



DOUMAR LAW GROUP NEWSLETTER

A Periodic Publication Covering Legal Issues of General Interest

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Company versus Employee Representation

Issues have arisen in our practice regarding representation of executives and their companies. Generally, if hired as the company lawyer, a lawyer remains the company lawyer and if a manager at the company is alleged to have done something wrong, that person must retain his own counsel and the initial lawyer may continue representing the company. If the company lawyer interviews an employee in connection with an investigation, the privilege associated with that interview belongs to the company, and may be waived by the company. Do not assume as a manager that the lawyer represents you personally.

Distributors -- Not So Fast on Termination

Employees can be hired and fired at will. Distributors of products, though, usually cannot be simply fired without paying some compensation for their efforts to market and promote a product over time. George Doumar helped to negotiate some additional compensation (well into six figures) for a soft drink distributor after its

termination, even though the distributor was given six months' notice of termination.

Real Estate -- Contract Enforcement

George Doumar recently enforced prepayment clauses in installment sales contracts for properties in Prince William County Circuit Court. The seller of such lands continued to try to encumber the properties after sale, which is a large downside with such installment contracts for land where legal title remains with the seller. Some courts appear to take a view that such contracts may not have to be enforced where the buyer can simply sue for money damages, but such damages are generally inadequate.

Secrets - Blank Check for the Executive?

George Doumar continues to represent intelligence agency and state department employees in disputes with the government. The government prevailed at the Fourth Circuit on August 3 with its argument that a civil case cannot be maintained in court and must be dismissed if the government says such case is likely to result in the disclosure of state secrets. This issue will likely reach the Supreme Court in the coming years.