

Despite (or Because of) Extensive Negotiations, No Contract and No Promissory Estoppel

The 7th Circuit Court of Appeals had to decide a case in which the parties disagreed as to whether there was even a contract, raising the obvious question is whether there is a document with both parties' signatures. But this is not always definitive, explains **Stephen M. Proctor** in a **Risk Management Update** for Masuda Funai.

C.G. Schmidt, Inc. was a general contractor managing part of the construction of an 18-story office building in downtown Milwaukee for \$52 million, explains Proctor. It negotiated with Permasteelisa North America to supply a custom outer covering for weatherproofing and aesthetics and a substantial part of the project. "CGS won the bid for the building relying on PNA's bid. But PNA backed out. CGS claimed that it had an agreement with PNA for the curtainwall and relied on PNA's Subcontract when it submitted the bid. CGS sued PNA for breach of contract and promissory estoppel," Proctor explains.

It's clear there was no formal written contract with both CGS's and PNA's signature, but this did not prevent CGS from prevailing. In the end, CGS did not prevail, but it raised some arguments that the judge discussed at length.

Read the article.