

Hoover motor express co



**ASSIGN
BUSTER**

FACTS: The Hoover Motor Express Company delivered a written offer to purchase certain real estate to the Clements Paper Company on November 19, 1949. Williams, who is a vice president at Clements, had been authorized in December to accept Hoover's offer, yet he did not contact Hoover by telephone until January 13, 1950 because he believed he would accept the offer unless he could negotiate a better deal. Clements made a written acceptance of Hoover's offer on January 20, 1950. Hoover refused to perform, claiming that the offer was revoked on January 13. Clements stated that Hoover did not revoke its offer on January 13.

Hoover claimed that Clements accepted Hoover's offer on January 20. Clements filed suit against Hoover for breach of contract and asked the trial court for specific performance or damages. The trial court ruled in favor of Clements in holding that Hoover's offer had not been revoked on January 13. Hoover appealed and the Court of Appeals affirmed the decree. Hoover petitioned for certiorari to the Supreme Court of Tennessee.

ISSUE: Did the lower court err when it held that Hoover's offer had not been revoked on January 13, because Williams believed that he would accept the offer unless he could negotiate a better deal?

LAW: " The continued existence of the offer until acceptance, is, however, necessary to make possible the formation of the contract." 12 American Jurisprudence, p. 531. " Under a discussion of ' Termination of Offer,' it is sufficient to constitute a withdrawal that knowledge of acts by the offerer inconsistent with the continuance of the offer is brought home to the offeree." 55 American Jurisprudence, p. 488. " revocation of an offer may be made by a communication from the offeror received by the offeree, which

states or implies that the offeror no longer intends to enter into the proposed contract, if the communication is received by the offeree before he has exercised his power of creating a contract by acceptance of the offer.” Restatement of the Law of Contracts, Section 41, p. 49.

REASONING: Hoover’s written offer of November 19 was withdrawn on January 13 thereafter prior to its attempted acceptance on January 20. There is no material evidence, but when communication by the offeror gives an offeree reason to know that an offeror may no longer consent to a transaction, that communication constitutes a revocation. There can be no doubt as to it being a fact that knowledge was brought home to Williams that Hoover no longer consented to the transaction on January 13. There was no offer continuing up to the time of the attempted acceptance on January 20.

HOLDING: Reversed and remanded.