

The Legal Strategist

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TEXAS ESOTERIC FACTS

In 1836 five sites served as temporary Capitals of Texas: Washington-on-the-Brazos: Harrisburg: Galveston: Velasco: and Columbia. Sam Houston moved the capital to Houston in 1837. In 1839 the capital was moved to the new town of Austin.

I am often asked by clients about what are the best ways to protect their business from litigation. While nothing will protect you 100% from potential litigation, there are two major areas that are ripe with litigation; Contracts and Employee Matters. However, with proper planning and execution, your risk can be vastly minimized. Drafting effective contracts and developing a concise and compliant employee handbook can greatly reduce your exposure to potential litigation.

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: Reducing Potential Litigation for Small Business



In our litigious society, any business can get sued—by a customer, an employee or another company. The number of ways for a business getting sued is mind boggling – ranging from discrimination and infringement to contract disputes.

The most common business lawsuits usually are contract and employment claims. The best way to avoid any misunderstanding and to protect your interests is to put everything in writing. Nothing is better at preventing lawsuits than a well-drafted contract or employee handbook.

Contracts:

All of your important business agreements need to be in writing. Oral agreements are very difficult to enforce, and they often leave you with no recourse for compensation or legal action if the other side fails to keep their end of the bargain. Make sure your contracts are well thought-out, drafted in your favor, and give you flexibility and protection. Remember, your contract will serve as a guide and a memorial of the agreement, and therefore should be well thought and, at the least, describe:

- All obligations the Parties are expected to fulfill;
- All parameters, such as a time frame, in which the terms of the contract will be met;
- The terms of a sale, lease, or rental;
- Payment terms and schedules; and
- Clearly establish all of the risks and responsibilities of the Parties.

Employee Handbook:

An employee handbook is an important communication tool between you and your employees. A well-written handbook sets forth your expectations for your employees, and describes what they can expect from your company. It also should describe your legal obligations as an employer, and your employees' rights as well as their limitations. As a further protection for your business, the handbook should be signed and dated by the employee.

Clear policies and procedures can prevent liability: in some states, courts may consider an employee handbook to be a binding contract, even if the employment relationship is at-will. If an employee has a dispute with his employer or gets a bad performance review, he may try to use the employee handbook as leverage or to prove some deficiency on the employer's part. A well-written and clear handbook can protect an employer; it sets forth a structure so when issues arise, neither the employee nor the employer will be surprised by the outcome.

If you would like more information on the necessity of proper and comprehensive contract drafting or a review and/or development of a concise and compliant employee handbook, please contact [Scott Barrett](#) to set up a consultation.

