

4028 AGENCY: TERMINATION: NOTICE TO THIRD PARTIES

Where a person has previously dealt with an agent of a known principal, or knows him or her to be the principal's agent, or is apt to deal with him or her on the basis of his or her knowledge of that relationship, he or she has the right to assume that the agent's authority continues, and he or she may continue so to assume until he or she knows or is notified of the principal's revocation of the agent's authority. There is no particular form of notice of revocation that is required, and, generally, it is sufficient if it imparts such knowledge to the third party as would put reasonable persons on inquiry as to the revocation of the agent's authority.

COMMENT

This instruction and comment were originally published in their present form in 1962. Editorial changes were made in 1994 to address gender references in the instruction. No substantive changes were made to the instruction.

Bernhagen v. Marathon Fin. Corp., 212 Wis. 495, 250 N.W. 410 (1933). 43 A.L.R. 1219; Restatement, second, Agency § 135 (1958). The Bernhagen case involved the continuance of an agent's apparent authority, even though his authority had been terminated.

Termination of an agent's authority by the principal does not revoke his or her apparent authority because that arises from a manifestation by the principal to third parties of his or her agent's authority to deal with them. The right of third parties to deal with agents on the basis of their apparent authority remains unaffected until they have knowledge or are notified that the agent's authority has been terminated. Restatement, second, Agency §§ 124A-133 (1958).