

Contract Law

Case 7:
Teen's First
Car

CASE: 7

Bowling v. Sperry

Minor's Capacity to Enter Into Contracts

OBJECTIVE

To understand the concept of a minor's "capacity to contract" and under what circumstances a minor can "disaffirm" a contract.

TOPICS COVERED

- Capacity of a Minor to Enter into a Contract
- Voidable Contracts
- Minor's Disaffirmance of Contracts
- Contracts for Necessities

Bowling v. Sperry

Minor's Capacity to Enter Into Contracts

BACKGROUND

- The Plaintiff, Larry Bowling, was a 16-year-old high school student who purchased his first car from a used car lot owned by the Defendant, Sperry Ford Sales.
- A short time after the purchase, the car broke down and Bowling wanted to return the vehicle to Sperry Ford Sales.
- Bowling claimed that he did not have contractual capacity to enter into the contract, and as such, the contract was voidable thus allowing him to disaffirm the contract.
- Sperry argued that because the contract was for necessities, the minor had no right to disaffirm the contract.

BEFORE YOU BEGIN

Capacity to Contract

In order to enter into a binding contract, each party must have legal contractual "capacity." To have legal capacity to enter into a contract, each of the parties must have reached the "age of majority." In other words, 18 years old.

Voidable Contracts

Contracts that are entered into by minors are "voidable" at the option of the minor, unless a parent or guardian represented the minor at the time of the contract formation. While minors may cancel a contract that they entered into, the other party to the contract does not have the same right to cancel an otherwise valid contract.

Disaffirmance

Where a minor cancels, or disaffirms, a contract before he or she reaches 18 years of age.

Contracts for Necessities

An exception to a minor's right to disaffirm a contract is in the case of a contract for necessities, for example, food, clothing, and shelter. Minors cannot cancel these types of contracts. The court looks to whether the item, in this case a "car," is so needed by a minor, in view of his situation in life, his social status, and financial position, that he could not maintain that lifestyle without it.

ISSUE BEFORE THE COURT

Whether a minor, when accompanied by an adult, who purchases an automobile from a car dealer, may disaffirm the sale after the automobile breaks down and needs repair.

Whether an automobile was a necessity for the minor.

THE FACTS

The Plaintiff, Larry Bowling, a minor, sued the Defendant, Max E. Sperry (Sperry Ford Sales), in an effort to disaffirm and set aside a contract for the purchase of an automobile on the grounds that he was a minor when he entered into the contract.

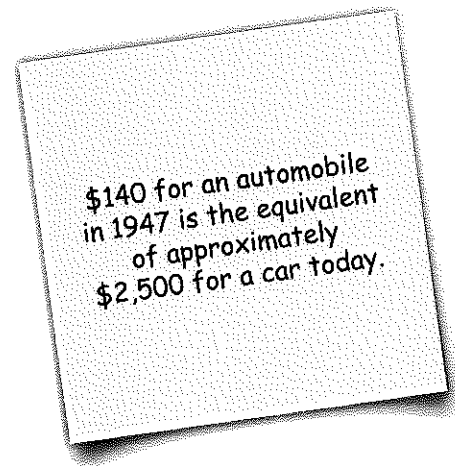
Larry, a 16-year-old high school student from Cromwell, Indiana, worked at a restaurant in Syracuse, Indiana. Because this summer job was at a restaurant eight to nine miles away from his home, he decided to buy a car.

On June 29, 1957, Larry went to the local car dealer, Sperry Ford Sales, with his aunt and grandmother. Larry had lived with his grandmother for most of his life. He decided to purchase a 1947 Plymouth automobile for the sum of \$140 from Sperry Ford Sales. He put \$50 down on that day and returned July 1 to pay the balance of \$90 and take possession of the car.

The acting manager for Sperry Ford Sales, who sold Larry the car, testified that when Larry's aunt and grandmother came to the sales lot on June 29, "they" said Larry needed something for him to get back and forth to work. Larry then selected the car, and his aunt drove the car around the lot at that time.

