

A film star moved to the West Coast to further his acting career. He agreed to work for a motion picture studio for the next five years, leased a high-rise condominium for nine months, entered an agreement to purchase an exotic sports car for \$250,000, and agreed to transfer ownership of his beach house to his girlfriend if she married him.

Which of these transactions is most likely to be enforceable without a signed writing?

- A. The employment agreement with the motion picture studio.
- B. The lease agreement with the luxury condominium corporation.
- C. The purchase agreement for the sports car.
- D. The agreement to transfer the beach house to the girlfriend.

### Explanation:

The **statute of frauds** requires the following contracts to be evidenced by a **writing** that contains all **essential terms** and is **signed** by the party against whom enforcement is sought (**MY LEGS**):

- **Marriage** – a contract made in consideration of marriage
- **Year** – a contract that cannot be completed within one year
- **Land** – a contract for the sale or transfer of an interest in real property
- **Executor** – a contract to pay an estate's debt out of the executor's personal funds
- **Goods** – a contract for the sale of goods for \$500 or more
- **Suretyship** – a contract to answer for the debt or duty of another

Therefore, in this scenario, the following transactions must be evidenced by a signed writing to be enforceable:

- The five-year employment agreement with the motion picture studio because it cannot be completed in less than one year **(Choice A)**
- The purchase agreement for the sports car (a good) because the \$250,000 sales price exceeds \$500 **(Choice C)**
- The agreement to transfer ownership of the beach house to the girlfriend because it (1) involves an interest in real property and (2) was made in consideration of her marriage to the film star **(Choice D)**

However, the nine-month lease agreement with the luxury condominium corporation does not fall under the statute of frauds—even though it involves an interest in real property. The reason is that **leases and easements for less than one year** are usually **excluded** from the statute.\* Therefore, this transaction is most likely to be enforceable without a signed writing.

\*Licenses and assignments of mortgages are also excluded from the statute of frauds.

### Educational objective:

Contracts that fall under the statute of frauds (MY LEGS) must be contained in a signed writing to be enforceable. Although this generally includes contracts involving an interest in real property, leases and easements for less than one year do not fall under the statute.

### References

- Restatement (Second) of Contracts § 127 (Am. Law Inst. 1981) (interests in land subject to the statute of frauds).

## Statute of frauds

Writing



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Signature

