

TITLE XXII.

Fraudulent Conveyances and Contracts.

CHAPTER 240.

FRAUDULENT CONVEYANCES AND CONTRACTS RELATING TO REAL ESTATE.

240.01	Conveyances, when void.	240.06	Conveyance of land, etc., to be in writing.
240.02	Conveyances not fraudulent, when.	240.07	Limitation of section 240.06.
240.03	Conveyances with power of revocation, void.	240.08	Contract for lease or sale to be in writing.
240.04	Such conveyances valid, when.	240.09	Specific performance.
240.05	Same subject.	240.10	Real estate agency contracts.

240.01 Conveyances, when void. Every conveyance of any estate or interest in land, or the rents and profits of lands and every charge upon lands or upon the rents and profits thereof, made or created with the intent to defraud prior or subsequent purchasers for a valuable consideration of the same lands, rents or profits, as against such purchasers, shall be void.

240.02 Conveyances not fraudulent, when. No such conveyance or charge shall be deemed fraudulent in favor of a subsequent purchaser who shall have actual or legal notice thereof at the time of his purchase, unless it shall appear that the grantee in such conveyance or person to be benefited by such charge was privy to the fraud intended.

240.03 Conveyances with power of revocation, void. Every conveyance or charge of or upon any estate or interest in lands containing any provision for the revocation, determination or alteration of such estate or interest or any part thereof, at the will of the grantor, shall be void as against subsequent purchasers from such grantor for a valuable consideration of any estate or interest so liable to be revoked or determined, although the same be not expressly revoked, determined or altered by such grantor by virtue of the power reserved or expressed in such prior conveyance or charge.

240.04 Such conveyances valid, when. Where a power to revoke a conveyance of any lands or the rents and profits thereof and to reconvey the same shall be given to any person other than the grantor in such conveyance, and such person shall thereafter convey the same lands, rents or profits to a purchaser for a valuable consideration, such subsequent conveyance shall be valid in the same manner and to the same extent as if the power of revocation were recited therein and the intent to revoke the former conveyance expressly declared.

240.05 Same subject. If a conveyance to a purchaser, under either section 240.03 or 240.04, shall be made before the person making the same shall be entitled to execute his power of revocation it shall nevertheless be valid from the time the power of revocation shall actually vest in such person in the same manner and to the same extent as if then made.

240.06 Conveyance of land, etc., to be in writing. No estate or interest in lands, other than leases for a term not exceeding one year, nor any trust or power over or concerning lands or in any manner relating thereto shall be created, granted, assigned, surrendered or declared unless by act or operation of law or by deed or conveyance in writing, subscribed by the party creating, granting, assigning, surrendering or declaring the same or by his lawful agent thereunto authorized by writing.

240.07 Limitation of section 240.06. Section 240.06 shall not be construed to affect in any manner the power of a testator in the disposition of his real estate by a last will and testament nor to prevent any trust from arising or being extinguished by implication or operation of law.

See note to 238.02, citing Estate of Russell, 10 W (2d) 346, 102 NW (2d) 768.

240.08 Contract for lease or sale to be in writing. Every contract for the leasing for a longer period than one year or for the sale of any lands or any interest in lands

shall be void unless the contract or some note or memorandum thereof, expressing the consideration, be in writing and be subscribed by the party by whom the lease or sale is to be made or by his lawfully authorized agent.

A contract of purchase contingent on obtaining "proper financing" is unenforceable and a note given as a down payment cannot be collected. *Gerruth Realty Co. v. Pire*, 17 W (2d) 89, 115 NW (2d) 557.

A description "the real estate owned by the sellers and located in the town of Oak Grove, now known as the 'Dobie Inn' and used in the business of the sellers" is insufficient since the sellers owned other property in the town. The buyers can recover their down payment less the sellers' expenses. *Stuesser v. Ebel*, 19 W (2d) 591, 120 NW (2d) 679.

Pitfalls in the standard offer to purchase form. 46 MLR 499.

240.09 Specific performance. Nothing in this chapter contained shall be construed to abridge the powers of courts to compel the specific performance of agreements in case of part performance of such agreements.

240.10 Real estate agency contracts. Every contract to pay a commission to a real estate agent or broker or to any other person for selling or buying real estate or negotiating lease therefor for a term or terms exceeding a period of three years shall be void unless such contract or note or memorandum thereof describing such real estate, expressing the price for which the same may be sold or purchased, or terms of rental, the commission to be paid and the period during which the agent or broker shall procure a buyer or seller or tenant, be in writing and be subscribed by the person agreeing to pay such commission.

Where an oral contract for the payment of a commission on the sale of real estate was void but the broker, in settling with the sellers, withheld and deducted a commission from the proceeds of the sale with the full knowledge, consent, and approval of the sellers, it amounted to a voluntary payment which could not subsequently be recovered by the sellers. *Geis v. McKenna*, 10 W (2d) 16, 102 NW (2d) 101.

be rendered by a broker in obtaining a suitable tenant for a building to be erected at a specified location, but which contained no other statement of the terms of rental acceptable to the owner of the real estate, was void for failure to express the terms of rental. *Wozny v. Basack*, 21 W (2d) 86, 123 NW (2d) 513.

Contingent financing clauses in real estate purchase contracts. *Rauschenbush*, 1963 WLR 566.

A contract under which services were to