

Selling a Moped – Is a handshake enough?

Two of your law school classmates have made a “handshake” deal – Gwen will be selling her moped to Jack for \$1000.

You’ve talked to both of them. Here are the stories they tell:

Gwen: “My parents gave me a black Vespa GTS 300 Super for my birthday back in high school. I’m pretty sure it was a Vespa – it looks like one. It’s a black moped anyway. It has about 3,000 miles on it. I put 2,000 miles on the moped driving it to and from high school before going to college. My sister put another 1,000 miles or so on it doing the same thing. Jack offered me \$1000 for it, which he said seemed fair. I’m assuming that’s about fair market value, since I don’t know much about mopeds.”

Jack: “Gwen’s selling me her jet black Vespa moped. I’m psyched because jet black is my favorite color. She also takes great care of her stuff, so I’m sure the moped will be in great condition and only 3000 miles! We settled on \$1000, which I think is fair. My roommate just bought a black Yamaha Zuma 50F with similar mileage for about \$1000 and I’m pretty sure they look almost the same. Anyway, I’m so happy this deal came along – I really need a moped ASAP and I’ve only got \$1100, so this is perfect.”

Do you feel like a handshake deal is good enough?

Why not?