

On Your Terms Podcast Episode 8:

What Makes a Good Contract? How to Make Sure You're Protected

Sam Vander Wielen: [00:00:00] Hey, there. Welcome back to the On Your Terms podcast. I am so excited to tell you that today is a very exciting day because I get to invite you to my last live legal workshop of the entire year, which I'm hosting on September 21st and September 22nd. There are three live slots for you to come and join me for my free legal workshop, Five Steps to Legally Protect and Grow Your Online Business.

Sam Vander Wielen: [00:00:24] In that live workshop, I'm going to be teaching you for about an hour about how to form your business properly so that you're personally protected, what your website needs in order for it to be legit, how to properly work with people online, how to keep copycats off your content and more than anything, I'll talk to you about the number one mindset shift that you've got to make if you not only want to legally protect your business, but you want to grow your business, too.

Sam Vander Wielen: [00:00:49] So, this is an awesome, free live legal workshop. If you've been trying to figure out the legal stuff on your own, spinning your wheels, maybe putting it off, feeling a little overwhelmed or confused, this live workshop is going to be perfect for you. And the big bonus to coming to this live workshop is that at the end, I'll take your questions live. So, if you have any questions for me at the end of the workshop, I'll be sharing that with you. I'm just so excited for this. This is my absolute last one for 2021, so I hope you will join us live.

Sam Vander Wielen: [00:01:19] If you can't join us live, don't fret, I've got you covered. Sign up for the live workshop anyway. We'll send you the replay link as soon as it's over. I don't want you to miss out. But if you can make it live, I would love for you to come and hang out with me there. So, head to samvanderwielen.com/oyt-live-workshop. That's samvanderwielen.com/oyt-live-workshop, and sign up for a workshop time that works for you. And again, if you can't make any of those times live, just sign up anyway. We'll make sure that we get that live workshop replay in your hands and you'll get the replay even if you do come live. So, I can't wait to see you there on September 21st and September 22nd. I am so excited for this.

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Sam Vander Wielen: [00:02:03] Hey, hey, welcome to episode 8 of On Your Terms. I'm just kicking things off this week as I'm recording in my new home studio, my new house in New York. I'm starting to get relatively settled. We hung some curtains last night. I feel like that's when you know that things are starting to come together and I definitely have less boxes in my office now. Like, I would say, let's see, like maybe four instead of like 400. No. I didn't have that many, but I had a lot. I had a lot. And, of course, everything that I needed was on the bottom of the box that was the most random, which I feel like was a - and it was like always the box that I was putting off going through, the one box was the junk drawer stuff, and I was like, "Oh. I am not going through that box. I'm going to go through that like very last." But I could not find my coffee filters to save my life. And, of course, my coffee filters were on the bottom of the junk drawer box, even though they were nowhere near the junk drawer in our old house. So, life lesson, you got to do the stuff you don't feel like doing. Sometimes there are good things at the bottom of that box.

Sam Vander Wielen: [00:03:02] So, I'm getting settled in here. I am so excited to chat with you about contracts today. I feel like I have a funny relationship with contracts because it kind of kicked off the reason that I, you know, I always wanted to become an attorney, but the thing that like really set it off for me of like "Oh, maybe I should become an attorney" is that when I was in college I got myself into a really bad housing situation. It was like a kind of like on-campus, off-campus affiliated type housing situation. It was really bad. I had a really bad roommate situation. The the room was bad, the building was bad. Just the whole situation was bad.

Sam Vander Wielen: [00:03:38] And, I really wanted to get out of this lease that I had committed to for the year. And, you know, I went and asked nicely. They said no and they told me to shove it. And so, I was like, "Let me just go back and review my lease," and I started doing a little bit of research. I was like 18, by the way. I started doing a little bit of research and found a hole in the lease, which is the contract. So, I found a hole in it. I did a little research on Philadelphia Landlord Tenant Law and found out that they

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didn't do something that they were supposed to. Their lease said that they were supposed to, but they didn't do it. I confronted them about it. And what do you know? I was let go of my lease and got all my money back.

