



## Want to Quickly Sign Your Name? It Could Cost You

Signing your name on any sort of document is commonplace, whether it be a contract, a promissory note, or even a credit card receipt. However, last year a Texas Appeals Court issued a ruling that should serve as a reminder to everyone not to be too relaxed when signing your name.

In *Zentech, Inc. v. Gunter*, the President of Zentech, Ramesh Maini, signed two promissory notes in the designated "Borrower" space, but failed to indicate he was signing the Notes in a representative capacity. Maini missed one simple step, but this mistake could have cost him significantly more than his legal fees to have this verdict overturned. S. Rao Gunter originally filed a suit against both Zentech and Maini, in his individual capacity, for the payment of two promissory notes for a total of \$730,169 due. The trial court decided Zentech and Maini, in his individual capacity, were both responsible for the \$730,169 and interest. Luckily, for Maini, the Texas Court of Appeals did not completely agree.

Typically, Texas law requires that an agent disclose his intent to sign as a representative to the other contracting party to avoid being personally liable for his signature on a contract. In this instance, however, the court held that Maini would be able to evade personal liability by proving the parties did not intend for Maini to be liable on the Notes. Here, the facts of the case and Maini's relationship with Gunter lent Maini a hand in avoiding personal liability.

Maini was lucky that the facts of the case allowed him to avoid personal liability, but not everyone in this same predicament may have similar facts. Texas law requires a disclosure of intent to sign as a representative, so a court very well could hold someone in a similar position to Maini personally liable for notes just like these. Maini (and his bank account) were saved by the facts of his case. His fortunate result is a good reminder to always indicate your capacity as a representative when signing documents.

**For more information, please contact [Patrick Hayes](#).**