

Don't Assume That Closely Related Agreements Will Be Interpreted As One Contract

A post on the website of **The In-house Advisor** offers some cautionary advice about transactions that may be documented through a primary contract and subsidiary agreements that are referenced in, or even attached as exhibits to, the primary.

Shep Davidson of Burns & Levinson explains:

“While there is nothing inherently good or bad about papering a transaction this way, it is important to keep in mind that doing so may mean that the dispute resolution provisions of the primary contract do *not* apply if litigation arises and only involves a claimed breach of a subsidiary contract. Indeed, that is the hard lesson that was learned by the defendant in *National Dentix, LLC v. Gold*.”

He writes that the lesson here is that “even very closely related agreements still may be viewed as completely independent if there is a claim that only one of them has been breached.”

Read the article.