Sam Vander Wielen: [00:04:18] So, this was like my first foray into being like, "Wow. Contracts are really important. You have to read everything you sign." And, you know, it's really important that they on their end had a better contract that actually protected them but also said what they actually did. And that's a big part of what I preach to my community is that contracts are not here, at least the ones that I create. You know, my contract templates and the ones that I would sign off on are contracts that actually back up what you really do. I'm not here to help you, like send somebody a contract that says, for example, that you don't provide medical advice when you do provide medical advice.

Sam Vander Wielen: [00:05:00] I believe that contract should really just summarize what we actually do, who we really are, what we really stand for, all that good stuff. They should be the truth, right? And so, that's how I was able to get out of that lease agreement, and it served me well as an attorney, too. So, those days are long gone. I hated being a lawyer. What do you know? But I'm here now helping you learn how to legally protect your business.

Sam Vander Wielen: [00:05:22] So, contracts are so important. And that's why today I'm going to teach you all about like which contracts that you need for depending on what you're doing, what any good contracts should and should not have in it, how to send and sign contracts properly so that they're actually enforceable, and how contracts are the proof that you need. So, with that, let's get started. I have a very exciting announcement to make first. Let's get into it.

Sam Vander Wielen: [00:05:49] So, in case you're new to my podcast, welcome to On Your Terms. This is where I teach you how to start and grow a legally protected online business, but I also teach you how to grow that business on your own terms because I

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want you to do this the way that you want to do it, the way that works best for you, your life, your lifestyle, your hopes and your dreams and your goals, not everybody else's dreams. So with that, welcome to On Your Terms. I'm Sam Vander Wielen, an attorney-turned entrepreneur who helps online coaches and service providers legally protect and grow their online businesses using my DIY Legal Templates and my Ultimate Bundle program.

Sam Vander Wielen: [00:06:27] So, hopefully you heard my note at the beginning of the show. I hope to see you at my last live legal workshop for the entire year that I'm hosting on September 21st and 22nd. We hosted this back in January, and thousands of you came. It was so much fun. People had so many great questions at the end of each of those trainings, so I hope to see you there, too.

Sam Vander Wielen: [00:06:47] Okay. So, with that today we are talking about why proper legal contracts could save your business. Really, this is going to be a good little overview, intro episode to contracts. Like, what's the deal? Why do you need them? Do you really need legit contracts? Can you wait? Do emails count? All of that kind of stuff. And if there's anything I don't cover today and you have a question about contracts, as always, shoot me a DM on Instagram, @samvanderwielen, and let me know what you're thinking. I'm happy to help.

Sam Vander Wielen: [00:07:15] So, the reason that we have to talk about why proper legal contracts can really save you in your business is because if a contract is, quote-unquote, bad, if it's improper, then it's not enforceable. That's really the concern with not using the right contract, missing language, or sending and signing it incorrectly, all of that kind of stuff.

Sam Vander Wielen: [00:07:37] The concern for me as an attorney is that if you don't have a good contract, it's that it could be unenforceable. What that means is that you basically wouldn't be able to use it. It basically be like you didn't have anything at all. So, if a contract is not formed properly, if it doesn't have the right language, if it's not sent

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and signed properly, if it has contradicting information in it, then those are all things where it says something that's actually a legal right that you can't ask somebody or force somebody to do, then those are all things that could render that contract, whatever contract you've been using, to be unenforceable. And so, we really don't want to have that be the situation.

Sam Vander Wielen: [00:08:19] The goal with contracts in general is always for them to be enforceable, right? I mean, my goal, sidenote sidebar, is that, you know, you wouldn't even have to get down that path. But the point is that you would have like a really clear, simple contract that you would use with your clients and things like that so that if there was ever an issue about payment or how long they have access to your course or something like that, then it would just be clear in the contract.

