

March 12, 2007

S 693. ATTORNEYS' FEES PROVISIONS/BUSINESS CONTRACT. Filed 3/12/07. *TO PROVIDE THAT RECIPROCAL ATTORNEYS' FEES PROVISIONS IN BUSINESS CONTRACTS ARE VALID AND ENFORCEABLE UNDER STATE LAW.*

To be summarized in tomorrow's *Daily Bulletin*.

Intro. by Clodfelter.

GS 6

March 13, 2007

S 693. ATTORNEYS' FEES PROVISIONS/BUSINESS CONTRACT. Filed 3/12/07. *TO PROVIDE THAT RECIPROCAL ATTORNEYS' FEES PROVISIONS IN BUSINESS CONTRACTS ARE VALID AND ENFORCEABLE UNDER STATE LAW.*

Enacts new GS 6-21.6, which provides that reciprocal attorneys' fees provisions in contracts for business or commercial purposes (as opposed to consumer contracts) governed by state law are valid and enforceable. Provides that the amount of reasonable attorneys' fees in business contracts is not governed by any other statutory or contract terms, but is determined by the presiding judge or arbitrator in accordance with factors set forth in subsection (c) of the new statute. Places the burden of proving the reasonableness of the attorneys' fees and expenses on the party seeking the award and provides that appellate review of any award is by an abuse of discretion standard. Further provides that nothing in new GS 6-21.6 affects the provisions for attorneys fees in consumer contracts or in any notes, conditional sales contracts, or other evidence of indebtedness governed by GS. 6-21.2. If a business contract is also a note, conditional sales contract, or other form of indebtedness covered by GS 6-21.2, then the parties may choose to seek recovery of reasonable attorneys' fees under either statute. Effective October 1, 2007.

Intro. by Clodfelter.

GS 6