

## Lesson Plan —Duress and Undue Influence

**Course Title:** Business Law

**Session Title:** Duress and Undue Influence

**Performance Objective:**

- Upon completion of this lesson, the student will define how duress and undue influence void a contract.

**Specific Objectives:**

- Students will recognize when genuine assent is not present.
- Students will identify the two key elements in undue influence.

### Preparation

**TEKS Correlations:**

This lesson, as published, correlates to the following TEKS. Any changes/alterations to the activities may result in the elimination of any or all of the TEKS listed.

- **120.45(c)(2)(E)**  
...describe defective agreements.
- **120.45(c)(2)(F)**  
...describe illegal agreements.
- **120.45(c)(2)(G)**  
...research contemporary cases dealing with contract law using appropriate online technology.
- **120.45(c)(5)(B)**  
...Identify the essentials of negotiability.

**Interdisciplinary Correlations:**

**English:**

**110.42(b)(6)(A) – Vocabulary Development**

...expand vocabulary through wide reading, listening, and discussing.

**110.42(b)(6)(B) – Vocabulary Development**

...rely on context to determine meanings of words and phrases such as figurative language, idioms, multiple meaning words, and technical vocabulary.

**110.42(b)(7)(F) – Reading/comprehension**

...identify main ideas and their supporting details.

**110.42(b)(7)(G) – Reading/comprehension**

...summarize texts.

**110.42(b)(7)(J) – Reading/comprehension**

...read silently with comprehension for a sustained period of time.

**Economics:**

**118.2(c)(8)(B) – Economics**

...analyze how financial institutions affect households and businesses.

**Accommodations for Learning Differences:**

[Lesson Plan/Curriculum Modifications Checklist](#)

[Guidelines and Procedures for Adapting Instructional Materials](#)

[Instructor Format for Curriculum Customization for Learning Differences](#)

[Sample Curriculum Customization for Learning Differences](#)

**Teacher Preparation:****References:**

1. Law for Business and Personal Use, Eighteenth Edition, John E. Adamson, Southwestern Cengage Learning
2. USA Today and local newspapers.
3. Television Network Newscasts and the Internet
4. uen.org (State of Utah Business Law Curriculum)

**Instructional Aids:**

1. "Genuine Assent and Undue Influence " PowerPoint Presentation
2. Internet
3. "What's Your Verdict?" Assignment
4. "Fraud Alert Assignment" Assignment
5. "Fraud Alert Assignment" Assignment Rubric

**Materials Needed:**

1. Construction paper
2. Scissors and glue
3. Poster board
4. Current newspapers

**Equipment Needed:**

1. Computers for students to complete projects
2. Projector for PPT

**Learner Preparation:**

1. Ask students to give examples of individuals who are more powerful or stronger who take unfair advantage of other people. Examples might include taking unfair advantage of the elderly, uneducated, or uninformed. These situations are examples of undue influence.
2. Describe an info commercial to the students. Some of these advertisements are very deceptive. The price mentioned in the advertisement may be only one of several future payments for the item. Usually the advertisements are for a limited time only; however, the commercial continues for days. Shelby orders a new piece of exercise equipment advertised on television for \$500.00 and charges it on her credit card. Normally this type of exercise equipment sells for \$800.00 in stores. Shelby is upset when she receives her credit card bill and a charge of \$780.00 for the exercise equipment. The additional \$280 was for shipping and handling. This information was in fine print at the end of the advertisement on

television and stated very quickly. Does Shelby have a legitimate chance to get out of this contract or is this a situation that involves “caveat emptor” (let the buyer beware)? Use this case as a topic introduction.

### Lesson Plan

**Introduction (LSI Quadrant I): Read the following cases and ask students to write their answers.**

1. **Case Scenario:** Mr. and Mrs. Brown were unfortunately killed in a serious automobile accident, leaving four children, ages 16, 17, 18, and 21 years old. At the time of the parents’ death, the children became close to a family friend known as “Uncle Bill” who offered to help the children with the maintenance of the house. He also offered to keep off their property people and family members who were harassing the children and trying to take over the family because they lived in the parent’s house alone after the automobile accident. In exchange, Uncle Bill had the children sign a paper, which he called a peace bond, in his lawyer’s office. Bill explained that this document would give him the right to kick people off their property. When the lawyer tried to explain to the children what they were signing, he was interrupted by Uncle Bill who assured the attorney that he and the children had discussed the document and they were in agreement. Later, when one of the children went to pay taxes on the property, she learned that the paper they signed was a deed transferring their property to Uncle Bill. The children filed suit to set aside the transfer, alleging undue influence. Uncle Bill claimed that the property was transferred to him because he fell and was injured while on the property and that the transfer was in settlement of his claim. The children indicated that when they signed the paper, it was blank with six lines on it. Should the court permit Uncle Bill to take the children’s property? Explain your answer.

**Answer:** No. Uncle Bill will not be allowed to take the property, and a jury must determine if there was undue influence on the children by Uncle Bill. Undue influence is the exercise of an improper influence over the mind and will of another to such an extent that action taken is not that of a free agent. Uncle Bill developed a relationship trusted by the children and used undue influence based upon that relationship.