Sam Vander Wielen: [00:08:44] But when we go down a path of maybe some of the things that you're more afraid of, like somebody stops paying you and then they don't respond to you or somebody steals your course or they start letting other people access it or something like that, or they sue you over some problem that they had with your work together, that's where we really, really need an enforceable contract because without it, you're not going to be able to go and get paid or you're not going to be able to go and enforce ownership of intellectual property or something like that.

Sam Vander Wielen: [00:09:15] So, you also don't want to make yourself accidentally liable for something that you're not. That's something I see sometimes in bad contracts. And, I also see often that there are a lot of unclear terms that then lead to a lot of confusion or like nuance, like people being able to wiggle out of paying, showing up, rescheduling whatever. So, I see that a lot when people try to put their own contracts together or they copy and paste from other people because it tends to be this like very kitchen-sink type approach where you throw everything in, hoping that it sticks. And then, it's kind of backfires because if you don't know contract language, you're not a lawyer, you might just try to throw everything together, not realizing that you actually have, like, contradictory terms or overlapping terms or something like that.

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Sam Vander Wielen: [00:10:04] So, it's really important that we have clear, concise, proper legal contracts. It's why I do what I do. It's just not even worth you spending any of your time or energy on trying to put together your own. But even when you have legit contracts, it's really important that you understand them and you understand how they work.

Sam Vander Wielen: [00:10:22] So, to give you a little story about how I have personally seen improper contracts or just like using bad borrowed copy and pasted contracts really backfire, I think one of the most poignant stories that I always remember and come back to is that someone who joined the Ultimate Bundle, it's my signature product that gives you 10 legal templates and 35 video trainings. Before she joined the Ultimate Bundle, she used her own copy and pasted put together contract, and it was one that she got from a call coach, like somebody who I think was her business coach, and said, "Oh, you can just use this. You know, just get started. You don't need a legit contract." Famous last words.

Sam Vander Wielen: [00:11:06] So, she gave her this contract. This person thought, you know, well, if my business coach has been using this, then like it must be legit, right? She probably got it from a lawyer. So, she used the same contract and she entered into a client relationship. Someone hired her to be her coach who was in Florida. And this person who ended up joining my Ultimate Bundle a few years ago, she was in Washington, the State of Washington. So, she gets this client in Florida, and there's a problem between her and the client. The client gets sick and blames her for it. So, the client sues her in Florida when my Ultimate Bundle member is in the State of Washington. And it turns out that her contract that she had copied and pasted and sent off to this client in Florida was missing a venue and choice of law clause or clauses. And what those do, just a little sidebar law school lesson here, a venue clause is where you basically state where, in what court and in what state or county or federal, whatever, you have to be sued in, and then choice of law clause says which states law applies to that contract.

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Sam Vander Wielen: [00:12:19] It's very important, just as a side note, when you have a contract and you're kind of the person who's in control, like in this case it's the coach, that you set the stage for the venue where you could get sued and then where the choice of law, which states law applies. The reason that that's the case is, for one, you want to be sued on your home turf, right? Because you make it inconvenient for other people to sue you. Like, this person in Florida would have had to sue the lady in Washington.

Sam Vander Wielen: [00:12:46] And then, also instead of gambling with like, "Hmm. I wonder whose state will be better?" We just kind of, like, pick your state's law to apply to every contract, hoping that that state is always the best, but it's better than every single time, rolling the dice as to like whose state's going to be worse. So, we choose our own state's law to apply. We choose the venue in our state where we live so that we can control where we get sued, control the costs, all that kind of stuff.

Sam Vander Wielen: [00:13:09] And so, she was missing these sections in her contract. So, she gets sued in Florida, which means that this person, who became the Ultimate Bundle member, she had to hire an attorney in Florida, and she was also subject to Florida's law, which was stricter, much stricter, on her than it would have been in Washington.

