

**Eyre Vs. Potter**

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**Court :** US Supreme Court

**Decided On :** 1853

**Appeal No. :** 56 U.S. 42

**Appellant :** Eyre

**Respondent :** Potter

**Judgement :**

Eyre v. Potter - 56 U.S. 42 (1853)

U.S. Supreme Court Eyre v. Potter, 56 U.S. 15 How. 42 42 (1853)

**Eyre v. Potter**

**56 U.S. (15 How.) 42**

*APPEAL FROM THE CIRCUIT COURT OF THE UNITED*

*STATES FOR THE DISTRICT OF NORTH CAROLINA*

## **SYLLABUS**

Where a widow filed a bill in chancery complaining that immediately upon the death of her husband, the son of that husband, together with another person, had imposed upon her by false representations, and induced her to part with all her

right in her husband's estate for an inadequate price, the evidence in the case did not sustain the allegation.

It is not alleged to be a case of constructive fraud arising out of the relative position of the parties towards each other, but of actual fraud.

The answers deny the fraud and are made more emphatic by the complainants having put interrogatories to be answered by the defendants, and the evidence sustains the answers.

It will not do to set up mere inadequacy of price as a cause for annulling a contract made by persons competent and willing to contract, and besides there were other considerations acting upon the widow to induce her to make the contract.

The testimony offered to prove the mental imbecility of the widow should be received with great caution, and is not sufficient.

The bill was filed by Elizabeth E. Potter, during her lifetime, to which her executors afterwards became parties.

The opinion of the court contains an explanation of the case as it is set forth in the bill, and it is not necessary to repeat it.

Page 56 U. S. 54

MR. JUSTICE DANIEL delivered the opinion of the Court.

This is an appeal from a decree of the Circuit Court of the United States for the District of North Carolina, by which decree the bill of the appellant the complainant in the circuit court was dismissed with costs.

The allegations in the bill, on which the interposition of the court was invoked, are substantially as follows:

That Samuel Potter, deceased, the late husband of the complainant, died on the 29th of May, 1847, possessed of a large real and personal estate, consisting of

houses in the Towns of Wilmington and Smithville, in North Carolina, of a productive rice plantation, of an interest in one or more valuable saw mills, of a large number of slaves, of a considerable amount of bank and railroad stocks, and of other personal property; that the complainant who, at the time of her husband's death, was ignorant of the value of his property, had, from recent information, ascertained that the annual value of the real estate was more than \$6,000, perhaps equal to twice that sum, and that her share in her husband's personal property was worth not less than \$15,000; that by the laws of North Carolina the complainant, in addition to one year's maintenance for herself and family, in this instance amounting to not less than \$1,000, was entitled, in right of her dower, to one-third of her husband's real estate during her life, and to an absolute property in a child's part, or one sixth of the personalty, her husband having left surviving him four children and one grandchild; that by the laws of the same state, she had the prior right of administration upon the estate of her husband, and thereby the control of his assets, and a right to all the regular emoluments resulting from that administration; that the complainant is an aged and infirm woman, predisposed to nervous affections, and wholly inexperienced in the transaction of business; that during the last illness of her husband, being overwhelmed by daily and nightly watchings and anxiety, she became ill; that whilst she was thus sick and oppressed with affliction and infirmity, Samuel R. Potter, the son of her late husband, professing great sympathy and affection for the complainant, availing himself of her distressed

Page 56 U. S. 55

and lonely condition, and of her ignorance of the value of the estate, with which he was familiar, having been several years the manager of it, combined with a lawyer by the name of Mauger London to defraud the complainant, and to deprive her of her rights and interest in the estate, and succeeded in accomplishing this scheme in the following manner: in the prosecution of their plan they in the first place induced the complainant under an assurance that the measure would be in accordance with the wishes of her late husband, and would prove the best means of protecting and securing her interests, to relinquish to the said Samuel R. Potter,

her right to administer upon her husband's estate. In the next place by false representations as to the value of the estate, and the expense and trouble of managing it, they prevailed upon her to sell and convey to the said Samuel R. Potter, by a deed bearing date on the 31st of May, 1847, her entire interest in this wealthy and productive estate, for the paltry consideration of \$1,000, and a covenant for an annuity of \$600 during the complainant's life; and that even this small allowance was not otherwise secured to the complainant than by the single bond of said Samuel R. Potter, for the sum of \$2,000. That in the eagerness to effect their iniquitous purposes, the said Potter and London, in total disregard of her feelings and even of decency, did, on the day of her husband's death and before his interment, urge her acquiescence in their scheme, and on that day or the day succeeding, accomplished it, by extracting from the complainant a deed bearing date on the 31st of May, 1847, conveying to Samuel R. Potter the complainant's entire interest in her late husband's estate, and the instrument of the same date, whereby she relinquished to the same individual her right to administer upon that estate. The bill makes defendants the said Samuel R. Potter and Mauger London; charges upon them a direct fraud by deliberate combination, by misrepresentation, both in the suppression of the truth and the suggestion of falsehood, and in the effort to profit by the ignorance, the sickness, the distress and destitution of the complainant. The bill calls for a full disclosure of all the facts and circumstances attending the transactions therein alleged to have occurred; prays that the deed of May 31, 1847, from the complainant to said Samuel R. Potter may be cancelled; that the property thereby conveyed may be released and reconveyed to the complainant, and concludes with a prayer for general relief.

