

Sculpture of Frauds

By Reg P. Wydeven
March 15, 2015

One of my favorite episodes of 'Seinfeld' is when George asks Elaine to take an IQ test for him so he can impress his new girlfriend, as he believes Elaine is far smarter than he is. While taking the test in a restaurant around the corner, Elaine is being constantly distracted by a conversation between Jerry and Kramer.

Kramer is upset because his mother's old boyfriend left his jacket at her house two years ago and he suddenly wants it back. Of course, Kramer has been wearing it because he meets a lot of women in the jacket and they're attracted to it. While trying to find an excuse to keep it, he asks Jerry if there's a "statue of limitations" on things like this.

Jerry corrects him by saying "it's statute of limitations." Doubtful, Kramer disagrees so Jerry concedes by saying, "Fine, it's a sculpture of limitations."

In addition to a sculpture of limitations, there's also a sculpture of frauds.

The statute of frauds is a legal premise that requires certain transactions to be documented in writing. The law recognizes many types of verbal contracts, but certain contracts must be in writing to be enforceable.

Under Wisconsin's statute of frauds, the following types of contracts must be in writing:

- those involving the sale of real estate;
- those that cannot be completed in one year; and
- those involving a surety, or the promise to take on the debt of another.

The Uniform Commercial Code, which governs the sale of goods and services, also invokes the statute of frauds requiring contracts for the goods over \$500 in value to be in writing.

To be enforceable, contracts under the statute of frauds must identify the parties, identify the subject of the contract, and spell out the essential terms and conditions of the deal. The rules are intended to reduce the chance of a party reneging on the agreement.

Despite the sculpture of frauds, however, big verbal contracts can still be enforced.

U.S. District Court Judge Jose Linares recently upheld a New Jersey verdict made last year where a jury awarded Wendy Starland \$7.3 million due to her under a verbal contract.

Parsippany record producer Rob Fusari was the man ordered to pay Starland. According to court records, in 2006, Starland was working for Fusari at the music label. Fusari purportedly asked Starland to go out and find a singer who would be "edgy, bold, confident, charismatic and 'someone that you can't take your eyes off of.'" If such a singer could be found, Fusari and Starland agreed to equally split the proceeds from her career.

During a performance in March of 2006 at 'The Cutting Room' in New York City, Starland discovered Stefani Germanotta. A few months later she and Fusari signed her to a record deal under the name Lady Gaga.

In a deposition taken for the trial, Lady Gaga supported Starland's claims, saying, "My understanding was that Wendy and him had initially agreed upon 50/50 perhaps before Wendy ever found me, and after I was signed to Rob and made music, Rob began to change his mind." The jury agreed, and Judge Linares upheld their decision.

Even though Starland won, every attorney will still recommend that all contracts be in writing. And FYI, the sculpture of limitations on a contract is six years.

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