

ARE VERBAL AGREEMENTS ENFORCEABLE IN GEORGIA?

THE THEODORE FIRM

ATLANTA: 404-890-5832 | NASHVILLE: 615-903-2025
INFO@THEODOREFIRM.COM

STATUTE OF FRAUDS

Certain contracts **MUST** be in writing in order to be enforceable. The law in Georgia that requires this is the Statute of Frauds. It is codified at O.C.G.A 13-5-30.

REQUIREMENTS

- Any promise by a 3rd party to pay the debt of another
- Any agreement conditioned upon marriage
- Any contract for the sale of land
- Any agreement that cannot be performed within one year
- A promise to revive a debt barred by SOL
- Any commitment to lend money

EXCEPTIONS

- ★ The contract has not been fully executed. One party has carried out the terms of the verbal agreement and it was accepted by the counterparty.
- ★ The contract has been partly performed and it would be inequitable not to compel the counterparty to perform.

VERBAL CONTRACTS

Oral or Implied agreements are enforceable as long as they meet the legal requirements for contracts.

Evidence of an oral contract typically includes testimony from the parties as well as witnesses who have knowledge

Courts will also look at the course of conduct between the parties to determine if a contract exists.

REMEDIES

1 DAMAGES

Plaintiffs may seek monetary damages to compensate for losses. Must be non-speculative.

2 RESCISSION

The injured party can elect to rescind or cancel the agreement as if it never happened.

3 SPECIFIC PERFORMANCE

One party seeks to use the court's power to force the other party to perform their obligations.

CONSIDER THE COST



When using a lawyer to enforce a verbal agreement, the bulk of your money will be spent on trying to gather tangible evidence to show a contract existed, and what the terms of the contract are. This is money that could be saved by simply having the terms of your agreement in writing from the beginning.

BOTTOM LINE

Written form of agreements is ideal. Remember: the Judge wasn't there. Proving your case with a verbal agreement most likely means neither party will be happy with the outcome.

When in doubt, write it out.

Most oral agreements are not worth the paper they're written on.