Sperry delivered to Larry a certificate of title and a written receipt in Larry's name alone. This receipt stated that as of June 29, 1957, Sperry Ford Sales sold to Larry Bowling a 1947 Plymouth for the amount of \$140 paid in full. Sperry was fully aware of Larry's age when the sale was negotiated.

Larry drove the car several times during the following week and discovered that the main bearing was burned out. He brought the car back to Sperry's where Larry learned it would cost \$45 to \$95 to make

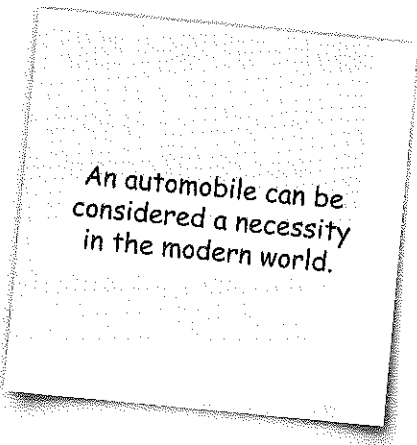


repairs. He refused to pay this amount and left the car on Sperry's lot. Subsequently, he mailed a letter to Sperry to the effect that he disaffirmed the contract of purchase and demanded the return of his money. Upon Sperry's refusal to pay back the \$140, this lawsuit followed.

At trial, Sperry defended the action on grounds that Larry was with his grandmother and aunt on the day he purchased the car and that his aunt actually paid for the car.

It was also revealed at trial that Larry's aunt loaned him \$90 in order to make final payment on the car and that he began paying his aunt back at \$10 a week.

Larry testified that during the short period of time he had possession of the 1947 Plymouth, he only used it for pleasure and did not drive it to work.



An automobile can be considered a necessity in the modern world.

Sources

The case briefing above contains excerpts and direct extractions from the sources noted below that have been combined with the author's own expert legal input. The case has been condensed and formatted from its original content for purposes of this workbook.

Bowling, etc. v. Sperry, etc., 133 Ind. App. 692, 184 N.E.2d 901 (1962).

Court of Appeals Indiana

September 10, 1962. Opinion written by the Honorable Justice Walter Myers, Jr.

You Be the Judge!

NAME

DATE

Review the Case

After reading Bowling v. Sperry, answer the following:

1. Identify the Plaintiff(s) in the case.

2. Identify the Defendant(s) in the case.

3. What remedy did the Plaintiff seek from the court?

4. How old was Larry Bowling when he purchased the vehicle?

5. Who did Larry live with at home?

6. Who accompanied Larry when he went to Sperry Ford Sales?

7. Why did Larry need a car?

8. Did Larry purchase a car? If so, what model did he buy and for how much money?

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Review the Case (continued)

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9. Did Larry test drive the car before he purchased it?

10. What problems did Larry discover the car had? How much would it cost to fix the car?

11. What did Larry do when he was told about the price of repair?

12. Did Larry use the car to drive to work while it was in his possession?

13. What is Sperry Ford's defense to Larry canceling the contract and demanding his money back?

14. Bonus: Do you believe that a teenager owning his/her own car is as necessary as food, clothing, or living in a home or apartment?

NAME

DATE

Make the Argument

In order for the judge or jury to render a decision, the following are some of the questions that must be considered:

1. Did a contract exist between Larry and Sperry Ford Sales?

2. Was Larry a minor at the time he entered into the contract?

3. Did Larry use the car for pleasure or for work? Was it a necessity in view of his situation in life, his social status, and his financial condition, so that he could not maintain his lifestyle without it?

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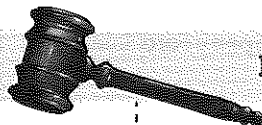
NAME _____

DATE _____

You Be the Judge

Having reviewed the case and considered the questions involved, decide the case for either the **Plaintiff** or the **Defendant**:

Decision for the Plaintiff



Decision for the Defendant

Larry Bowling

Sperry Ford Sales

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