

De Butts Vs. Bacon

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Court : US Supreme Court

Decided On : 1810

Appeal No. : 10 U.S. 252

Appellant : De Butts

Respondent : Bacon

Judgement :

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ERROR TO THE CIRCUIT COURT

FOR THE DISTRICT OF COLUMBIA

SYLLABUS

If an agent, who has, by permission of his principal, sold eight percent stock, applies the money to his own use, and being pressed for payment gives a mortgage to secure the payment of the amount of the stock with eight percent

interest thereon, it is usury.

Error to the Circuit Court for the District of Columbia in a suit in chancery brought by Samuel De

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Butts against James Bacon and others, the object of which was to foreclose a mortgage made by Bacon to De Butts. The condition of the mortgage was that if the defendant, Bacon, should pay to the complainant the interest of eight percent upon \$1,000 of eight percent stock of the United States, loaned by the complainant to the defendant, and should further pay to the complainant "the said sum of \$1,000," &c.;, the deed should be void.

The defendant, Bacon, pleaded the statute of usury, alleging that it was a loan of money, and not of stock.

The facts of the case appeared to be that the complainant, Samuel De Butts, intending to speculate in a voyage with Captain Elias De Butts, authorized the latter to sell \$1,000 of eight percent stock of the United States, which he did through the agency of the defendant Bacon, who received the money. The plan of the voyage not having been prosecuted, the complainant wished to get his stock back again, but could not get either the stock or the money from Bacon. It was, however, finally agreed that Bacon should be considered as answerable for the stock, and should give a mortgage to secure the repayment of the stock and eight percent interest.

The court below decided the contract to be usurious, and decreed the mortgage to be void. Which decree this Court, after argument, by Swann, for the appellant, and Youngs, for the appellees,

Affirmed.