Sam Vander Wielen: [00:13:29] So, the failure to have some sort of clause here or the failure to even say anything about this issue allowed this other person in Florida to just take kind of control of the situation and do it on her terms. So, it made it super expensive for the coach in Washington, made it super inconvenient because she had to hire a lawyer there and travel there, be deposed there. But she also, you know, unfortunately, was just subject to the fact that the law was worse for her in Florida, which is why we always want to control that to the best of our ability.

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Sam Vander Wielen: [00:14:00] So, you can see why it's really important. And, you know, it's not something that I would ever expect you to know or to think about. It's not something I really want you to know or think about, because you really should be spending your time elsewhere in your business. And so, it always makes me so upset when I see people have to go through these painful situations, especially when you've relied on the advice or maybe nudge of someone else being like, "It's not that important. You don't need a contract."

Sam Vander Wielen: [00:14:32] So, that's always scary to me because we don't know where they got it from. We don't know if their contract's legit. You know, this is an example where it was missing really important provision. It's very standard and all of my contract templates. So, you know, it's really important that we know that we have legit stuff of our own that actually covers our legal basis.

Sam Vander Wielen: [00:14:53] So, with that being said, how then do we go about getting clear contracts? What does that even mean? What goes into being, you know, a good contract? I'm going to go over all of that in today's episode.

Sam Vander Wielen: [00:15:08] So, the very first thing I always recommend when we're starting out looking at contracts or looking to get contracts is if you're feeling really overwhelmed and you're like, "What do I need? What do I need?" I would just get the contract for the service or the offering that you need right now. So if you're selling, you know, a one-to-one coaching package, and then of course, I would get a coaching contract and then I would get a course contract. I would just get a contract for each of the services or offerings that you have now.

Sam Vander Wielen: [00:15:36] If you have a service that you're offering just in multiple different ways, like, some of my customers, for example, they'll have a six-month coaching contract and then they have one-time intensives or VIP days or something like that, you can typically make that client contract work for multiple different ways. If it's

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essentially the same service but just packaged a little bit differently, you can make that work.

Sam Vander Wielen: [00:15:57] The times that it gets a little bit different are when you're going to sell different offerings. So, yes, of course, if you're working one-to-one with clients offering, intensives or VIP days, we want a traditional client contract that is signed and sent, quote unquote, traditionally, which I'm going to talk about in a little bit. But if you're selling a course, for example, you could use a course contract. So, that's something more like at least what I call terms of use. And that's something that you would put at checkout and you would have somebody agreed to it at checkout.

Sam Vander Wielen: [00:16:29] Same goes for digital products. So, if you were selling digital products, again, this was something that we would be looking at adding a contract at checkout, it would be more like terms that someone's agreeing to at checkout as opposed to when someone is signing up to work with you directly whether it's in a coaching or service-providing capacity, then we would have them signing a contract. If you offer group programs or masterminds, I would have them sign a group program contract. I would not be having them agree to terms.

Sam Vander Wielen: [00:16:56] So, any time that you're really offering some sort of service to someone, I want you to think about having the client actually sign a contract. When it's something that's packaged more like a product that someone can buy, no matter where you are, what you're doing, whether you're sleeping or in the middle of the day, then you can think about the more like automatic contracts of somebody checking that box off at checkout or something like that.

Sam Vander Wielen: [00:17:19] So, what do good contracts have then? I've talked a lot about what bad contracts have or what they could be missing and stuff like that. But what do they have when they're really solid? I want to give you a couple of things to look for in a really good contract that actually protects you. So, every good contract should have a very clear and thorough description of what's actually being offered. So, if you're

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looking over, like even if you buy a legal template from me or something, you want to really lay out the description of what it is that you're offering, whether it's a service or a product, whatever.

Sam Vander Wielen: [00:17:54] I always like to go through and think of the who, what, where, when, how thing, when you're describing. Like, instead of just saying you get three coaching calls. It's like three coaching calls when in a three-month period or, how, via Zoom, you know, or via phone or in-person or whatever. Like, you want to be as descriptive as possible. So, even if you just start out with a little bullet point that says like six coaching calls, you would really want to then spell out six 60-minute coaching calls via Zoom to be used within a three-month period or something like that. So, we would be really, really specific. We want to go over how it's being offered, again, like whether it's virtual. Are there certain parameters around how it's being offered virtually? If it's in person? All of that kind of stuff.

