The "Termination for Convenience" Clause: A Closer Look

Termination for convenience clauses can be found in almost any type of contract, so it is important to understand just what these clauses can (and cannot) accomplish, writes Roberts McGivney Zagotta LLC in its blog.

In the United States, there is no national standard or uniformly applicable rule for the interpretation of TFC clauses, each state may apply its own law — or, more specifically, the law of the state the parties consent to apply governs, the firm writes. However, TFC clauses generally cause confusion for businesses because of their name: such clauses, misleadingly do NOT generally allow one party to simply terminate a contract for simple "convenience".

The article describes a termination-for-convenience-clause case the firm handled for one of its clients.

Read the article.