It is now the office of this Court to determine how far the foregoing allegations are sustained upon a proper construction of the pleadings, or upon the evidence adduced by either of the parties.

Page 56 U. S. 56

And here it may be proper to premise, that in the examination of the case made by the bill, it cannot be considered as one of constructive fraud, arising out of some

peculiar relation sustained to each other by the complainant and the defendants, and therefore to be dealt with by the law under the necessity for protecting such relation, but it is one of actual, positive fraud, charged, and to be judged of, according to its features and character, as delineated by the complainant, and, according to the proofs adduced to establish that character. Although cases of constructive fraud are equally cognizable, by a court of equity, with cases of direct or positive fraud, yet the two classes of cases would be met by a defendant in a very different manner. It seems to be an established doctrine of a court of equity, that when the bill sets up a case of actual fraud, and makes that the ground of the prayer for relief, the plaintiff will not be entitled to a decree, by establishing some of the facts quite independent of fraud, but which might of themselves create a case under a totally distinct head of equity from that which would be applicable to the case of fraud originally stated. In support of this position may be cited, as directly in point, the case of *Price v. Berrington*, decided by Lord Chancellor Truro, in 1851. *Vide* English Law & equity Reports vol. 7, 254.

The defendants, in this case, were clothed with no special function, no trust which they were bound to guard or to fulfill for the benefit of the complainant; they were not even the depositaries of any peculiar facts or information as to the subject matter of their transactions, or which were not accessible to all the world, and by an omission or failure in the disclosure of which, they could be regarded as perpetrating a fraud.

Recurring to the pleadings in this case, there is not alleged in the bill one fact deemed material to the decision of this controversy, which is not directly met, and emphatically denied, by both the defendants.

Although the age assumed for the complainant seems to be controverted by none of the parties, yet the assertions that, at the period of her husband's death, she labored under any unusual infirmity; that she was exhausted by fatigue and by anxious watchings at the bed of sickness, or was overwhelmed with grief, or even discomposed by the event which severed forever her connection with her husband, are assertions directly met, and positively contradicted; and in further contravention of these statements by the complainant, are the averments that the

intercourse of the complainant with her late husband, was of a very unhappy character, evincing not indifference merely, but signs of strong antipathy. Equally direct and positive are the denials in the answers of both the defendants, of the charges of

Page 56 U. S. 57

persuasion or inducement of any kind, or of any concealment or misrepresentation moving from the defendants, by which the complainant was or could have been influenced; and it is expressly denied by each of the defendants, that any proposition was by them, or either of them, submitted to the complainant for the sale of her interest in the estate, or for the relinquishment of her right to the administration. These positive denials in the answers, being directly responsive to the charging part of the bill, the latter, by every rule of equity pleading, must be displaced by them, unless those denials can be overcome by evidence *aliunde*. But by the peculiar frame and structure of the bill, in this case, the complainant has imparted to the answers, a function beyond a mere response to the recitals or charges contained in the bill. The complainant has thought proper specifically to interrogate the defendants, as to the origin, progress, and conditions of the transactions impugned by her; and as to the part borne in them, both by the defendants and the complainant herself. By the answers to these interrogatories, the complainant must therefore be concluded, unless they can be overthrown by proofs. How stands the case, in this aspect of it, upon the interrogatories and the evidence? The defendants, being called on to disclose minutely, and particularly their knowledge of and their own participation and that of the complainant in the transactions complained of declare that when those transactions took place, the complainant was in her usual health; was in possession of all her faculties, was exempt from any of those influence, such as grief and depression, which might have rendered her liable to imposition; was in possession, likewise, of all the knowledge as to the subject matter of the transactions requisite to judge of her own interests; that with such capabilities, and such knowledge, the complainant herself proposed the arrangement which was adopted, and although informed by both the defendants, that the consideration she proffered to receive was less than

the value of her interests in the estate, she urged and insisted upon that arrangement, assigning for it, reasons, which are deemed neither unnatural nor improbable, and which, although they might, to some persons, appear not to be judicious, she had the right, nevertheless, legally and morally, to yield to.

