

CHAPTER 3-04

AGENT AND THIRD PERSON RELATION

3-04-01. Agent warrants authority. One who assumes to act as an agent thereby warrants to all who deal with that person in that capacity that the person has the authority which the person assumes.

3-04-02. When agent liable as principal. One who assumes to act as an agent is responsible to third persons as a principal for that person's acts in the course of that person's agency in any of the following cases, and in no others:

1. When, with that person's consent, credit is given to that person personally in a transaction.
2. When that person enters into a written contract in the name of that person's principal without a good-faith belief in having the authority to do so.
3. When that person's acts are wrongful in their nature.

3-04-03. Surrender of property adversely claimed. If an agent receives anything for the benefit of the agent's principal, to the possession of which another person is entitled, the agent on demand must surrender it, or so much of it as the agent has under the agent's control at the time of the demand, to such other person, on being indemnified for any advance which the agent has made to the agent's principal in good faith on account of the same. The agent is responsible therefor, if the agent delivers it to the agent's principal after notice from the owner.