2. Divide the class into teams. Ask students to use the Internet to research the following topics: undue influence, duress, prenuptial agreements and postnuptial agreements. Each team must report their information to the rest of the class.
3. Ask students if they think that politicians could have undue influence over other people. Then ask students to give examples of politicians who have illegally used their political clout over other individuals. What eventually happened to the politician?

#### **Important Terms for this Lesson:**

- genuine assent - agreement to enter into a contract that is evidenced by words or conduct between the parties
- voidable - a contract that can be withdrawn from because it lacks genuine



agreement


- rescission - backing out of a contract by asking for the return of what you gave in the transaction and offering to give back what you have received
- ratification - conduct suggesting that you intend to be bound by a contract
- duress - using an improper threat or act to obtain an expression of agreement
- undue influence - when one party to a contract is in a position of trust and wrongfully dominates the other party

### Outline










#### Outline (LSI Quadrant II):

Instructors can use the PowerPoint presentation, slides, handouts, current events, the Internet, and note pages in conjunction with the following outline.

MI	Outline	Notes to Instructor
 	<p>I. Genuine Assent and Duress</p> <p>A. Genuine Assent - true and complete agreement</p> <ol style="list-style-type: none"><li>1. voidable - duress, undue influence, mistake, misrepresentation, and fraud can make a contract voidable</li><li>2. rescission - injured party can cancel the contractual obligation and has the legal right to get back what has already been put into the contract</li></ol> <p>B. Duress - one person uses illegal apprehension and pressure when negotiating a contract</p> <ol style="list-style-type: none"><li>1. Threats of Illegal or Tortious Conduct</li><li>2. Threats to Report Crimes-you have a commitment to report a crime</li><li>3. Threats to Sue</li><li>4. Economic Threats</li></ol>	<p>A1 Voidable provides reasons to not be legally bound to a contract.</p> <p>B Examples of duress include threats and undue influence due to financial and political stature.</p>

	<p>II. Undue Influence and Assent</p> <p>A. The Relationship - trust, confidence, or authority must exist between the parties to the contract</p> <p>B. Unfair Persuasion</p> <p>C. Undue Influence - occurs when one party to the contract is in a position of trust and wrongfully dominates the other party</p>	<p>B When an elderly person who depends on one child for daily care may sell her home to that child for half its value, this is strong evidence of lack of free will.</p>
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**Copy and paste Multiple Intelligences Graphic in appropriate place in left column.**

								
Verbal Linguistic	Logical Mathematical	Visual Spatial	Musical Rhythmic	Bodily Kinesthetic	Intra- personal	Inter- personal	Naturalist	Existentialist

### Application

**Guided Practice (LSI Quadrant III):** Using the PowerPoint presentation, the teacher will explain duress and undue influence. After giving students examples of undue influence and duress, break the class into teams consisting of two students. Each team must write a situation that involves undue influence or duress. Students should use the Internet to research the topic when writing their scenarios.

### Independent Practice (LSI Quadrant III):

- Review Cards Assignment:** Give students the following legal terms: rescind, ratification, voidable, unfair persuasion, crime, duress, mutual assent, undue influence, genuine assent, threats and alternatives. Give each student in the class a flash card with a legal term. The student must clearly write the correct definition of the term on the back of the card. Now you are ready to play the review game "Flash Word." Each team has an equal amount of cards. The team can flash a term or definition for a legal term and the opposing team must either give the correct definition for the term or the term for the definition presented. Teams will earn one point for each correct answer.
- What's Your Verdict?:** Janice and Becky both work at a popular department store. Janice found out that Becky was stealing clothing and selling it at a discount rate to her friends. Janice approaches Becky and threatens to go to the police unless Becky shares the profits with Janice. Becky agrees, but after two months of cooperating with Janice, Becky refuses to pay Janice any more money. Janice threatens to sue Becky for breaking the contract. Does Janice have a defense?

**Answer:** Becky has the defense of duress. Janice's threats could also be the crime of extortion.

3. **Fraud Alert Assignment:** Design a brochure that will serve as a guide for individuals to avoid fraud, undue influence, and duress. The booklet must define each of these terms, give examples, and explain ways for individuals to protect themselves from becoming victims. The booklets should be helpful for senior citizens and others who are frequently targeted. This assignment will be evaluated using the associated rubric.

### Summary

**Review (LSI Quadrants I and IV):**

**Q:** List forms of legal duress.

**A:** These forms include threats of illegal or tortious conduct directed against a person's immediate family, near relatives, or home; legitimate threats to prosecute a crime or lawsuit; and threats of substantial economic harm. All of these examples would result in the contract being considered voidable by the party threatened.

**Q:** What are the key elements in undue influence?

**A:** The elements are a dependent relationship based on trust in, confidence in, or authority of the dominating party, and wrongful persuasion to enter into an unfair contract.

**Q:** What occurs when one party backs out of a transaction by asking for the return of what they gave and offering to give back what they have received?

