PRINCIPAL defined: contracts. One who, being competent to contract, and who is sui juris, employs another to do any act for his own benefit, or on his own account. 2. As a general rule, it may be said, that every person, sui juris, is capable of being a principal, for in all cases where a man has power as owner, or in his own right to do anything, he may do it by another. 16 John. 86; 9 Co. 75; Com. Dig. Attorney, C 1; Heinec. ad Pand. P. 1, lib. 3, tit. Sec. 424. 3. Married women, and persons who are deprived of understanding, as idiots, lunatics, and others, not sui juris, are wholly incapable of entering into any contract, and, consequently, cannot appoint an agent. Infants and married women are generally incapable but, under special circumstances, they may make such appointments. For instance, an infant may make an attorney, when it is for his benefit; but lie cannot enter into any contract, which is to his prejudice. Com. Dig. Enfant, C 2; Perk. 13; 9 Co. 75; 3 Burr. 1804. A married woman cannot, in general, appoint an agent or attorney, and when it is requisite that one should be appointed, the husband generally appoints for both. Perhaps for her separate property she may, with her husband, appoint an agent or attorney; Cro. Car. 165; 2 Leon. 200; 2 Bulst. R. 13; but this seems to be doubted. Cro. Jac. 617; Yelv. 1; 1 Brownl. 134; 2 Brownl. 248; Adams' E. 174; Runn. E. 148. 4. A principal has rights which he can enforce, and is liable to obligations which he must perform. These will be briefly considered: 1. The rights to which principals are entitled arise from obligations due to them by their agents, or by third persons. 5.-1st. The rights against their agents, are, 1. To call them to an account at all times, in relation to the business of their agency. 2. When the agent violates his obligations to his principal, either by exceeding his authority, or by positive misconduct, or by mere negligence or omissions in the discharge of the functions of his agency, or in any other manner, and any loss or damage falls on his principal, the latter will be entitled to full indemnity. Paley on Ag. by Lloyd, 7, 71, 74, and note 2 12 Pick. 328; 1 B. & Adolph. 415; 1 Liverm. Ag. 398. 3. The principal has a right to supersede his agent, where each may maintain a suit against a third person, by suing in his own name; and he may, by his own intervention, intercept, suspend, or extinguish the right of the agent under the contract. Paley Ag. by Lloyd, 362; 7 Taunt. 237, 243; 1 M. & S. 576 1 Liverm. Ag. 226-228; 2 W. C. C. R. 283; 3 Chit. Com. Law, 201-203. 6.-2d. The principal's rights against third persons. 1. When a contract is made by the agent with a third person in the name of his principal, the latter may enforce it by action. But to this rule there are some exceptions 1st. When the instrument is under seal, and it has been exclusively made between the agent and the third person; as, for example, a charter party or bottomry bond in this case the principal cannot sue on it. See 1 Paine, Cir. R. 252; 3 W. C. C. R. 560; 1 M. & S. 573; Abbott, Ship, pt. 3, c. 1, s. 2. 2d. When an exclusive credit is given to and by the agent, and therefore the principal cannot be considered in any manner a party to the contract, although he may have authorized it, and be entitled to all the benefits arising from it. The case of a foreign factor, buying or selling goods, is an example of this kind: he is treated as between himself and the other party, as the sole contractor, and the real principal cannot sue or be sued on the contract. This, it has been well observed, is a general rule of commercial law, founded upon the known usage of trade; and it is strictly adhered to for the safety and convenience of foreign commerce. Story, Ag. Sec. 423; Smith
When the agent has a lien or claim upon the property bought or sold, or upon its proceeds, when it equals or exceeds the amount of its value. Story, Ag. Sec. 407, 408, 424. 7.-2. But contracts are not unfrequently made without mentioning the name of the principal; in such case he may avail himself of the agreement, for the contract will be treated as that of the principal, as well as of the agent. Story, Ag. Sec. 109, 111, 403, 410, 417, 440; Paley, Ag. by Lloyd, 21, 22; Marsh. Ins. b. 1, c. 8, Sec. 3, p. 311; 2 Kent's Com. 3d edit. 630; 3 Chit. Com. Law, 201; vide 1 Paine's C. C. Rep. 252. 8.-3. Third persons are also liable to the principal for any tort or injury done to his property or rights in the course of the agency. Pal. Ag. by Lloyd, 363; Story, Ag. Sec. 436; 3 Chit. Com. Law, 205, 206; 15 East, R. 38. 9.-2. The liabilities of the principal are either to his agent or to third persons. 10.-1st. The liabilities of the principal to his agent, are, 1. To reimburse him all expenses he may have lawfully incurred about the agency. Story, Ag. Sec. 335 Story, Bailm. Sec. 196, 197; 2 Liv. Ag. 11 to 33. 2. To pay him his commissions as agreed upon, or according to the usage of trade, except in cases of gratuitous agency. Story, Ag. Sec. 323; Story, Bailm. 153, 154, 196 to 201. 