



## WEEK 36

### ASSIGNMENT PACKET

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This week we'll look at **LEGALITY** in a contract. If agreements involve illegal acts, then the contracts are VOID (and unenforceable), such as contracting to murder someone (or any criminal act). Typically courts will NOT help either party or enforce agreement and will leave parties where they are ... even if one party has paid/performed. But of course, there are always a few exceptions in law!

***RESOURCE: BLAW 4 Chapter (on class website) ... specifically, sections 4-1 and 4-2.***

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There are three projects this week ... (1) Google Slides on Making Illegal Agreements, (2) You're the Judge, and (3) Enforceable or Unenforceable? You will definitely need to refer to the BLAW 4 chapter on the class website to help with the work this week!

Please reach out to me with questions!

# Making Illegal Agreements

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## *Google Slides Project*

In order to get a better understanding of illegal agreements, you are going to prepare a Google Slides presentation that explores FIVE of the major categories below (your choice).

You should read about your topics in the BLAW 4 online text (at [www.myfinanceclass.com](http://www.myfinanceclass.com)) and then prepare a summary of the information in 5 slides. Please make sure to include your own *example* of each illegal agreement.

### **1. Illegal Gambling**

### **2. Agreements to Pay Usurious Interest**

### **3. Agreements Involving Illegal Discrimination**

### **4. Agreements That Obstruct Legal Procedures**

### **5. Agreements Made Without a Required Competency License**

### **6. Agreements that Affect Marriage Negatively**

### **7. Price Fixing**

### **8. Resale Price Maintenance**

### **9. Allocation of Markets**

### **10. Covenants not to Compete**

# You're the Judge

## Legality

For each of the following cases, indicate your decision. Then, in your own words, state the legal principle or legal reason that applies to the facts of the case. **Your reasons should be two sentences in length.**



1. April Showers signed a written offer to buy a house for \$145,000 and the offer was accepted by the seller. The real estate agent, May Flowers, finalized all the paperwork for the sale, even though her real estate license expired six months ago. Is the contract void?

Legal Principle:

Yes or No?

2. Bill Board offered to give his state senator, Joe Welcome, \$500 if he would vote "no" on a particular pollution control bill. Senator Welcome did vote "no" on the bill. Can he legally collect the \$500?

Yes or No?

Legal Principle:

3. Jack Pot and Luke E. Number agreed, when placing bets in their state lottery, that if either one should win, they would divide the winners with each other equally. If Jack wins, can Luke enforce the agreement?

Yes or No?

Legal Principle:

4. Rufus Leaking hired Dwayne Pipe to repair a shower his house for \$200. Rufus was short on cash but was desperate to get the work done, so he made arrangements to pay Dwayne \$50 a month for 12 months to pay off this bill (which works out to be an annual interest rate 200%). Is this agreement legally enforceable?

Yes or No?

Legal Principle:

5. Otto Mechanic sold his car repair business. He agreed not to operate another car repair business within 5 miles of his old store for the next 12 months. Is this contract enforceable?

Yes or No?

Legal Principle:

## ENFORCEABLE or UNENFORCEABLE

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*Review each of the following cases, and state whether there is an enforceable or unenforceable agreement. Then, in your own words, state the legal principle or legal reason that applies to the facts of the case. **Your reasons should be two sentences in length.***

1. Two local milk companies agree on the price that they will bid for supplying milk to six area schools. Is this agreement enforceable?
2. Don Lykhim promised to give his daughter \$5000 if she left her husband and returned to her former home. Is this agreement legally enforceable?
3. Bonnie and Clyde decide to steal money from a local store. Bonnie will distract the salesperson while Clyde takes the money from the cash drawer. They agree to split the money equally. Is this agreement enforceable?
4. Ray Cyst, a land owner, agrees to sell 50 lots to a land developer, White Picket Fences, as long as they promise not to sell any houses to minorities. Is this agreement enforceable in court?
5. Esau Itall was promised \$5000 if he would not testify in court against Barry Schmelly in a criminal matter. If Esau doesn't testify, can he sue to collect the money?