

**Business Law**  
**Personal Property and Bailments**

**DIRECTIONS:** In each of the following hypothetical cases, make a decision and give an explanation pertaining to the facts given. List the page number where you found your answer.

1. Duane Wade sees his neighbor, Karen O'Neil, trimming her hedge by hand. Wade takes his power trimmer over and says, "I will let you use my power trimmer if you will trim my side of the hedge also." O'Neil accepts. Is there a bailment? Is there a contract? Explain your answer. Page # \_\_\_\_\_

**There is a bailment: there is also a contract. The conditions on which the trimmer was loaned are agreed on, and there is consideration.**

2. Bridget Lebel rents a power saw from Lane Roberts Hardware. She leaves it out in the rain, and it is badly damaged. Does she have to pay for the damages? Explain your answer. Page # \_\_\_\_\_

**Yes. This would be a mutual-benefit bailment, and Lebel breached her duty of ordinary care.**

3. Merchandise shipped by Brock Hedrick is destroyed in a train crash. The railroad company was not negligent. May Hedrick collect damages from the carrier? Explain your answer. Page # \_\_\_\_\_

**Yes. Hedrick may collect the declared value of the goods unless the carrier limits its amount of liability by contract.**

4. Tiffani Bays is intoxicated when she enters a railroad station and wants to buy a ticket to board the train. Must the carrier accept her as a passenger? Explain your answer. Page # \_\_\_\_\_

**No. A public carrier is not required to accept a passenger who is in no condition to look after himself or herself.**

**DIRECTIONS:** In each of the following real-life cases, make a decision and give an explanation pertaining to the facts given.

5. The plaintiff parked his car in the defendant's parking lot in the morning, in a space designated by the attendant. He paid a fee to park all day, locked the car, and took the keys. When he returned that evening, he found that the car was stolen. He sued, claiming the transaction was a bailment. The defendant argued that the transaction was not a bailment but a rental space, and the defendant did not have a duty to protect the plaintiff's car. How would you decide? Explain your answer. Page # \_\_\_\_\_  
*Sewall v. Fitz-Inn Auto Parks, Inc.*, 330 N.E.2d 853 (MA).

**The court held in favor of the defendant, saying that there was no bailment. The plaintiff took the keys with him. The defendant exercised no control over the car after collecting the fee and telling the plaintiff where to park.**

6. The Ridgely Operating Company operated an apartment hotel, accepting both transient guest and permanent residents. White rented an apartment on a long-term basis and moved in. After unpacking his trunk, he placed it in the hall to be taken to a storage room by the porter. The trunk disappeared. White contended that the company had absolute liability for the loss. Do you think this was correct? Explain your Answer. Page # \_\_\_\_\_ *Ridgely Operation Co. v. White*, 150 So. 693 (AL).

**No. The hotel has no absolute liability only to transient guests. White was a tenant, not a guest.**

7. At the railroad station, the plaintiff gave his suitcase to a porter employed by the defendant hotel. The porter customarily met the train and carried guest's baggage to the hotel. The plaintiff had been a guest at the hotel many times, but this time intended only to have his bag taken to the hotel. He later decided to register at the hotel and asked for his bag. The bag had disappeared. The plaintiff contended that he became a guest as soon as the porter took his bag and that the hotel was liable for the loss. Was his contention correct? Explain your answer. Page # \_\_\_\_\_ *Parker v. Dixon et al.*, 157 N.W. 583 (MN)

**No. If the plaintiff had indicated an intent to become a hotel guest at the time the porter took his bag, the guest relationship would have been established at that time. In his case, he intended only an ordinary bailment relationship, and the hotel would be liable only if it were proved to have been negligent.**