

## CHAPTER 241

### FRAUDULENT CONTRACTS

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**241.02 Agreements, what must be written.** (1) In the following case every agreement shall be void unless such agreement or some note or memorandum thereof, expressing the consideration, be in writing and subscribed by the party charged therewith:

(a) Every agreement that by its terms is not to be performed within one year from the making thereof.

(b) Every special promise to answer for the debt, default or miscarriage of another person.

(c) Every agreement, promise or undertaking made upon consideration of marriage, except mutual promises to marry.

(2) Subsection (1) does not apply to a marital property agreement complying with ch. 766.

(3) (a) In this subsection:

1. "Affiliate," with respect to a bank, savings bank, savings and loan association, credit union, or farm credit institution, means a business entity that controls, is controlled by, or is under common control with the bank, savings bank, savings and loan association, credit union, or farm credit institution.

2. "Financial institution" means a bank, savings bank, savings and loan association, or credit union organized under the laws of this state, another state, or the United States or a farm credit institution organized under the laws of the United States.

(b) No action may be brought against a financial institution or its affiliate on or in connection with any of the following offers, promises, agreements, or commitments of the financial institution or its affiliate unless the offer, promise, agreement, or commitment is in writing, sets forth relevant terms and conditions, and is signed with an authorized signature by the financial institution or its affiliate and delivered to the party seeking to enforce the offer, promise, agreement, or commitment:

1. An offer, promise, agreement, or commitment to lend money, grant or extend credit, or make any other financial accommodation.

2. An offer, promise, agreement, or commitment to renew, extend, modify, or permit a delay in repayment or performance of a loan, extension of credit, or other financial accommodation.

(c) An offer, promise, agreement, or commitment by a financial institution or its affiliate described in par. (b) may not be enforced under the doctrine of promissory estoppel.

(d) This subsection does not apply to credit transactions that are subject to chs. 421 to 427.

(e) This subsection does not apply to any offer, promise, agreement, or commitment by a financial institution or its affiliate in connection with the issuance or use of a credit card, as defined in s. 421.301 (15), whether or not subject to chs. 421 to 427.

(f) This subsection does not prohibit any action or claim under s. 100.18 or for fraudulent misrepresentation under common law.

**History:** 1983 a. 186; 2015 a. 120.

A stock-purchase plan is not subject to this section. *Younger v. Rosenow Paper & Supply Co.* 51 Wis. 2d 619, 188 N.W.2d 507 (1971).

Although a contract was unenforceable due to the statute of frauds, a party providing services could recover upon quantum meruit. *Theuerkauf v. Sutton*, 102 Wis. 2d 176, 306 N.W.2d 651 (1981).

The plaintiff law firm was barred by sub. (1) (b) from enforcing the defendant's oral promise to pay a friend's legal fees. *Cook & Franke, S. C. v. Meilman*, 136 Wis. 2d 434, 402 N.W.2d 361 (Ct. App. 1987).

A person who retained a law firm to represent the interests of another person was responsible for payment of the legal fees. This section did not require that there be a written agreement to pay. *Brennan, Steil v. Colby*, 189 Wis. 2d 344, 525 N.W.2d 273 (Ct. App. 1994).

Contracts for an indefinite duration are terminable at will or are void for failure to comply with sub. (1). *Landess v. Borden, Inc.* 667 F.2d 628 (1981).

**241.025 Contracts for employment.** Any person who shall represent, as an inducement to the sale of any course of study, that that person or the school offering such course will, upon the purchaser's completion of such course, place such purchaser in employment unless there is a written contract between such school and an employer whereby the latter is bound to furnish such employment as represented, is guilty of a misdemeanor. Such purchaser shall be entitled, if such representation is made and no such contract exists, to have the purchase price, tuition, fee or other consideration paid for the course refunded and may recover the same in an action of debt.

**History:** 1991 a. 316.

**241.03 Croppers' contracts; filing, security interest.**

(1) No landowner-cropper contract is valid, except between the parties to the contract, unless the contract, subscribed by the parties, describing the premises and containing the entire agreement between the parties, or a copy of the contract, has been filed with the register of deeds of the county where the premises are located. The register of deeds shall file, endorse, enter and index croppers' contracts filed with the register of deeds in substantially the same manner as provided for financing statements covering security interests in fixtures.

(2) In case such cropper contract is not filed then, except between the parties thereto, the cropper shall be conclusively presumed to have title and possession to an undivided one-half interest in all crops covered by such contract and the relationship between the landowner and cropper to be that of landlord and tenant.

(3) Such cropper contract is not subject to ch. 409 unless the contract expressly creates a security interest.

**History:** 1991 a. 316; 1993 a. 301; 1997 a. 254.

**241.05 Presumption if possession not changed.** (1) In this section, "creditors" includes all creditors of the vendor or assignor at any time while the goods and chattels described in sub. (2) remain in the vendor's or assignor's possession or control.