Sam Vander Wielen: [00:18:42] Obviously, every good contract should be really clear about payment, too. I know this is another place where I get a lot of questions from people. So, often we're really concerned with just putting the amount that we forget to go back to this who, what, where, when, how things. So if there's, for example, only one way that you accept payment like through PayPal or cheque or cash or Venmo, I don't know, whatever it is, you would just want to be really, really clear about that.

Sam Vander Wielen: [00:19:07] And, if you're somebody who accepts payments in like a schedule, like three payments of \$500, that's where it gets even more important to be specific, like three payments of 500 U.S. dollars, by the way, you should always be clear, 500 U.S. dollars to be paid via PayPal on September 1st, October 1st and November 1st of 2021, or whatever. And so, they should have very clear dates and how you're to be paid and what to be paid and all that kind of stuff.

Sam Vander Wielen: [00:19:37] More than anything, one of the things that is the most important to know about contracts - this is something I actually have a whole lesson

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dedicated to in the Ultimate Bundle because I teach people how to interpret contracts that other people send to you, like when you're on the signing end, the receiving end. One of the most important things about contracts and the way that I would recommend just looking over contracts in general is thinking how does this contract describe how I can get out of it and how they can get out of it? That's something that I always think whenever I'm reviewing a contract.

Sam Vander Wielen: [00:20:09] So, when you're looking at a contract that you're going to use, if you're the coach or the service provider that's sending out this contract, you want to know how can you get out of it. Because what if something happens to you, right? What if you don't like working with the client? You know, there are a number of different scenarios that could come up. How can you get out of it? So, usually there's a term and a termination section or sections, and in those sections you would describe how something could be terminated without breaching the contract.

Sam Vander Wielen: [00:20:40] So, for example, you may be, at any time, you can terminate the contract if for some reason you're unable to fulfill the contract, and you would say that in the termination section, and of course, you wouldn't charge the client for anything, any part of the service that wasn't already delivered or done. Whereas with your client sometimes, you might want to be more specific about how they can or cannot cancel this contract. Most of the time, you don't want them to be able to cancel it. And so, you would have to be really clear on how they can or cannot get out of this contract and what happens if they terminate early against that contract. You would want to clearly state that it's breach of contract and that breach of contract means that, you know, immediate payment is due for the entirety and all that kind of stuff, or that it doesn't get them out of payment.

Sam Vander Wielen: [00:21:27] So, it's very important to review your own contracts for, you know, this how do I get out of it, how do they get out of it thing. But I also would love for you to just have that in the back of your mind in the future when you go to hire a copywriter or a designer or whoever and you're reviewing their contract, now you can

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review it thinking, "Okay. I understand how everybody can get out of this." Along those same lines, you want to know what the repercussions are of somebody getting out of the contract. So, if you're going to cancel the contract early because something happens to you, what are the repercussions? So, do they owe you money still? Sidenote, you can't have them owe you money for something you haven't delivered. But, you know, do they still have access to your material? Stuff like that. It's all stuff you would want to spell out.

Sam Vander Wielen: [00:22:12] Another sign of a good, solid contract is a contract that discusses your intellectual property, and then depending on what kind of contract we're talking about, a contract that goes over your confidentiality as well. So, in terms of your intellectual property, you know, establishing that the materials that this person is going to have access to you are yours, you know, that you own it, that it's not to be reproduced or used without your written permission consent. Again, being really clear about like the who, what, where, when, how thing, like how can someone get your consent, if at all. And so, really protecting your intellectual property as much as possible.

