

Stepp v. Freeman

119 Ohio App. 3d 68, 694 N.E.2d 792 (1997)

Course

Contracts

Keyword Subject

Breach of Contract, Implied-in-fact

Facts

The defendant (Freeman) ran a lottery group that would, when the lottery reached over \$8 Million, purchase a total of 2 tickets each for its 20 members. The membership of this group was capped at 20 people, with a waiting list for when a member would leave the group. Leaving the group was also a semi-formalized process in which defendant would consult any member that hadn't paid in and was interested in leaving before they were removed from the pool.

The plaintiff (Stepp) was a longstanding member of this lottery pool. He also had a role in the group of collecting the tickets after they had been purchased and photocopying them to distribute to each of the group's members.

On Wednesday, March 3, 1993, the group won a \$8 Million jackpot. Prior, defendant and plaintiff got into a work-related dispute that led defendant to abstain from telling plaintiff that the pool was purchasing tickets or collect money from him; telling another member "Stepp hasn't come around". When the group won, they split the money 19 ways and plaintiff sued for breach of contract.

Procedural History

Trial Court: In favor of plaintiff (Objections raised by defendant and overruled)

Appeal: In favor of plaintiff

Issue

Can an unstated, implied understanding between parties constitute an implied-by-facts contract and does that entitle a party to damages on breach?

Holding: Yes; Judgement Affirmed

Principle

The surrounding context around an implied and unstated agreement can give it the weight of a legally binding contract

Reasoning

Separate Opinions

Notes