(2) Every sale made by a vendor, of goods and chattels in the vendor's possession or control, and every assignment of goods and chattels, unless the same be accompanied by an immediate delivery and followed by an actual and continued change of possession of the things sold or assigned, shall be presumed to be fraudulent and void as against the creditors of the vendor or the creditors of the person making such assignment or subsequent purchasers in good faith; and shall be conclusive evidence of fraud unless it shall be made to appear on the part of the persons claiming under such sale or assignment that the same was made in good faith and without any intent to defraud such creditors or purchasers.

(3) Nothing contained in this section shall be construed to apply to contracts of bottomry or respondentia, nor to assignments or hypothecations of vessels or goods at sea or in foreign ports, or

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without this state; provided, the assignee or mortgagee shall take possession of such ship, vessels, or goods as soon as may be after the arrival thereof within this state.

**History:** 1991 a. 316; 2015 a. 196 ss. 101 to 103.

**241.09 Assignment of wages.** No assignment of the salary or wages of any married person is valid for any purpose unless the assignment is in writing signed by the person's spouse, if the spouse at the time is a member of the family, and unless the spouse's signature is witnessed by 2 disinterested witnesses. No assignment of the salary or wages of any person is valid as to any such salary or wages accruing more than 6 months after the date of the making of the assignment, except that any assignment of wages made in connection with a proceeding under s. 128.21 shall run concurrently with the period during which the amortization proceedings are in effect and shall become void upon the dismissal of the proceedings. Nothing in this section shall apply to assignments made under s. 109.09 or ch. 767, nor to any authorization from an employee to an employer directing deductions from wages to accrue in the future for union or employee club dues, insurance or annuities, war bond purchases, a revocable and voluntary deduction to a credit union or a state chartered financial institution operated primarily for the benefit of the employees of any particular employer or other financial institution under s. 705.01 (3), for contributions to the American Red Cross, a community fund or other similar charity, or any indebtedness to the employer. No assignment of salary or wages or voluntary deduction which is permitted under this section shall be valid if prohibited by s. 422.404.

**History:** 1971 c. 228 s. 44; 1971 c. 239, 307; 1973 c. 255; 1975 c. 12, 199; 1975 c. 380 s. 5; 1979 c. 352.

**Cross-reference:** See s. 422.404 (2) for a provision as to renewal of earnings assignment in consumer credit transactions.

Insurance renewal commissions are "wages" under this section. *Central National Bank of Wausau v. Dustin*, 107 Wis. 2d 614, 321 N.W.2d 321 (Ct. App. 1982).

**241.24 Board of trade contracts.** No contract for the future purchase, sale, transfer or delivery of personal property through a board of trade or organized commodity exchange is void when either party thereto intends, in good faith, to perform the same; and an intention on the part of either not to perform any such contract does not invalidate it if the other party in good faith intends to perform the same. No such contract is void because the vendor was not, at the time it was made, the owner of the property contracted to be sold; and in any action by either party for the enforcement of its terms or to recover damages for a breach thereof it is incompetent to show in defense, by any extrinsic evidence, that such contract had any other intent or meaning than it expresses; and it and all collateral contracts, agreements or securities growing out

of it or of which they may have formed the consideration in whole or in part are legal and valid. Nothing herein shall be construed to exclude evidence of fraud in the procuring of any such contract as is first mentioned herein, or of any collateral contract, agreement or security growing out of it, or that any such contract was not entered into upon sufficient consideration, or is not supported thereby, or that both parties intended to make a wagering contract.

**241.25 Transfer of bank book to be in writing.** No gift, sale, assignment or transfer of any saving fund bank book bearing evidence of bank deposits or of any interest in the deposits represented thereby, shall be valid unless the same shall be in writing and the same or a copy thereof delivered to the bank issuing such bank deposit book.

**241.27 Contracts requiring warning.** Every proposed contract for the benefit of any person, firm or corporation furnishing or supplying in any wise whatever, goods, wares or merchandise to hawkers or peddlers and which by its terms upon execution thereof would bind any person to answer for the debt, default or miscarriage of any such hawker or peddler, in lawfully or unlawfully disposing of such goods, wares or merchandise or the proceeds thereof, or which would bind any person to guarantee or answer for any debt or liability incurred by such hawker or peddler in acquiring any title to or interest in the goods, wares or merchandise to be disposed of by such hawker or peddler or in acquiring any title to or interest in any equipment intended to be used in conducting the business of such hawker or peddler, shall have plainly printed upon it, in red ink, in type not smaller than 10 point bold-face type, at the time of its execution and directly above the place for the signature of the person who would, by signing such contract, become obligated to so answer for the debt, default or miscarriage of any such peddler or hawker, the following statement: "Warning — this may obligate you to pay money". Every such contract not containing such statement shall be unlawful and in any action brought upon any such contract in any court of this state, such contract shall be construed in accordance with the laws of this state. The provisions of this section, however, shall not apply to any such contract where the same contains a provision expressly limiting the amount of the liability of each person obligated to answer for the debt, default or miscarriage of any such peddler or hawker.

**241.28 Unsolicited goods.** If unsolicited goods or merchandise of any kind are either addressed to or intended for the recipient, the goods or merchandise shall, unless otherwise agreed, be deemed a gift to the recipient who may use them or dispose of them in any manner without any obligation to the sender.