

Contracts
Petterson v. Pattberg
248 N.Y. 86 161 N.E. 428 (1928)

Keyword Subject

Unilateral Contract, Revocation

Facts

The plaintiff (Petterson) was the owner of 5301 Sixth Avenue in Brooklyn. Defendant (Pattberg) was the owner of a bond executed by Plaintiff, secured by the mortgage on Plaintiff's property. Plaintiff sought to pay off \$780 of his loan in cash and approached Defendant with the offer. Defendant agreed, offering the unilateral contract in a letter. However, when Plaintiff approached Defendant with the cash, Defendant rebuffed him, informing him that he had sold Plaintiff's debt and so that deal was off the table.

Procedural History

Trial Court: In favor of Plaintiff

Appeal: In favor of Defendant

Issue

Can an offerer revoke an offer to accept payment so long as that payment hasn't yet been tendered?

Holding: Yes; Ruling Reversed

Principle

Such a contract can be revoked up until the point where the offerer receives and accepts their payment

Reasoning

Separate Opinions

Lehman, J: Defendant's letter constituted a promise to accept payment if Plaintiff comes and offers it. The distinction between "offering payment" and "tendering payment" in this situation can only confuse the results. If the offer was to accept payment, but allows the offerer to deny that the promise is binding until after they have accepted it then the offer doesn't mean anything.

Notes