

How a Lapse in Record Keeping Can Lead to Non-Binding Contracts

A recent Delaware case serves as a reminder that a murky path to a signed agreement and lack of good record-keeping can lead to a finding of non-enforceable contracts, according to a **post** in the Taking Care of Business blog of White and Williams.

Authors **Lori Smith** and **Gwenn Barney** discuss a case in which an independent contractor for a company negotiated an arrangement to buy shares in the company. Although, both parties believed they had signed an agreement in 2007, because of the manner in which the drafts and signature pages were exchanged, the parties had differing understandings and recollections of what had actually been agreed upon.

The lack of any record trail, or “hard evidence,” in this case (other than the various drafts) made it difficult to find clear evidence of a meeting of the minds, the authors explain.

Read the article.