

Interoffice Memorandum of Law  
Features Chart – Implied Contracts

TO: Mr. Dudley Knox; Advanced Legal Research and Writing LGLA-2331-53500  
 FROM: Mr. Chris Rainbolt  
 DATE: April 27, 2015  
 IN RE: *Argo v. Shagrithaya*, 380 S.W.3d 249 (Tex. App.-Dallas 2012, pet. denied).  
*Effel v. McGarry*, 339 S.W.3d 789 (Tex. App.-Dallas 2011, pet. denied).  
*Finley v. Hundley*, 252 S.W.2d 958 (Tex. Civ. App.-Dallas 1952, no writ).

**Headnote #43 – Corporations and Business Organizations 🗝️ 1530, 1578**

“There was legally insufficient evidence of a legally enforceable agreement that majority shareholder and minority shareholder would receive same annual compensation while they remained active in corporation to support jury’s verdict in favor of minority shareholder in minority shareholder’s action for breach of implied contract; that shareholders had received same annual compensation in the past did not demonstrate agreement to continue same compensation scheme in the future, there was no indication that shareholders had any meeting of the minds over any other terms of minority shareholder’s employment, such as his specific job obligations or duration of employment, and agreement to ‘remain active’ was not sufficiently clear and definite.” *Argo v. Shagrithaya*, 380 S.W.3d 249 (Tex.App.—Dallas 2012).

<u>Case Style</u>	<u>Facts</u>	<u>Texture</u>	<u>Issue</u>	<u>Case Law</u>	<u>Statute</u>	<u>Appellate Court Decision</u>
<i>Argo v. Shagrithaya</i> , 380 S.W.3d 249, (Tex.App.-Dallas Aug 29, 2012).	Breach of contract in Dallas.	Partner salaries.	Did an implied contract exist to maintain equal salaries for managing shareholders?	“For a contract to be formed, the minds of the parties must meet with respect to the subject matter of the agreement and all its essential terms.” <i>Effel v. McGarry</i> , 339 S.W.3d 789.	N/A	No contract existed. Reversed. Finds for the appellant/defendant.
<i>Effel v. McGarry</i> , 339 S.W.3d 789, (Tex.App.—Dallas April 19, 2011).	Breach of contract in Dallas.	Credit card holder agreement.	Did an agreement exist between the assignee of a judgment and the original credit card holder?	“To constitute a contract, the minds of the parties must meet with respect to the subject matter of the agreement, and as to all of its essential terms.” <i>Finley v. Hundley</i> , 252 S.W.2d 958.	N/A	No contract existed. Reversed. Finds for the appellant/defendant.
<i>Finley v. Hundley</i> , 252 S.W.2d 958, (Tex.Civ.App.—Dallas Nov. 14, 1952).	Suit for reimbursement for value of goods delivered in Dallas.	Gasoline motor.	Did an agreement exist between the parties to reimburse appellee the proceeds from the sale of a gasoline motor?	“To constitute a contract the minds of the parties must meet with respect to the subject matter of the agreement, and as to all of its essential terms...” Tex.Jur., sec. 13, p. 27.	N/A	No contract existed. Reversed. Finds for the appellant/defendant.