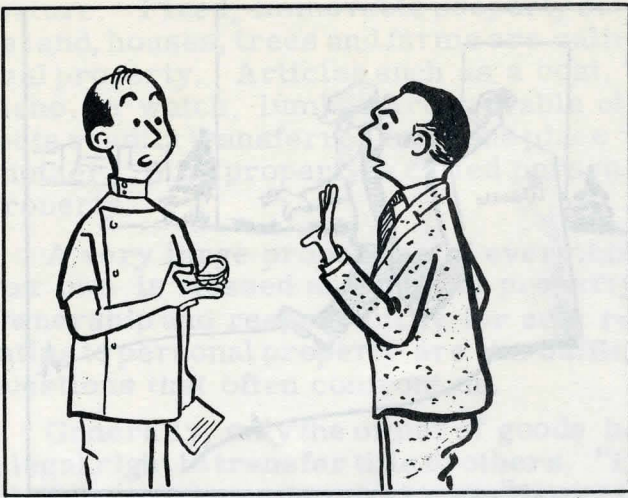
Problem 26: Before you signed your lease, the landlord promised to put up a wall between the kitchen and dinette. No mention of the agreement is made in the lease, and the landlord refuses to carry it out. Can you hold him to it?

Damage to Tenant's Property

Problem 27: The lease does not mention the party who is to make repairs, but the landlord agrees to repair the tenant's roof. The landlord employs a workman to do the work. In doing the work, however, the tenant's property is damaged by rain falling through openings negligently left by the roofer while doing the work. Who is liable for the damage?

Due Date for Rent

Problem 28: You take a look at the calendar and suddenly realize that it is Sunday and your rent is due on this date. Must it be paid that day?



Must you pay the dentist?



Who gets the \$5 bill?



Are the fixtures yours?

What are your legal rights when...?

PAYING FOR GOODS AND SERVICES

Check Endorsements

Problem 29: You have a check made out to you, but your name is spelled incorrectly. You endorse the check with your own name and the bank refuses to cash the check because the endorsement does not match the name on the face of the check. Is the bank right in refusing to cash this check?

Problem 30: There seems to be a number of different ways to endorse a check and as you look at the various kinds, you wonder why the different types. Which type is best?

Different Amounts on Check

Problem 31: You make out a check to someone and inadvertently make the figures for the amount a different sum than the words for the amount on the second line. What will happen with this check when it is presented at the bank?

Lost Checks

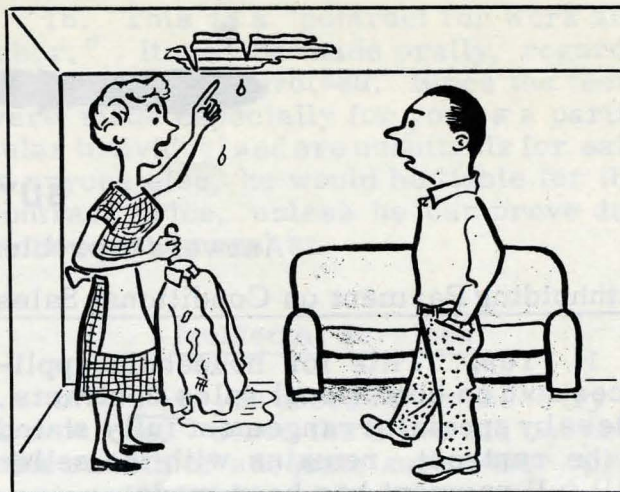
Problem 32: You receive a check for a sum of money due to you, and you want to put it in the bank. When you reach the bank, you discover that the check is missing. Perhaps it slipped from your purse when, loaded with packages, you fumbled for parking meter change. In any case, you cannot find the check anywhere. You quickly write the maker of the check, asking that he stop payment and send you a new check. He replies that the first check has already been presented at his bank and has been paid. Are you stuck?

