

Signature Blocks



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Date

- If done improperly, the signatures could bind the wrong entity, make a corporate officer *personally* liable, or make the agreement effective only in part.
- **Testimonial Clause/Concluding Paragraph-** The formal name for the language introducing the signature blocks.

Execution

Older Case Law States:

Sign- to affix one's name in one's own handwriting

Execute- affixing a signature either in one's own handwriting or through a representative

Other Case Law (Modern): uses the words synonymously

UCC: a signature includes the signing by a person and that person's authorized representative.

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Delivery and Contract Formation

- Delivery means the exchange of signed copies of the agreement.
- Delivery is not required for an agreement to be effective.
NOTE: Except deeds, contracts under seal, negotiable instruments, and documents of title.
- Parties generally intend that the agreements to be signed at the closing of a sophisticated commercial transaction be both signed and delivered.
- A party can directly address the issue of intent in the contract by stating *when* the contract becomes effective: upon signing, **or** upon signing and delivery.

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Concluding Paragraph

- This paragraph evidences that the parties have intentionally signed the agreement, and it reminds them that they have agreed to bind themselves.

Drafting the Signature Block of an Entity

- First, make sure that you have the correct names for each of the parties.
- Second, if an entity is signing, check its organizational documents (EX: Articles of Incorporation) and bylaws to find out if more than one signature is required.
- Third, if an entity is signing, obtain an “incumbency certificate.” This is a document that states who has signing authority.

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Drafting the Signature Block of a Corporation

- The signature block of a corporation must reflect that it acts through its officers.

NOTE: Signature blocks are usually placed on the right half of the page.

EXAMPLE 1:

THE SHOE SHACK, INC.

By: Al Bundy

Al Bundy, President

EXAMPLE 2:

THE SHOE SHACK, INC.

By: Al Bundy

Name: Al Bundy

Title: President

QUIZ TIME!

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Drafting the signature blocks of partnerships (general, limited, limited liability): A partnership's signature block must reflect that the partnership acts through its general partners.

- ❖ If the general partner is an individual, use this format:

THE SHOE SHACK, a general partnership

By: Peggy Bundy

Peggy Bundy, General Partner

- ❖ If the general partner is a corporation, use this format:

THE SHOE SHACK LP, a limited partnership

By: SHOE SHACK, INC., General Partner

By: Peggy Bundy

Peggy Bundy, Vice President

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❖ LLP's use this format:

THE SHOE SHACK LLP, a limited liability partnership

By: Kelly Bundy
Kelly Bundy, General Partner

❖ LLC's use this format:

THE SHOE SHACK, LLC

By: Mary Rhoades D'Arcy
Mary Rhoades D'Arcy, Member

THE SHOE SHACK, LLC

By: Jefferson D'Arcy
Jefferson D'Arcy, Managing Director

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E-Signatures

- E-signatures are governed by the “E-Sign Act” and the “UETA (Uniform Electronic Transactions Act).”
- UETA defines an e-signature as “an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.”

Stand-Alone Signature Pages

- Permits a party who cannot attend a closing to sign while the lawyers continue to draft the agreement. The party’s lawyer then holds the signature pages until the closing, and at that time, appends them to the final version of the agreement.

NOTE: This may present a problem with 1) execution and delivery and 2) a potential malpractice claim! Someone could attach these pages to another document!



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Anti-Fraud Mechanisms

- Format the agreement so that the signature lines are on the same page as the final provisions or at least begin on that page.
- Make use of the phrase “**INTENTIONALLY LEFT BLANK**”
- Have the parties initial every page of the agreement.

Acknowledgements


- An acknowledgement is a party’s formal declaration before an authorized public official (perhaps a notary public) that he or she voluntarily executed the agreement.
- Use acknowledgements only when a statute requires one. EX: real estate conveyances and mortgages.

Legalease



- Legalease (Don't use)

1. At the time
2. By means of
3. Cease
4. Commence
5. Contiguous to
6. During such time as
7. Effectuate
8. Forthwith
9. In case
10. Does not operate to
11. Consequence
12. Attains the age of

- (Use) K.I.S.S. 


1. When
2. By
3. Stop
4. Begin
5. Next to
6. During
7. Carry out
8. Immediately
9. If
10. Does Not
11. Result
12. Becomes ____ years old

Legalease



- Legalease (Don't use)

13. In Lieu of
14. Inquire
15. Institute
16. In the event that
17. Is able to
18. Is authorized
19. Is binding upon
20. Is unable to
21. Necessitate
22. Sufficient number of
23. Until such time as
24. Party of the first part

- (Use) K.I.S.S. 

13. Instead of; in place of
14. Ask
15. Begin, start
16. If
17. Can
18. May
19. Binds
20. Cannot
21. Require
22. Enough
23. Until
24. [just say the person's name]!

Practice Makes Perfect



➤ **ORIGINAL:**

The term of this Agreement commences as of the date set forth in Section 8.6 hereof.

➤ **REVISED:**

This agreement's term begins as of the date set forth in Section 8.6 [of this agreement].

❖ **ORIGINAL:**

In lieu of evicting Tenant, Tenant shall cease to play loud music forthwith.

❖ **REVISED:**

Instead of evicting Tenant, he shall immediately stop playing loud music.

✓ **ORIGINAL:**

A student is able to obtain an "A" in the event that he or she studies.

✓ **REVISED:**

A student can get an "A" if he or she studies.