How does the history, thus given by the defendants, accord with the proofs in this cause?

And first as to the state of complainant's health and the condition of her mind and spirits as affected by the illness and death of her husband.

Benjamin Ruggles, who says that he is acquainted with the parties, states that he was with the husband of the complainant

Page 56 U. S. 58

every day during his illness, which lasted eight or ten days, and sat up with him two nights; that he saw the complainant every day; that she did not sit up either night that the witness was there; that she exhibited no sign of distress at the sickness of her husband, nor devoted much of her time to him, nor showed any sign of grief at his death; that on the night of her husband's death, the complainant attended to getting his burial clothes, which she handed to the witness, seeming calm and composed. The complainant was not sick during the witness' stay.

Josephine Bishop, also acquainted with the parties, was at the house of the deceased on the day of his death, returned there on the second day after that event, and remained three or four weeks. On the morning of the witness' return, the complainant, in a conversation, informed her that complainant intended to propose to the defendant, Samuel E. Potter, to make over to his wife all the complainant's interest in her husband's estate. Some two or three weeks after, the complainant said to the witness that she had sent for Mr. London to arrange her business for her, and felt greatly relieved and satisfied at the manner in which he had arranged it; that she had conveyed her interest in her husband's estate to Samuel R. Potter, who was to give her two thousand dollars in cash, six hundred dollars a year during her life, to furnish her board and a servant, and would have

given her more if she had asked it, but she was satisfied with the amount, which was as much as she would have use for. The complainant spoke of the defendant, London, in the strongest terms of approbation. She farther remarked to the witness, that she knew her interest in the estate of her late husband was worth much more than she had asked for it. Yet at the time of her marriage with him she had made over her own property to her children by a former marriage, and thought it nothing but right that his children should have the benefit of his property, besides that the greater part of the property consisted of slaves, and she would not own one for any consideration. Witness saw the complainant every day during the time she was at the house; she did not complain of ill health nor appear to be at all distressed, and witness had never seen her in better spirits. The conversations in which these declarations of complainant were made, were introduced by the complainant herself.

Margaret H. Wade, who is acquainted with the parties, states that she was three or four times at the house of defendant during his illness, and remained three or four hours during each time. Witness saw the complainant once only in the room of her husband; she stayed in an adjoining room. Witness did not perceive that the complainant was indisposed in any way, nor

Page 56 U. S. 59

did the complainant appear to be grieved during the illness of her husband nor after his death. In a conversation with witness some three or four days before decedent's death, the complainant asked the witness if she thought the decedent could live, and upon the reply of the witness that she did not think he could, the complainant observed that she was provoked at Samuel the defendant for forcing him to take first one thing and then another, "and make him live any how." Afterwards, on board of the steamboat returning from Smithville from the funeral of the decedent, the complainant told the witness, that she had made over her property to Samuel R. Potter, or intended so doing, on account of his wife Marian; that she was very fond of her, and wished to stay with her the residue of her life, though she did not know that her friends at the north would be willing that she should do so.

Without a farther and more protracted detail of the testimony adduced on the part of the defendants, it may be sufficient merely to advert to the depositions of Julia and Caroline Everett, of Edwin A. Keith, and of Sterling B. Everett, the last for many years the physician in the family of the decedent, and of the complainant herself, as fully sustaining the averments in the answers of the defendants, and the statements of the witnesses previously named, in relation to the capacity of the complainant, to her disposition and deportment towards her late husband, the effect of his illness and death upon her health and spirits, her knowledge of her rights and interest in the subject of her transactions with the defendants, the origin and fairness of those transactions, the objects for which, and the means and instrumentality by which, they were consummated. Nor can it escape observation, as a circumstance of great if not of decisive weight, that all this testimony is derived from persons familiar with the parties, living upon the immediate theater of the transactions in controversy, many of them more or less acquainted with the subjects embraced by them, witnesses, all of them free from imputation on the score of interest, and against whose veracity or intelligence no exception is even hinted.

Against an array of evidence like this, the question of equivalents or of exact adequacy of consideration cannot well be raised. The parties, if competent to contract and willing to contract, were the only proper judges of the motive or consideration operating upon them, and it would be productive of the worst consequences if, under pretexts however specious, interests or dispositions subsequently arising could be made to bear upon acts deliberately performed, and which had become the foundation of important rights in others. Mere inadequacy of price, or any other inequality in a bargain, we are told, is not to

Page 56 U. S. 60

be understood as constituting *per se* a ground to avoid a bargain in equity, for courts of equity, as well as courts of law, act upon the ground that every person who is not, from his peculiar condition or circumstances, under disability, is entitled to dispose of his property in such manner and upon such terms as he chooses, and whether his bargains are wise and discreet or otherwise, or profitable or

unprofitable, are considerations not for courts of justice, but for the party himself to deliberate upon. *Vide* Story's equity § 244, citing the cases of *Griffiths v. Spratley*, 1 Cox, 383, *Copis v. Middleton*, 2 Maddox, 409, and various other cases.