Stop Payment on Checks

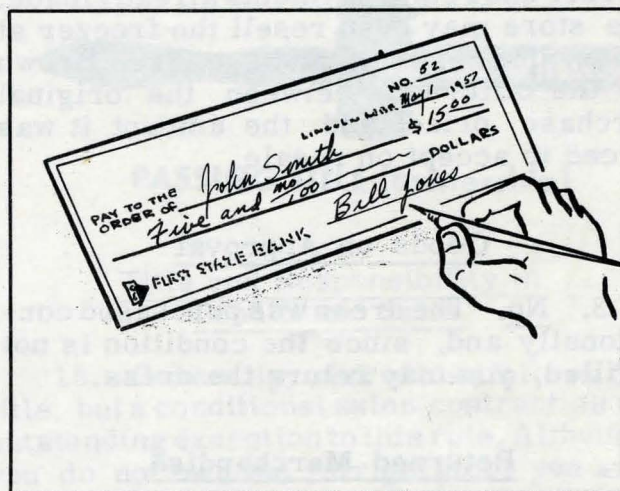
Problem 33: A persistent salesman sells you a set of pots and pans. You give him a check for \$25.00. After he is gone, you decide it would be better not to have the pots and pans. But you can't reach the salesman to cancel the order. Can you stop payment on the check? What is your legal obligation concerning the transaction with the salesman?

Promissory Notes

Problem 34: Your neighbor asks you to endorse a note for \$300 for her new bedroom suite. She falls behind in her monthly payments to the store because she claims the set is defective. The bank holding the note sues you. Have you any defense?



Do you or the landlord pay?



What happens to this check?



Is this a negotiable instrument?

BUYING GOODS

*Answers to problems beginning on page 7

Withholding Payment on Conditional Sales

1. Yes. Title for household appliances sold on conditional sales contracts, unless by special arrangement fully stated in the contract, remains with the seller until full payment has been made.

Default by Buyer

2. Under such a conditional sales agreement, the store may repossess the freezer and retain payments already made. The store may even resell the freezer at a loss, if necessary, and sue Mrs. Brown for the difference between the original purchase price and the amount it was forced to accept on resale.

Goods on Approval

3. No. The dress was purchased conditionally and, since the condition is not fulfilled, you may return the dress.

Returned Merchandise

4. No. There is no obligation on his part to give you back your money unless the coat is imperfect or not as represented. It isn't necessary for a store to post a "No Refund" sign.

Unsatisfactory Merchandise

5. Insist that the retail dress shop refund your money. You can sue the shop where you bought the dress, whereas you can't sue the manufacturer with whom you had no contractual dealings. However, the rule is different if you have suffered some personal injury from defectively made merchandise. If you had become violently ill from eating poorly prepared food, or if you had been hurt because of some improperly constructed article, you might recover damages from the manufacturer for negligence, even though you never dealt with him directly.

Unordered Merchandise

6. No. Legally you are under no obligation to return the seals, for you never accepted the offer.

7. Yes. The use of the cards constitutes the acceptance of the offer. However, if you had not used them, you would not be required to either return or pay for them.

Contracts with Minors

8. Yes, if car is in same condition as it was when sold. Generally contracts made by "infants" (those who are under age -- which is 21 in Nebraska) are not valid except for such necessities as food, shelter, clothing, medical and dental care, and education suitable to their station in life. Even then, only the reasonable value of the necessities purchased by them can be recovered, which is not always the contract price.

Since the automobile in this case is not considered a necessity and Joe is under 21, he may void the agreement, but he may have to pay the serviceable value of anything he cannot return.

9. He may recover the down payment, as well as any installments he may have paid, unless the scooter has materially declined in value. Had he been 21 or over, all of the money would have been lost and a judgment could have been entered for the balance of the installments yet due.

Fitness for Human Consumption

10. You may sue the grocer from whom you bought the bread. When the grocer sold the bread, he impliedly warranted or guaranteed its quality. The concealment of a foreign substance is a breach of that warranty. The grocer, for his part, may recoup himself against loss by proceeding against the bread maker.

