UNITED STATES DISTRICT COURT

DISTRICT OF RHODE ISLAND

JOHN BROW, REGINA BROW, and JOHN BROW, as Administrator of the Estate of DAVID BROW,
Plaintiffs,

v. C.A. No. 96-695-T

JOHN KEENAN, VINCENT DIGIULIO, and WIDECOM GROUP, INC.
Defendants

Consolidated With

VINCENT DIGIULIO and JOHN KEENAN,
Plaintiffs,

v. C.A. 96-725-T

WIDECOM, INC.,
Defendant.

MEMORANDUM AND ORDER DENYING WIDECOM'S MOTION FOR SUMMARY JUDGMENT

Widecom objects to the Report of Magistrate Judge Lovegreen dated August 5, 1998, recommending that Widecom's motion for summary judgment be denied.

Although there is merit to Widecom's contention that statements made by Widecom's principals after the alleged misrepresentations by John Keenan and Vincent DiGiulio and after the plaintiffs' alleged reliance on those statements cannot support a finding of apparent authority with respect to such misrepresentations, there is a genuine issue of material fact as to whether Widecom, nevertheless, is liable on the ground that it ratified the alleged acts of misrepresentation.

Ratification occurs when the purported principal affirms a prior act which was committed or professedly committed on the principal's account even though the act was not binding upon the principal at the time it was committed. See Restatement (Second) of Agency § 82. Although ratification is not a form of authorization, it has the same effect as authorization, namely, it makes the principal liable for the original act to the same extent as if the act had been authorized by the principal. See id. cmts. b, c.

Moreover, ratification of a previously unauthorized act may be inferred from the principal's failure to repudiate it. See Newport Oil Corp. v. Viti Bros., Inc., 454 A.2d 706, 707-08 (R.I. 1983); Restatement (Second) of Agency § 94.

In this case, the plaintiffs allege that John Brow had several conversations with Widecom's Vice President, Suneet Tuli, in which Brow informed Tuli that Keenan and DiGiulio, purportedly acting on behalf of Widecom, had sold him Widecom stock; that it was his understanding that Widecom had received the money and that Widecom was responsible for sending the shares. Brow further alleges that Tuli never disputed these statements. Moreover, it appears that, at some point, Tuli sent some of the shares for which the plaintiffs allegedly paid Keenan and DiGiulio.

Although the plaintiffs' allegations may be disputed, they create a genuine issue of material fact with respect to Widecom's liability. Accordingly, Widecom's motion for summary judgment is

denied.

IT IS SO ORDERED,

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Ernest C. Torres
United States District Judge
Date: , 1998

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