

## SIGNING A BUSINESS CONTRACT?

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We all overlook stupid stuff once in a while. That's why professionals in many fields use checklists to help them do their jobs with greater confidence. If you sign business contracts for your company, the checklist below will help you guard against future legal or business problems for your company:

### 1. MAKE SURE YOUR ORGANIZATIONAL TITLE IS INCLUDED IN YOUR SIGNATURE LINE.

To guard against finding yourself personally liable for a company contract make sure you print your company title under your signature on every document you sign on behalf of the company.

### 2. SPOT CHECK FOR PROVISIONS THAT COULD CAUSE PROBLEMS FOR YOUR BUSINESS

If you're not familiar with the detailed provisions in the contract, consider asking your attorney to confirm that the contract has been vetted for provisions that could cause significant business problems down the road

### 3. CHECK WHETHER THE OTHER SIDE'S SIGNER HAS APPARENT AUTHORITY TO SIGN

Don't give the other side an unnecessary out allowing them to escape their contract obligations if the person who will sign the contract for them has a low ranking job title. It's worth checking whether they have signature authority to commit the company to the contract.

### 4. HAVE YOU ACTUALLY READ AND UNDERSTOOD THE CONTRACT?

Courts seldom have much sympathy for people who complain about a contract's terms but then admit, "I didn't read it before I signed it." Indeed, in most jurisdictions, the law presumes that anyone who has signed a contract has read and understood it. Ask your attorney to explain the contract to you if you are having difficulties understanding the terms before you sign it.



### 5. PERSONAL LIABILITY

Watch for other contract language that could make you personally liable, such as:

- You're not personally entering into the contract.
- You're not personally guaranteeing your company's obligations.
- You're not personally certifying the truth of particular facts.

### 6. UNLAWFUL CONTRACT PRACTICES

Don't backdate a contract for deceptive purposes

- Don't do hidden side letter agreements
- Don't engage in unlawful collusion



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