Sam Vander Wielen: [00:22:49] And then, with confidentiality that comes into play more like if you're going to have an independent contractor agreement. For example, when you hire someone or even with my own contract templates or with my customers who are using them, you know, a lot of times they're concerned about confidentiality when it comes to things like group programs or courses or masterminds where people might be sharing a lot of things. So that would be, I think, a sign of a very solid contract if something discussed that, depending on what kind of contract you're using.

Sam Vander Wielen: [00:23:21] Last but not least, any good contract is going to disclaim for liability, which means disclaimers are what I call you can't sue me language even though in America you can't really block people from suing you. You can try. You can put language in there that says that, but it's not really going to block someone from

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suing you. But it could try to control the liability or, you know, dismiss or win that lawsuit if someone did sue you.

Sam Vander Wielen: [00:23:44] So, a good contract would have disclaimer language built into it. It would talk about scope of practice issues like, "You know, I am not your doctor," or, "I'm not offering doctor or medical advice," or, "I'm not your lawyer. I'm not offering you legal advice," something like that. And if you haven't learned about scope of practice quite yet, that's the law around what you can legally do in your business based on, you know, who you are, how you're qualified, certified, educated, whatever.

Sam Vander Wielen: [00:24:14] You can go back to episode 2 of my podcast to learn more about scope of practice. But in that section of your contract you're talking about, you know, the fact that you're not going to be offering them X, Y or Z because it's outside your scope. And as I talk about in episode 2 what is then very important is that you don't actually go and offer any of that advice or type of work.

Sam Vander Wielen: [00:24:37] Okay. So that's like the gist of what I would look for in a really solid contract. But this is by no means like everything that you should look for in a good contract. There are many, many other parts, but essentially what I would be doing is teaching you a law school class on contracts, which I would never do to you because I like you too much. I spent the first four months of my law school experience in a classroom in the middle of the summer learning about contracts, and it was like, "Oh, my gosh." So, I wouldn't do that to you.

Sam Vander Wielen: [00:25:04] So, all that to say, you know, a lot of times people will ask me to teach them what does a contract need to say. What does this need to do? And I think you don't need to necessarily learn all of that. That'd be like going to your accountant and saying, "Teach me how to do my own taxes." It doesn't really make any sense. You need to know enough as a business owner to understand what these are and how they protect you and what are some of the major warning signs and things you should be looking for.

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Sam Vander Wielen: [00:25:30] But when you own your own business, you're not expected to be, at least I'm not expecting you, to be your own lawyer, just like I don't expect you to be your own CPA, you know. And as your business grows, you're not going to be expected to know and do everything. You just need to know enough. I think this is like foundational CEO stuff that you should know, but I'm not going to go over every single, painstaking provision of a contract because it's just too much and it changes.

Sam Vander Wielen: [00:25:57] So, what's really important is for you to actually just get a legit one, whether you go to your own attorney and have them custom draft something for you, which is amazing. And if you can swing that, that's always the best option. It's also pretty expensive, and not all attorneys know about what you do. So, that's why I offer a digital product, you know, thing like what I do, which is fill-in-the-blank legal templates, which you can then take to your own lawyer and have them reviewed if you'd like so that option is always available to you. And I'll make sure that there's a link below to my template [inaudible] and to The Ultimate Bundle as well.

Sam Vander Wielen: [00:26:28] So, okay, we also want to make sure, though, that even if you have, like, the most legit contract in the entire world, which I've talked about this so many times, it won't matter at all that you have a very legit contract if you don't send and sign it properly. Because remember how I was talking in the beginning about the whole point about contracts is that we want them to be enforceable. And part of that, of course, is the content, the language of that contract. But it's also about how it's sent and signed. Because if it's not sent and signed properly, it's possible that we won't be able to enforce that contract.

Sam Vander Wielen: [00:27:02] Okay. So, in order for contracts to be enforceable, we have to send and sign them properly. So, first, let's talk sending, and then we will talk signing. So, in terms of sending, we have to send this contract to our potential client

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along with some sort of request for payment. So, it doesn't really matter how you do this, necessarily.

