



Chris Griswold, P.C.

News From the Firm

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Message From Chris....

“Joint and several liability,” *what does that mean?* You’ve seen this phrase hundreds of times and you’ve probably even signed documents and agreements before with these words in the text. I’ve seen more than a few people confused by the legal significance of this phrase and thought everyone would benefit from a quick talk on this subject. Take a look below... (and don’t forget to click on my Facebook or YouTube links below to also see my short video on this material).

Joint & Several Liability

Scenario: You and a buddy decide to start a new business. You find some good office space and, although you’ve recently formed a new corporate entity to act as the actual tenant under the lease, the landlord still wants you both to sign personal guaranties. A year later, you and your buddy have a falling out and your buddy then locks you out of the space but continues to operate from the space for about another 6 months thereafter. Unbeknownst to you, your buddy isn’t keeping up with the rent payments after he “*went solo.*” Accordingly, landlord later brings suit for the unpaid rent which has accrued under the lease (that your buddy wasn’t paying) and you get served one day for the breach of contract suit instituted against both you and your buddy by landlord. You look at your lease and you notice you both signed it as guarantors who “... ***shall be jointly and severally liable under the lease.***” **How could this scenario play out? Three different ways.**

Possible Outcome #1: Landlord could successfully, at their sole option, pursue just your buddy (not you) for the back due rent under the rationale that your buddy (not you) was actually operating from the premises and had locked you out. ***You’re happy of course.***

Possible Outcome #2: Landlord could successfully pursue you both under the rationale that, as guarantors who were both “...jointly and severally liable under the lease,” you both are equally liable under the lease for the back due rent. ***Not so great for you since you’re not even able to get into the space anymore after your “buddy” locked you out months ago.***

Possible Outcome #3: Landlord could successfully, after your buddy got killed by a drunk driver last month (ironically right after he got served with landlord’s breach of contract suit), decide to pursue just you alone for the back due rent (since your buddy is now deceased and died virtually bankrupt). ***Wow, you weren’t expecting that....***

What My Clients Are Saying

“Chris Griswold has a way of simplifying complex legal issues. He is quick to respond, efficient and professional in his delivery of services and fair and up front with his cost. Professional Insurors considers Chris an asset to both our business and our clients. Our trust in Chris grows each and every time we call upon his expertise.”

Kelly Miller / President / Professional Insurors Agency, LLC / Oklahoma City, Oklahoma

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