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What To Do When Your Contractual Counterparty Gets Mired in a Public Scandal

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Written by **Vita E. Zeltser**, **Jeffrey S. Connell**,

A hypothetical: you are in-house counsel, and one morning you click on your daily news only to see one of your company's key contractual counterparties is trending, and not in a good way. The contractual counterparty has endorsed actions, embraced opinions, or made decisions that have brought them into public disrepute. You are concerned that public opinion may turn to your company to disassociate from the counterparty in light of their heinous activities. When you reach your public relations team, they suggest severing ties with the counterparty. Ultimately, your executive team makes the decision – you need to figure out a way to terminate the contract with them. The problem? There is no breach. Your counterparty has been performing, and performing well. All obligations are otherwise being upheld. So, how do you get your company out of this tricky situation?

Related People



Vita E. Zeltser

t 404.685.6713

vzeltser@ktslaw.com



Jeffrey S. Connell

t 404.541.6822

jeff.connell@ktslaw.com