3. To indemnify the agent when he has sustained damages in consequence of the principal's conduct for example, when the agent has innocently sold the goods of a third person, under the direction or authority of his principal, and a third person recovers damages against the agent, the latter will be entitled to reimbursement from the principal. Pal. Ag. by Lloyd, 152, 301; 2 John. Cas. 54; 17 John. 142; 14 Pick. 174. 11.-2d. The liabilities of the principal to third persons, are, 1. To fulfill all the engagements made by the agent, for or in the name of the principal, and which come within the scope of his authority. Story, Ag. Sec. 126. 2. When a man stands by and permits another to do an act in his name, his authority will be presumed. Vide Authority, and 2 Kent, Com. 3d edit. 614; Story, Ag. Sec. 89, 90, 91; and articles Assent; Consent. 3. The principal is liable to third persons for the misfeasance, negligence, or omission of duty of his agent; but he has a remedy over against the agent, when the injury has occurred in consequence of his misconduct or culpable neglect; Story, Ag. Sec. 308; Paley, Ag. by Lloyd, 152, 3; 1 Metc. 560; 1 B. Mont. 292; 5 B. Monr. 25; 9 W. & S. 72; 8 Pick. 23; 6 Gill & John. 292; 4 Q. B. 298; 1 Hare & Wall. Sel. Dee. 467; Dudl. So. Car. R. 265, 268; 5 Humph. 397; 2 Murph. 389; 1 Ired. 240; but the principal is not liable for torts committed by the agent without authority. 5 Humph. 397; 2 Murph. 389; 19 Wend. 343; 2 Metc. 853. A principal is also liable for the misconduct of a sub-agent, when retained by his direction, either express or implied. 1 B. & P. 404; 15 East, 66. 12. The general rule, that a principal cannot be charged with injuries committed by his agent without his assent, admits of one exception, for reasons of policy. A sheriff is liable, even under a penal statute, for all injurious acts, willful or negligent, done by his appointed officers, colore officii, when charged and deputed by him to execute the law. The sheriff is, therefore, liable where his deputy wrongfully executes a writ; Dougl. 40; or where he takes illegal fees. 2 E. N. P. C. 585. 13. But the principal may be liable for his agent's misconduct, when he has agreed, either expressly or by implication, to be so liable. 8 T. R. 531; 2 Cas. N. P. C. 42. Vide Bouv. Inst. Index, h.t.; Agency; Agent. A Law Dictionary Adapted To The Constitution and Laws of the United States of America and of the Several States of the American Union by John Bouvier Revised Sixth Edition, 1856
INTEREST defined: The most general term that can be employed to denote a right, claim, title, or legal share in something. In its application to real estate or things real, it is frequently used in connection with the terms "estate," "right," and "title." More particularly it means a right to have the advantage accruing from anything; any right in the nature of property, but less than title. The word "interest" is used throughout the Restatement of Torts, Second, to denote the object of any human desire. Sec. 1. The word "interest" is used in the Restatement of Property both generically to include varying aggregates of rights, privileges, powers and immunities and distributively to mean any one of them. Sec. 5. "Interest" which may disqualify a judge from hearing a suit is a personal proprietary or pecuniary interest or one affecting individual rights of the judge, and liability, gain or relief to judge must turn on outcome of suit. Mears v. Hall, 263 Ark. 827, 569 S.W.2d 91, 94. See also Add on interest; Adverse interest; Against interest; Beneficial interest; Community of interest; Compelling state interest; Compound interest; Conflict of interest; Contingent interest in personal property; Coupons; Equitable interest; Executory interests; Future interests; Identity of interests; Insurable interest; Leasehold interest; Legal interest; Lessee's interest; Lessor's interest; New York interest; Ownership; Pecuniary interest; Possessory interest; Public interest; Security interest; Senior interest; Terminable interest; Usury; Vested interest. Black’s Law Dictionary Sixth Edition (page 812)

ABSOLUTE INTEREST defined: Person has absolute interest in property when such is so completely vested in individual that no contingency can deprive him of it without his consent. So, too, he is the owner of such absolute interest who must necessarily sustain the loss if the property is destroyed. See also Fee simple; Title. Black’s Law Dictionary Sixth Edition (page 812)

DROIT defined: A French word, which, in that language, signifies the whole collection of laws, written and unwritten, and is synonymous to our word law. It also signifies a right, il n'existe point de droits sans devoirs, et vice versa. 1 Toull. n. 96; Poth. h.t. With us it means right, jus. Co. Litt. 158. A person was said to have droit droit, plurimum juris, and plurimum possessionis, when he had the freehold, the fee, and the property in him. Id. 266; Crabb's H. Eng. L. 400. A Law Dictionary Adapted To The Constitution and Laws of the United States of America and of the Several States of the American Union by John Bouvier Revised Sixth Edition, 1856 See: http://www.scribd.com/doc/228566830/Real-Principal-With-Interest-Droit-Droit