

Case

A B A Young Gentleman (an Officer in the
Guards) having contracted some debts which he could
not conveniently pay was persuaded to grant an Annuity
on his own life at a low rate of Purchase which having
done he was desirous in the Year 1778 of redeeming y^e same
and having applied to an Annuity Agent to get the money
it was proposed to him that he should have the money
wanted being £1050 on his granting an Annuity of £150
for his own life to be secured on an Estate of which he was
Tenant for life in possession. But y^e Agent for y^e Grantee
insisted on y^e foll. 9 Points before he w^old lend y^e Money
Viz^t That if A. B. redeemed or repurchased y^e Ann^y he
sho^uld pay £1125 instead of the 1050 £ the money advanced
which seems a shift & Continuance to avoid the Stat. of
Usury & a manifest proof that the Transaction was not
a plain bargain for an Ann^y without redemption but
a Trick to get a larger sum on Repurchase tho' the life of
C. D. must be of less Value. It was also insisted that
a Rec^y on y^e Estate sho^uld be appointed at y^e Expence
of the Grantor and that if A. B. was called abroad whereby
C. D. should be put to any extraordinary Expence in insuring
the life of A. B. That A. B. sho^uld pay such extra Expence
Necessity compelled a Compliance on the part of A. B. And it
was left to the Annuity Broker to draw the securitys for y^e
lender of the Money and thereupon By Indre lypite duly
executed & inrolled dated the 4th Sept^r 1778 Between the
said A. B. of the 1st part the s^d C. D. of the 2nd J. B.
(the agent) of the 3rd and J. W. (the Rec^y) of the 4th
Part In Consⁿ of 1050 £ p^d by C. D. to the said
A. B. the s^d A. B. grants to the s^d C. D. an Ann^y of
£150 for the life of him y^e s^d A. B. and charges y^e same
in a regular manner upon y^e premises ment^d in the
Deed with the usual powers of Entry & Distress for
Nonpayment. Then follows a Demise to J. B.

(the Annuity Broker) for a Term for the better securing of payment
of ye Annuity and after^{as} a power of appointment of J. W. to
receive the Rents and keep down the Annuity. A Covenant is
also in the deed that if A. B. was obliged to leave and quit
this Kingdom whereby the s^d C. D. sho^d be put to any
Extraordinary Expence in insuring the life of ye s^d A. B.
that then the s^d A. B. sho^d pay such Extraordinary expen^s
So that if ye s^d A. B. had been called into Action as an
Officer and the s^d C. D. had thought proper to insure his
life at 50 or 60 % the poor grantor of the Annuity was
bound to repay the Money. The Cov^t from C. D. to A. B.
for redemption of the Annuity is thus Viz. The said C. D. covenants
with A. B. that in case the s^d A. B. shall be minded to
repurchase or buy up the s^d Annuity That the s^d C. D. shall
and will on receiving the Anears thereof accept and take
the sum of £125 for the Repurchase of such Annuity of
£150 and deliver up the Securitys to be cancelled.

The s^d A. B. hath paid this Annuity upwth of 8 y^{rs}
great part of which time he had the Expence also of the
Rec^t to pay & from the Conduct of the Grantor of ye
Annuity The Grantor is disposed to do him no other favour
than a Court of Law or Equity will compel him.

My Opinion is therefore requested 1th Whether the
Contract above stated is not usurious and Void?

I think this bargain a very hard one, but as
A. B. was under no obligation to redeem the
annuity, if A. B. had died the day after it
was granted, C. D. must have lost his Money.
I apprehend, that it can not be deemed usurious.

2^{dly} If the Contract be not void will a Court of
Equity upon payment of ye sum of £1050 -
advanced & lawful Int^t together with what
has been paid for Insurance & lawful Int^t
thereon) after deducting what has been p^d
in the name of annuity) permit A. B. to
redeem or upon what other Terms will he
be allowed to redeem?

I do not conceive, that any of the foregoing

(Case)

A. B. being Tenant for Life of a Freehold Est. of the Gty Value of £600
in Consⁿ of £1200 paid him by C. D. Grants to C. D. a Life Annuity
of £200 payable out of the Estate Durⁿg the Term of the said A. B.'s Life
Subject to Redemption at the Will of the said A. B. upon Payment by him
to the said C. D. of the sum of £1300 being the first Principal
Money of half y^r Advance of the said Annuity

If in this Bargain a Legal one & or is it withⁿ the Stat of the
12th of Ann^s or any of Statute ag^t Usury

As A. B. is not bound to repay the principal and as the duration of
the Annuity is uncertain because depending on his Life, I think the
Bargain is legal and not within the Statute against Usury

J Mansfield
Samp^le Feby 6th
1773

Solicitor General -

Edwards -

of this case will induce a Court of Equity to
compel a redemption, or give R B any
relief, but upon the terms contained in the
deed.

J Mansfield

Temple Jan^y 14
1788

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For the opinion of
M^r. Mansfield

29^{as}

Rudd G. I am the