A man moved into his widowed grandfather's farmhouse. At the time, the man worked as a power plant operator earning a substantial salary plus benefits. Nevertheless, the man left that job to farm his grandfather's land after the grandfather orally promised the man that if he did so, he would inherit the farm. The man borrowed money to purchase farm equipment, cleared the land, installed irrigation, and planted crops. The grandfather told neighbors and family members that the farm belonged to the man.

Fifteen years later, the grandfather died testate. The grandfather's will specifically devised the farm to his oldest son. The man immediately filed a complaint seeking legal title to the farm.

Is the man likely to prevail?

A. No, because contracts for the sale or transfer of land fall under the statute of frauds and must be in writing in order to be enforceable.

B. No, because the grandfather and man's conduct was insufficient to indicate the assent required to create an implied-in-fact contract.

C. Yes, because the court will construct a quasi-contract between the man and the grandfather to remedy unjust enrichment of the grandfather's estate.

D. Yes, because the man reasonably and detrimentally relied on the grandfather's promise.

Explanation:

Contracts for the sale or transfer of land fall under the statute of frauds and must therefore be in *writing* to be enforceable. Since the grandfather's promise to the man was *oral*, there is no enforceable contract **(Choice A)**. However, the man can still prevail under a theory of **promissory estoppel**. This equitable doctrine allows a party to **enforce another's promise** when no valid contract was formed. It applies when:

- the promisor **reasonably expected** to **induce reliance** on the promise
- the enforcing party **reasonably relied** on the promise
- the enforcing party suffered **substantial detriment** as a result of such reliance *and*
- **injustice** can only be **avoided by enforcing** the promise.

Here, the grandfather should have reasonably expected the man to rely on his promise that the man would inherit the farm. In reasonable reliance on that promise, the man left his job to farm the land. This caused the man to suffer substantial detriment, as evidenced by the fact that he borrowed money and gave up a substantial salary plus benefits. And since it would be unjust *not* to enforce the grandfather's promise—especially after the man had farmed the land for 15 years—the man is likely to prevail.

(Choice B) An implied-in-fact contract arises when the parties' conduct indicates the requisite assent to be bound. But here, whether the grandfather and man's conduct was sufficient to *imply* a contract is irrelevant because only an express, *written* contract to transfer the farm would have been enforceable.

(Choice C) Courts can construct a quasi-contract* to compensate a party for a benefit conferred upon another and prevent the other's unjust enrichment. Here, quasi-contract might be a basis for the man to recover *compensation* for valuable improvements made to the land—but not *title* to the farm.

*This is also called an implied-in-law contract.

Educational objective:

Promissory estoppel applies when (1) the promisor reasonably expected to induce reliance on the promise, (2) the enforcing party reasonably relied on that promise, (3) the enforcing party suffered substantial detriment as a result, and (4) injustice can only be avoided by enforcing the promise.

References

- Restatement (Second) of Contracts § 90 (Am. Law Inst. 2011) (promise reasonably inducing action or forbearance).

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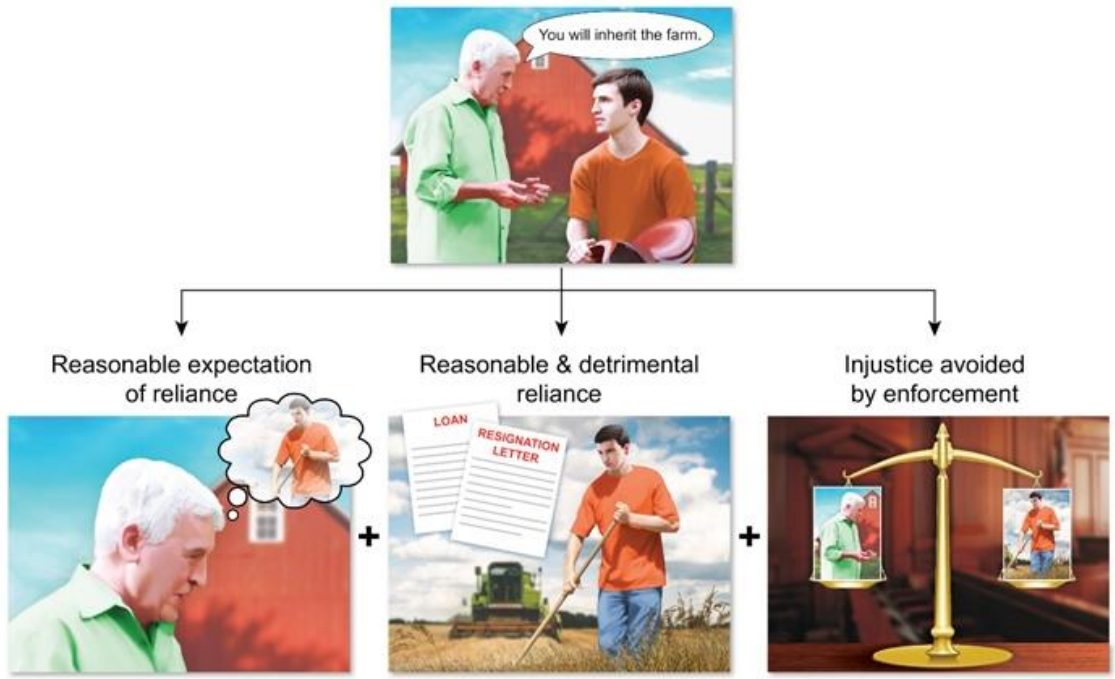
Elements of promissory estoppel



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