Pledges and Gifts

11. No, not unless the church or charity incurred an obligation on the strength of your promised contribution. If it did, such as letting contracts for a building to be paid for from the fund to which you pledged a contribution, or if others also contributed all in reliance on the contribution of others, your promise can be legally enforced.

The Law When...

BUYING SERVICES

Responsibility of Service Business

12. Yes, unless you have given instructions that the clothes be left there even though you are not at home. In that event, you assume the risk; otherwise the cleaner does.

13. Only if you can prove that the fire was caused by the cleaning plant owner's negligence. The cleaner is not an insurer against theft or loss by fire.

14. Probably. There are two theories of liability. One is that you merely rented parking space, and thus the parking lot owner would not be liable for theft. The other theory, that this transaction would amount to a "bailment"--delivery and acceptance of personal property for a given purpose, upon conditions that the personal property be returned when the purpose has been fulfilled. Since the parking lot owner requires you to leave the key in the lock and therefore had full control of the car, he probably would be liable.

Contracts for Work and Labor

15. On the contractor who agreed to erect it. He is under an obligation to rebuild. The owner of the land is under an equal obligation to permit him to rebuild.

16. This is a "contract for work and labor." It may be made orally, regardless of amount involved. Since the teeth were made especially for you as a particular individual and are unsuitable for sale to anyone else, he would be liable for the contract price, unless he can prove defective workmanship.

Incidental Services

17. Yes, you necessarily had to try on a new one. Since the store did not provide a booth or adequate supervisory protection, it should give you the actual cash value of your coat at the time of its loss. Suppose, however, you had left your purse under your coat, and the purse had been stolen. Then the loss would be on you.

The Law When...

PASSING TITLE (ownership)

Title and Responsibility in Conditional Sales

18. Generally, risk of loss follows the title, but a conditional sales contract is an outstanding exception to this rule. Although you do not own the refrigerator, you are nevertheless charged with the responsibility for loss due to fire, theft, or other misfortune while it is in your possession.

Title in Open Account Contracts

19. In a sale on open account (charge credit, title passes at the time the contract is made even though payment and delivery or both are postponed to some future date. You will pay for the bottle of lotion that has been charged to your account.

Lost and Found

20. You may retain it, unless the real owner is in the store to claim it. The law holds that the money has been lost, not mislaid, and that you have a better claim to it than anyone else except the person who lost it. Should the owner later return to the grocery store and inquire

about the money, the grocer would not be responsible. However, if he has your name and address, he may refer the owner to you.

Title in Sale with Privilege of Return or on Approval

21. You would bear the loss because you acquired title when the bicycle was delivered to you. When goods are delivered to the buyer "with privilege of return", title passes to the buyer. If the merchandise is returned to the seller within the stipulated or reasonable time, then the title reverts to the seller. Had the bicycle been taken "on approval" title does not pass until the buyer indicates his approval either by his words or by his conduct. If the buyer retains the goods beyond the agreed time, or beyond a reasonable time if no time is specified, without giving the seller notice of approval or rejection, it is assumed that the buyer has consented to buy. But during the interim, the title remains with the seller and loss would fall on him.

Title in Cash Sales

22. The loss falls on you. Under an unconditional contract to sell specific goods in a deliverable state, title passes as soon as the contract is made.

The Law When...

DEALING WITH LANDLORD AND TENANT

Improvements - Real or Personal

23. The tenant. The general rule is that unless the fixture is so firmly attached as to be incapable of removal without

great injury to itself or the landlord's property, it may be removed by the tenant. It would be wise to retain any old fixtures when you install new ones so that you can reinstall them to avoid any argument.

24. Yes. You planted them, and we assume you rather than the landlord paid for them, so you may remove them. But you must fill the holes and leave the lawn or yard as you found it. In order to avoid possible litigation since trees and shrubs are ordinarily regarded as real estate, you would be wise to have a written agreement that you as tenant may remove the plantings.