Again it is ruled that inadequacy of consideration is not of itself a distinct principle of equity. The common law knows no such principle. The consideration, be it more or less, supports the contract. Common sense knows no such principle. The value of a thing is what it will produce, and it admits of no precise standard. One man, in the disposal of his property, may sell it for less than another would. If courts of equity were to unravel all these transactions, they would throw everything into confusion, and set afloat the contracts of mankind. Such a consequence would of itself be sufficient to show the injustice and impracticability of adopting the doctrine, that mere inadequacy of consideration should form a distinct ground for relief. Still, there may be such an unconscionableness or inadequacy in a bargain, as to demonstrate some gross imposition or some undue influence; and in such cases courts of equity ought to interfere upon satisfactory ground of fraud; but then such unconscionableness or such inadequacy should be made out as would, to use an expressive phrase, shock the conscience, and amount in itself to conclusive and decisive evidence of fraud. *Vide* Story's equity § 245-246, and 9 Ves. 246; 10 *id.* 219; and other cases there cited.

But the contract between the parties in this case should not be controlled by a comparison between the subject obtained and the consideration given in a mere pecuniary point of view; added to this were the motives of affection for the wife of the grantee, the granddaughter of the grantor, a conviction in the latter of what justice dictated towards the children of the decedent in relation to his property; the prospect of ease and independence on the part of this elderly female; her exemption from the expense, the perplexities, and hazards of managing a species of property to the management of which expense and energy and skill were indispensable; property to the tenure of which she entertained and expressed insuperable objections. Here, then, in addition to the sums of money paid or secured to be paid, we see considerations of great influence which

naturally, justly, and lawfully might have entered into this contract, and which we think cannot be disregarded in its interpretation, upon any sound construction of the testimony in the cause. Upon the first view of this case, it may, in the spectacle of the widow and the son bargaining over the unburied corpse of the husband and the father for a partition of his property, be thought to exhibit a proceeding revolting to decorum, and one, therefore, which a court of equity, equally with a court of morals, would be cautious in sustaining, or be inclined to condemn; yet upon testing this proceeding by any principle of decency, as well as of law or equity, it is manifest that it could not be disturbed without benefit to the chief offender against such a test; for the evidence incontestably shows, that whatever in the conduct of the parties was inconsistent with the highest and most sacred relations in life -- whatever may be thought to have offended against the solemnity and decorum of the occasion -- was commenced and pressed to its consummation by the plaintiff in this case. Tried, then, by this standard, she should be left precisely where she has placed herself.

To avoid the consequences flowing from the acts of the complainant touching the matters of this controversy, the testimony of several witnesses, taken in the city of Philadelphia, has been introduced, to prove the mental as well as physical incompetence of the complainant. With respect to the character and purposes of this testimony, it may be remarked that a position in a court of justice founded upon what is in effect the stultification of the person who assumes that position, is one to be considered with much diffidence, as it admits in general the factum which it seeks to invalidate, and if the averments on which such position rests be true, the person occupying that position should be in court by guardian or committee. But in truth this testimony establishes no such position, either directly or inferentially, in reference to the complainant. In the first place, all these witnesses resided in a different state, and at the distance of many hundreds of miles from the complainant, and not one of them appears to have had any intercourse with her or to have seen her even for a series of years preceding the contract which it is essayed to vacate; nor to have been any knowledge of the

existence of that contract until after its completion; nor of the state of mind or of the health of the complainant at the period at which that contract was found. In addition to this ignorance of these witnesses, of the transaction under review, and of all the circumstances surrounding it, there is no fact stated by one of them which amounts to proof of incapacity on the part of the complainant to comprehend the character of her acts, and of the legal consequences incident to

Page 56 U. S. 62

them; and much less do they establish, as to her, such an aberration or imbecility of mind as would justify a presumption, and much less a legal conclusion, against the validity of any and every act she might perform. To such a conclusion only could the general expressions of opinion and belief of these witnesses apply, and such a conclusion they come very far short of establishing.

We are therefore of opinion that the decree of the circuit court should be

*Affirmed*, and the same is hereby affirmed with costs.

## **ORDER**

This cause came on to be heard on the transcript of the record from the Circuit Court of the United States for the District of North Carolina, and was argued by counsel. On consideration whereof, it is now here ordered, adjudged, and decreed by this Court, that the decree of the said circuit court in this cause be and the same is hereby affirmed, with costs.

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