Sam Vander Wielen: [00:27:20] I talked about this a little bit in episode 7 where I taught you the first three steps to legally start a business, so this might sound like a refresh if you listen to last week's episode. But essentially we want to send the contract and a request for payment at the same time, and I don't mean that so literally as sometimes people take it. But in general, we want to make it available to people that they can review our contract and pay. Whether they choose to do one or the other in whatever order, that's up to them. But the key here and the key takeaway is that you can't withhold your contract from somebody only until they pay your invoice or pay you over the phone or something.

Sam Vander Wielen: [00:28:01] So, let me give you an example of how it cannot be done. So, what you can't do is send somebody a link to an invoice or have them on the phone and walk them through payment. And then, once they pay, and only once they pay, send them a copy of your contract and say sign this. What you could do is send them an email or even send them two emails or whatever system you use, it doesn't really matter, and say, "Here's a copy of your invoice, and here's a copy of your client contract to review and sign when you have time. Review and sign it and send it back to me and pay this invoice." So, you can do that. Now if they choose to pay and then five minutes later sign or a day later even, it doesn't matter, the point is you have to make the contract available.

Sam Vander Wielen: [00:28:47] So, if you listen to episode 7, you know that the example that I always use here is that when you've gone to a store and you've bought something that's final sale, you'll see that the item always has a final sale sticker on it. And then, the person, the cashier, at checkout will always say to you, "Do you know that this is final sale?" So, the reason that they're doing that is because you have to be made aware of the terms of something before you decide to pay because your payment is essentially like you handing over an acceptance. So, when you're at a store and

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there's a final sale sticker and then the person at checkout asks you, you know, basically they're asking for your consent that they understand, do you understand that these jeans or whatever you're buying are final sale by you saying yes and then handing over your cash or your credit card, that's you agreeing to that term of final sale [inaudible].

Sam Vander Wielen: [00:28:47] So, the way that you would think about it is that, like, what wouldn't be okay is if there was no sticker saying final sale and when you went to go check out, nobody said anything to you about it being final sale. And then, as you're walking away from the register, the guy screams at you, like, "Hey, by the way, those were final sale." It feels a little tricky, right? You don't like that.

Sam Vander Wielen: [00:30:01] So, that is why we do things that way, because people need to know what the terms are. You would never go buy a car and, like, have them - you know, you wouldn't like sign for the car and buy the car only for them to later then tell you what the terms of were of your interest rate and payments and those kinds of things. So, it's really important that we make people able to access the terms of what they'd be agreeing to at the time that they would also be able to hand over payment. And then, payment is like acceptance of those terms along with signing the contract.

Sam Vander Wielen: [00:30:31] So, that's the sending piece. Don't get too fussy about this. A lot of people get really hung up on this step and are like, "I use this tool where, you know, we send out the payment thing, like, through this email. And then, like, 10 minutes later, they get the contract." That's okay. The idea is like, I mean, as close as you can make it, and if you can make it the same time, like, that's awesome. But the point is don't withhold a contract until someone pays.

Sam Vander Wielen: [00:30:57] Okay. So, if that's sending it properly, how do we sign it properly? The biggest thing you need to know when it comes to signing contracts properly is that e-signing is generally accepted in the United States, so e-signing is okay. But the point is it's not just like any e-signing. So, that ugly script signature that

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people used to do all the time on, like, Word docs is not okay. That's not enforceable. It won't count as an e-signature.

Sam Vander Wielen: [00:31:23] What basically the government says with e-signatures is that they have to be E-Sign Act compliant. And so, in order to be E-Sign Act compliant, you have to send a contract through a platform or program that allows the person to e-sign in a way that is providing metadata behind the signature.

Sam Vander Wielen: [00:31:42] Metadata is like the information, the sneaky, like, tech information behind e-signature that tells us like where the person was located, what computer, what device they were using, what IP address, you know how long it took them, what day and time they accessed it, yada yada yada. So, that's why we can't use things like Word because Word doesn't provide us with that kind of data.

