

Does An Attorney's Fee Clause Survive Contract Rescission?

If a contract is extinguished by rescission, it would seem that all of its provisions, including a prevailing party attorney's fee clause, would be extinguished. According to a California Court of Appeal decision handed down recently, that isn't necessarily the case, writes **Keith Paul Bishop** for the Allen Matkins **California Corporate & Securities Law** blog.

Bishop explains:

"The case involved a suit by a tenant and a guarantor (Paul Orozco) against a landlord for fraud. The tenant won an award of compensatory damages on its fraud claim and Paul Orozco succeeded in rescinding his guaranty of the lease. Although the guaranty included an attorney's fee clause, the trial court declined to award Orozco his fees. The Court of Appeal disagreed."

Read the article.