

# BERNSTEIN-BURKLEY, P.C.

Attorneys at Law

A BUSINESS APPROACH  
TO LEGAL SERVICE<sup>SM</sup>

## “Ask the Legal Professional”

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### BANKRUPTCY

**Q** What are some suggested provisions for the terms I should be including in my credit agreement in order to protect my rights against a defaulting credit customer?

**A** A credit agreement provides the terms and conditions of a credit relationship and sets the ground rules for any future conflicts. These legal provisions are among those I recommend for B2B transactions.

• Payment Terms – Here are the due dates, rates, discounts, late fees, percentages and payment options (the heart of a good, working credit relationship).

• Interest – When are late fees assessed? At what percentage rate? Unless creditors obtain a signature on an agreement, they may not be able to legally collect one.

• Waiver of Jury Trial – Credit criminals find wiggle room in asking for a costly jury trial. This provision waives the jury trial in the honeymoon phase of a relationship.

• Choice of Law Provision – Sellers, or their attorneys, usually understand the laws in their state (or know which states are favorable) and want them to apply in any dispute.

• Jurisdiction – This provision, also known as forum selection, partners with the Choice of Law Provision. Usually, a creditor wants disputes resolved close to their home, not the debtor's.

\*Learn more about credit policies and the Payment Gap with Bob Bernstein's book, Get PAID!<sup>TM</sup> A Guide to Getting Paid Faster (and What to Do if You Don't!) at [www.getpaidsystem.com](http://www.getpaidsystem.com)

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