

Tips on Signing a Contract

- Read it in its entirety.
- Ask for explanation of any terms you don't understand.
- Seek legal counsel to understand all legal terms and the consequences of the terms on you.
- Make sure it includes all of the terms you requested.
- Unless it is a promissory note, sign multiple originals, or in the alternative, make sure you get either the original or a copy and all parties document their files as to who has the original.
- Initial any agreed upon changes.
- If signing as an officer or director or owner of a company, make sure the representative capacity is indicated on your signature line.
- If your signature requires a notary certification, do not sign it outside of the presence of the notary.
- Unless instructed otherwise, sign in blue ink so originals can be distinguished from black and white copies.
- Make sure all blanks are filled in.



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Supplier Agreements/Trade Accounts

Your

Signature

is More Than Your

Sign

A look at the fine print in contracts.

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We prepare the documents your loved ones most hope to find in your file cabinet: wills, living wills, powers of attorney, business agreements and real estate documents.

The fine print in contracts is important and can have serious consequences when put at issue and enforced.

Whether short or long, simple or complicated, contracts are generally enforced according to the terms on the page. Only under limited circumstances will outside testimony or evidence be allowed to expand upon the meaning of the terms. That means the fine print is also strictly construed.

Failure to read the contract is not a defense. Not understanding the terms of the contract generally is not a defense. And believe it, crossing your fingers when you sign the agreement is not a defense either. A federal court judge ruled against a defense of 'I did not mean it because my fingers were crossed.'¹

Supplier agreements have several examples of terms that affect many business and individual consumers. These agreements are generally prepared by the supplier.



Out of State Law to Apply

It is common for supplier agreements to provide that the laws of the state where the supplier resides will govern any disputes.

Out of State Courts to Preside

It is also common for supplier agreements to provide that the parties agree that any legal action will be brought in the state where the supplier resides.

Both of these Out of State provisions can be very expensive for the consumer if the supplier and consumer reside in different states. It could mean travelling across the country for the consumer to defend or to bring an action. That in turn will mean that the consumer will hire attorneys in that state as well. Finally, it also means that an attorney in the foreign state should be retained at the onset just to review the contract because local counsel will not be able to interpret the contract under the other state laws.

Attorney's Fees for the Supplier Only

The agreement may also provide that only the supplier can recover attorney's fees when successful in litigation. So, if the consumer is successful in litigation, he will not recover attorney's fees, yet if the supplier is, it will.

Personal Guaranty

Finally, supplier agreements may also include a provision that whoever is signing the agreement on behalf of a business consumer agrees to be personally liable for any credit extended by the supplier to the business.

Bargaining Position

In some instances some or all of these provisions may be negotiable and some may not, depending on the bargaining positions of the parties. If the provisions are not negotiable for the consumer, then the business decision is whether the deal is worth it. At which point the consumer will at least have made an educated decision.

So, your *Signature* on one of these types of agreements has serious consequences, rendering your acquiescence more than just a **SIGN**.

¹Robbins v. Lynch, 836 F.2d 330 (7th Cir. 1988)