Sam Vander Wielen: [00:32:03] It will also be, I just think, much easier on your end to sign and sign contracts. And so, if you're using like a proper program like HelloSign, I can include a link in the show notes for my affiliate link that gives you free templates, like free ability to try HelloSign. See if you like it. And there are a countless number of other programs like it, if you want to use something else. But the point is, I think once you get your contract done, you can then just upload it to something like HelloSign, put in the places where people need to sign or initial, and then just automate it. Automate it, automate it. Send it out. That's all you need to do.

Sam Vander Wielen: [00:32:41] So, they'll do this for you automatically. But also, the last thing I'll tell you about signing is that you always want to make sure that you're sending the contract with blank signature lines to your client to review, and then your client should be the first one to sign. And then, because essentially you're like making an offer to them with this contract, and saying, like, "How does this work for you?" And then, when they get that contract, if they like it, they're fine with it. They just sign it and then they send it back to you. That's kind of your signal that they've accepted the

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contract as is, and then you sign it or e-sign it if you're using a program. And then everybody, you and the client, whoever, should get a completed copy for your records.

Sam Vander Wielen: [00:33:21] So, that, generally speaking, is the deal with proper contracts. You know, it's really important that we send and sign them properly so that they are enforceable. Especially because in general, contracts are going to be the proof that you need to protect yourself. Right? So, contracts are going to be the thing that more than anything, you know, everybody worries about getting sued. But really, it's the day-to-day stuff of people trying to push boundaries, asking for things that weren't included, stuff like that. It's going to be the thing that you need to point back to to say, "Hey, that wasn't included," or, "Hey, you're booking session's, you know, 10 months after your six-month program." Stuff like that. So you're going to use your contracts to provide that proof. And if, God forbid, if anything ever happened legally speaking and there was a lawsuit, you're really, really going to need that contract in order to enforce it.

Sam Vander Wielen: [00:34:12] Also, just remember too, if a client ever doesn't pay, people are often really worried about like what happens if a client stops paying or doesn't pay all of their payment plan things. You need a contract in order to be able to enforce that payment. So if you go after them or you hire a collections agency, you're going to need some form of written contract that's legit signed and sent properly contract in order for you to recover that money. Emails aren't going to cut it. Text, DMs, whatever, not going to cut it. So, we need a legit contract that's actually been signed properly in order to protect yourself.

Sam Vander Wielen: [00:34:50] So, I feel like we went over so much about contracts today. But believe it or not, I'm going to teach you even more about contracts. In my last live legal workshop of the year that I'm hosting on September 21st and September 22nd, I'm hosting it at three different times. Again, if you can make it live, please do. I can't wait to see you and I'll be taking your questions live. But even if you can't, sign up anyway because you will get that replay. If you're listening to this later, you can sign up.

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We'll make sure you have the link. You can sign up later to watch the workshop at any time, but I hope to see you there on September 21st and September 22nd.

Sam Vander Wielen: [00:35:24] With that, I hope you have a great rest of your week and I can't wait to chat with you next week on On Your Terms.

Sam Vander Wielen: [00:35:35] So, just remember that although I am an attorney, I am not your attorney, and I am not offering you legal advice in today's episode. This episode and all of my episodes are informational and educational only. It is not a substitute for seeking out your own advice from your own lawyer. And please keep in mind that I can't offer you legal advice. I don't ever offer any legal services, but I think I offer some pretty good information. Also, remember that I am based in the United States, so that's what I'll focus on today.

Sam Vander Wielen: [00:36:08] Thanks so much for listening to the On Your Terms podcast. Make sure to follow on Apple Podcasts, Spotify, or wherever you like to listen to podcasts. You can also check out all of our podcast episodes, show notes, links and more at samvanderwielen.com/podcast. You can learn more about legally protecting your business and take my free legal workshop, Five Steps to Legally Protect and Grow Your Online Business at samvanderwielen.com. And to stay connected and follow along, follow me on Instagram, @samvanderwielen, and send me a DM to say hi.

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