

The Legal Strategist

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TEXAS ESOTERIC FACTS

- ◆ Since 1997 Texas residents can legally cast a vote from space. Ten Texans have, according to NASA.
- ◆ In Galveston, landing an airplane on the beach is illegal.
- ◆ In Mesquite, it is illegal for children to have unusual haircuts.

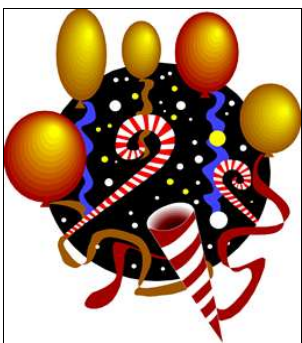
2010 may have been a challenging year for your business given the uncertainties of the current economic climate. Economic experts predict that 2011 will not be much better. In these demanding times, it is more important than ever to have your “legal ducks in a row” to protect your interest. The following topic, “New Year’s Resolutions For Your Business”, gives some very fundamental and basic strategies for protecting your business interests in the new year.

The Feature Topic is a cursory review. If you would like more information on this, or any other topic previously covered in our newsletter (which can be viewed on [The Legal Strategist](#) tab of our web site), please contact our office to set up a consultation.

Scott Barrett

FEATURE TOPIC:

NEW YEAR’S RESOLUTIONS FOR YOUR BUSINESS



Businesses, just as individuals, can undertake New Year’s resolutions to protect their legal position with potentially a difficult year ahead. Here are four good resolutions that should pay dividends for most businesses:

1. Operate under written and enforceable contracts. The drafting of standard terms for ordinary and extra ordinary transactions will drastically improve your legal position when it comes to disputes. Well thought out and properly drafted contracts can make or break your business. In developing contractual terms, consider which terms are the most important to your business and your business relationships. Make sure there are adequate contract terms to protect you and your business. Unfortunately, many companies operate with oral agreements or a handshake. If this is your standard mode of operation, be aware that when difficulties arise, these contracting methods may offer no legal protection.

2. Check that your employment contracts are current and comply with the law. Often, employers mistakenly believe that their interests are protected by employment agreements, only to discover that the agreement does not comply with the law and are therefore, ineffective.

3. If you operate a business with a partner or partners, have a buy-sell agreement in place. This vital agreement among partners, shareholders, family members, etc. will delineated the pre-agreed upon terms of when a partner can sell their interest, who can buy a their interest, and what price will be paid. These agreements come into play when a partner retires, goes bankrupt, becomes disabled, gets divorced, wants to divest, terminates their employment or dies. A buy-sell agreement can ensure the smooth continuation of your business.

4. Most importantly, resolve to enforce and protect your rights. Do not let late payments build up; be diligent with credit control; do not let breaches of contract go by without some formal action or letter; and register any and all intellectual property rights that are vital to your business.

The beginning of a new year is a good time to set new goals and resolve to improve your business. These four resolutions are fundamental and can go along way in helping you become successful in the coming year.

If you would like more information on the impact of arbitration clauses in your contracts, please contact [Scott Barrett](#) to set up a consultation.