Paying for Repairs

25. No. In the absence of an express agreement, the landlord is not bound to make ordinary repairs--nor is he bound to pay for such repairs made by the tenant.

Oral Agreement

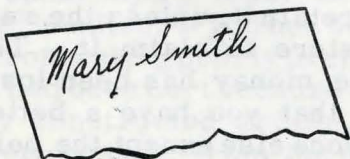
26. No, unless fraud can be shown. A written contract takes the place of any oral understanding. You should have made sure that the lease contained his promises to make alterations.

Damage to Tenant's Property

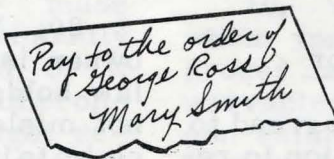
27. The landlord. Although he is under no obligation to make the repairs, if he does undertake to make them, he is liable for any injury which may result from the negligent manner in which the work is done.

Due Date for Rent

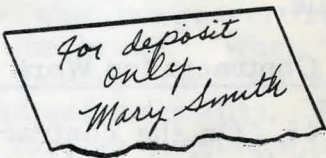
28. No. It may be paid the next business day. However, if it falls due on any other day, like a holiday, it must be paid that day.



Mary Smith



Pay to the order of
George Ross
Mary Smith



For deposit
only
Mary Smith

Blank Endorsement

Full Endorsement

Restrictive Endorsement

PAYING FOR GOODS AND SERVICES

Check Endorsements

29. Yes. Checks should be endorsed by the payee (you in this case) with the same spelling used on the face of the check. This should be followed by the correct spelling of the endorser's name so that identification can be established.

30. The average depositor uses two kinds of endorsement: Blank and restrictive. A blank endorsement is simply signing your name on the back of the check. This type of endorsement is generally used when checks are presented directly to a bank window for cashing. Such endorsements are simple to make, but do not protect against loss.

To protect yourself against loss in case a check is stolen, lost or falls into the hands of dishonest or irresponsible individuals, a full or restrictive endorsement should be used.

A full endorsement is one in which the payee, or endorser, specifies the person to whom payment is to be made. No one else can cash this check until the one to whom it is made payable endorses it. In the illustration below no one can cash this check until it is endorsed by George Ross. This is a good safety device when sending an endorsed check through the mail.

The payee may choose to transfer a check to another person or to a bank for a specific purpose, such as for deposit in the bank. The words "for deposit only" written above the signature, as in the accompanying illustration, means that the check can only be deposited in the bank to the credit of the payee. When endorsed in this way, the check is of no value to

anyone else. When deposits are mailed, it is important that checks be endorsed "for deposit only".

Different Amounts on Checks

31. The practice varies with banks. Most banks refuse to cash such a check and return them unpaid. But legally the written amount has precedence over the figures.

Lost Checks

32. No, not unless you had endorsed the check. If someone finds a lost check payable to your order and endorses it with your name, the bank is responsible to the depositor. The bank paid the wrong person. The depositor is out nothing and still owes you the money due you. You are always safe, therefore, if you never endorse a check until you are at the bank ready to deposit it.

Stop Payment on Checks

33. The privilege of stopping payment on a check is extended to bank patrons for their protection in certain situations. But it is an abuse of this privilege to issue a check "to get rid of a persistent salesman" and then stop payment. Frequently innocent parties cash that check before it reaches the bank and it becomes lost to the wrong person. It would be better to say "no" to the salesperson.

But even with stopping payment of the check at the bank, you may be legally bound to fulfill the contract you made with the salesman for the buying of the pots and pans. A contract is legally a "meeting of minds". Once this "meeting" (or agreement) has been made between you and the other party, neither of you can change your mind unless the other is willing, except on certain limited grounds such as fraud or misrepresentation.

Promissory Notes

34. No. The bank is an innocent purchaser and can hold you on your endorsement if the maker of the note defaults