### LAREDO ST SMITH, LLP



# A Reminder of the Importance of Written Agreements

A recent ruling of the Massachusetts Appeals Court, while reaching the fair and just result, serves as a cautionary tale of the importance of written agreements and a reminder of the adage that no good deed goes unpunished.

## "The promise was enforceable even though there was no writing."

In Barrie–Chivian v. Lepler, 87 Mass. App. Ct. 683 (2015), a couple had lent money to their son-in-law's business after the son-in-law promised to provide personal guarantees for the loans. Despite his promises, the son-in-law never signed written personal guarantees and never repaid his in-laws. While admitting that he had made the promises, the son-in-law argued that they were unenforceable under the statute of frauds, which requires certain types of agreements, such as wills, contracts for the sale of land, and personal guarantees, to be in writing or otherwise the contract is unenforceable.

(continued on other side)

**NEWSLETTER • OCTOBER 2015** 

#### IN THE FIELD



José Sierra introduces Massachusetts Governor

José Sierra served on the 2015 Hispanic

National Bar Association Leadership team for its annual convention. The convention took place at the Westin Boston Waterfront in September.

José had the honor of introducing Massachusetts Governor Charlie Baker, who was a keynote speaker for the convention.



Mark Smith Elected Vice President, Boston Bar

Mark Smith has been elected to

serve as Vice President of the Boston Bar Association, the hub of the legal profession in Boston. In this one-year role, Mark will help the organization further its mission to provide tools, relationships and opportunities to develop successful careers and practices for its members.



#### Congratulations Jessica

We want to congratulate Jessica Yau (now Conklin) on her marriage

to Richard Conklin, her law school classmate.

We are pleased to present our new website! Please visit us at www.laredosmith.com.



#### IN BRIEF

(continued from other side)

To ameliorate against the harsh result of this rule, our courts have adopted the concept of promissory estoppel, which provides that "a party may be estopped from asserting the Statute of Frauds defense if, through its own representations or conduct, it induces 'detrimental reliance.'" Barrie-Chivian, 87 Mass. App. Ct. at 685 (citation omitted). Here, the Appeals Court applied the doctrine, ruling that the promise was enforceable even though there was no writing and so the son-in law was estopped (prevented or barred) from trying to evade his obligation.

"Had the promise been reduced to writing in the first instance, there would not have been a dispute at all."

The case reminds us of the importance of written agreements, even (and perhaps especially) among family members. Had the promise been reduced to writing in the first instance, there would not have been a dispute at all. Instead, the parties spent significant time and money (in addition to whatever further disruption to family harmony resulted) in fighting about the enforceability of an agreement that all acknowledged had been made.

We urge our clients to reduce their agreements to writing and to make sure that these agreements are well crafted. As they say, an ounce of prevention is worth a pound of cure.

101 Federal Street, Suite 650 | Boston, MA 02110 | 617-443-1100 www.laredosmith.com



This newsletter for clients and friends of Laredo & Smith, LLP provides general information about legal developments. It should not be used as a substitute for professional advice on your particular legal situation.

© 2015 Laredo & Smith, LLP

