

Chp 24 dis

Law



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Chapter 24 discussion James A. Arnold and Marvin D. Smith signed two promissory s for a total of \$25, 000 payable to the Bostwick Banking Co. The defendants argued that they were not liable on the notes because they had signed as agents for Sunshine Sales Corp. The notes made no reference to Sunshine, but the defendants alleged that an officer at Bostwick had promised to type " Sunshine Sales Corporation" above their signatures on the notes. Are the defendants liable on the notes?

A promissory note is a written agreement and it contains the names of the parties (the promisor and the promisee), the amount of consideration (money) to be paid, terms of payment (include date of payment or how the payment is to be made) and in case of interest, then it is also indicated in the note. The above are the conditions and instructions present in a promissory note and after it is signed, it is considered legally binding (Miller and Jentz, 394).

In the above mentioned case, even though the defendants were acting only as agents of the real promisor who is Sunshine Sales Corp., the promissory note that they signed did not indicate that and hence they are the once considered to be the promisor in this situation. The defendants indicate that a bank officer promised to type the name but they have no witnesses or evidence of such a conversation and hence it cannot hold water in a court of law.

They are therefore liable on the notes and all the evidence from the promissory notes states that. If only they had indicated the name of Sunshine Sales Corp. or they had waited until the name was indicated by the bank officer, then they would not be liable as they are now.

Works Cited

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Miller, Roger and Jentz, Gaylord. Business Law Today: The Essentials. New York: Cengage Learning, 2010.