**A:** Rescission

**Q:** What is ratification?

**A:** Ratification is conduct suggesting the intention to be bound by a contract.

### Evaluation

**Informal Assessment (LSI Quadrant III):**

1. Instructor will observe students during Independent Practice.
2. Instructor will assist students as needed

**Formal Assessment (LSI Quadrant III, IV):**

Project #1 and project #2 assigned for Independent Practice will be evaluated for completion according to directions. Answers for project 2 must be legally correct. Use the assigned rubric to evaluate project #3 assigned for Independent Practice (LSI Quadrant III)

**Extension/Enrichment (LSI Quadrant IV):**

1. You have learned that undue influence occurs when one party to a contract is in a position of trust and wrongfully dominates the other party. News reports frequently are full of stories where this type of case occurs—an attorney or financial advisor takes unfair advantage of a client by fleecing their savings; an agent or parent misuses the funds of a minor-age entertainer child; a caregiver convinces an elderly and possibly senile patient to sign over stocks. Find this type of case by reading magazine, newspaper, or Internet articles and answer

the following questions.

(1) What was the relationship between the parties to the contract? (2) What was the evidence of unfair persuasion being claimed by the disadvantaged party? (3) Was the contract proven to be fair? Why or why not?

**2. WRITE YOUR REPRESENTATIVE IN CONGRESS**

You work at an assisted care center and have become increasingly upset by individuals who take unfair advantage of the elderly. You are concerned about residents not receiving the care that has cost them a lot of money. Some insurance agents and investment representatives have befriended the residents to their financial advantage. You want Congress to pass tougher punishment laws for individuals who practice undue influence over the vulnerable elderly. Write a letter to state your concern and a suggested plan of action for your representative in Congress.

**Business Law - Duress and Undue Influence  
Independent Practice Assignment #1  
Review Cards Assignment**

**Student Name** \_\_\_\_\_

**Review Cards Assignment:** You will receive a flash card with one of the following legal terms: rescind, ratification, voidable, unfair persuasion, crime, duress, mutual assent, undue influence, genuine assent, threats and alternatives. You must clearly write the correct definition of the term on the back of the card. Now you are ready to play the review game “Flash Word.” Each team has an equal amount of cards. The team can flash a term or definition for a legal term and the opposing team must either give the correct definition for the term or the term for the definition presented. Teams will earn one point for each correct answer.

**Business Law - Duress and Undue Influence**  
**Independent Practice Assignment #2**  
**“What’s Your Verdict?”**

**Student Name**\_\_\_\_\_

Janice and Becky both work at a popular department store. Janice found out that Becky was stealing clothing and selling it at a discount rate to her friends. Janice approaches Becky and threatens to go to the police unless Becky shares the profits with Janice. Becky agrees, but after two months of cooperating with Janice, Becky refuses to pay Janice any more money. Janice threatens to sue Becky for breaking the contract. Does Janice have a defense?

**Business Law - Duress and Undue Influence  
Independent Practice Assignment #3  
Fraud Alert Brochure**

**Student Name**\_\_\_\_\_

Design a brochure that will serve as a guide for individuals to avoid fraud, undue influence, and duress. The booklet must define each of these terms, give examples, and explain ways for individuals to protect themselves from becoming victims. The booklets should be helpful for senior citizens and others who are frequently targeted. This assignment will be evaluated using the associated rubric.

**Making A Brochure : Fraud Alert Assignment  
Business Law - Duress and Undue Influence  
Independent Practice Assignment #3 Rubric**

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Student Name: \_\_\_\_\_

<b>CATEGORY</b>	<b>20</b>	<b>15</b>	<b>10</b>	<b>5 or less</b>
<b>Knowledge Gained</b>	All students in the group can accurately answer all questions related to facts in the brochure and to technical processes used to create the brochure.	All students in the group can accurately answer most questions related to facts in the brochure and to technical processes used to create the brochure.	Most students in the group can accurately answer most questions related to facts in the brochure and to technical processes used to create the brochure.	Several students in the group appear to have little knowledge about the facts or technical processes used in creating the brochure.
<b>Writing - Organization</b>	Each section in the brochure has a clear beginning, middle, and end.	Almost all sections of the brochure have a clear beginning, middle and end.	Most sections of the brochure have a clear beginning, middle and end.	Less than half of the sections of the brochure have a clear beginning, middle and end.
<b>Content - Accuracy</b>	All facts in the brochure are accurate.	99-90% of the facts in the brochure are accurate.	89-80% of the facts in the brochure are accurate.	Fewer than 80% of the facts in the brochure are accurate.
<b>Attractiveness &amp; Organization</b>	The brochure has exceptionally attractive formatting and well-organized information.	The brochure has attractive formatting and well-organized information.	The brochure has well-organized information.	The brochure's formatting and organization of material are confusing to the reader.
<b>Sources</b>	Careful and accurate records are kept to document the source of 95-100% of the facts and graphics in the brochure.	Careful and accurate records are kept to document the source of 94-85% of the facts and graphics in the brochure.	Careful and accurate records are kept to document the source of 84-75% of the facts and graphics in the brochure.	Sources are not documented accurately or are not kept on many facts and graphics.

**Total Score** \_\_\_\_\_  
**Maximum 100 Points**