
Rep Legal Concerns Focus Of MANA Seminars



How the law impacts independent manufacturers' representatives is a critical business consideration — and it's becoming one that is more important every day. This fall, MANA members will have the opportunity to learn the basics of rep law — and then some — from attorneys who specialize in rep-manufacturer issues.

More to the point, the series of legal seminars presented by the association will offer MANA members an interesting choice. "When it comes to the law, MANA members can do one of two things," according to John Anderson, of the Law Offices of John H. Anderson, San Clemente, California. "Reps can attend the University of Hard Knocks or they can attend the MANA legal seminar, *Law School for Reps*.

"If they choose the former, they can learn what they need to learn as the result of a miserable business experience. If they choose the latter, however, they get to learn all those things ahead of time. As a result, they'll be better able to enjoy whatever business experience comes their way."

Working under a title of "Law for Independent Reps," Anderson relates some of the subject matter he will cover:

- How reps can effectively protect themselves and use lawyers as preventive maintenance.
- The important do's and don'ts of rep contracts.
- Post-termination commission payments.
- The origin and source of commission problems.
- Advantages and disadvantages of employees vs. independent contractors.
- Product liability and its effects on independent reps.
- Negotiation strategies that protect both the principal and the rep.
- How and why reps are more cost-effective than salary-based sales reps.



John Anderson

"Reps can attend the University of Hard Knocks or they can attend the MANA legal seminar, Law School for Reps."



Florentino Ramirez

“I want to impress attendees with the need to not procrastinate when it comes to taking an aggressive legal stance to protect their rights.”

In offering encouragement to reps to avail themselves of this opportunity, Anderson says, “A rep can feel free to sit down with an attorney at any time in an effort to learn what he needs about the law. Along with that personal visit, he can pay upward of a couple thousand dollars. Or, as in the case of the MANA legal seminar, he can sit in a room with an attorney and several other MANA members and learn that same information simply for the cost of the seminar.”

Legal Management of the Relationship

The day-to-day legal management of the rep firm is how Florentino Ramirez, Ramirez & Associates, Dallas, Texas, describes the subject matter of the legal seminar. “Over the course of the rep-principal agreement, changes will occur. That’s why it’s so important to legally manage the agreement in terms of keeping a close watch on such matters as pre- and post-termination commission rights, proprietary rights, customer lists, house accounts, changes in commission rates, etc. What I want to focus on are those areas that can present a yellow caution light to reps. I want to impress attendees with the need to not procrastinate when it comes to taking an aggressive legal stance to protect their rights.”

The Law and the Canadian Rep

Just as the other attorneys, Jacques Lemieux, of Desjardins Ducharme Stein Monast, located in Montreal, Canada, will emphasize the importance of the need for a solid contract between rep and principal. “The obligations of the agent vs. those of the principal are very important, as are the various clauses that appear in any contract between the two. One thing I plan on doing is making a legal checklist available for attendees. That checklist will cover everything from renewals, handling of disputes, and termination matters. My thinking is that by providing the material in this manner, reps can pick and choose from the information based on what their needs might be.”

Lemieux, whose seminar is scheduled for Canada, explained that as such, the material will be aimed at the Canadian rep. “While there obviously are similarities between reps in the United States and Canada, there are certainly differences when it comes to contract terms and product-liability matters. As such, the rules as they pertain to reps and principals can be different in the two countries.”

He adds that it’s important for reps to attend the seminar since “there are so many matters that reps have to be involved in on a daily basis. The seminar will provide input on liability enforcement, commission concerns, and basically how the principal and rep are bound together.”

For additional information concerning the more than 20 MANA half-day legal seminars, including the complete seminar schedule, please see the ad on the back cover of this issue of *Agency Sales* or visit www.manaonline.org. □



Jacques Lemieux

“While there obviously are similarities between reps in the United States and Canada, there are certainly differences when it comes to contract terms and product-liability matters.”

Copyright © 2004, Manufacturers’ Agents National Association

One Spectrum Pointe, Suite 150, Lake Forest, CA 92630-2283 • Phone: (949) 859-4040 • Toll-free: (877) 626-2776 • Fax: (949) 855-2973
E-mail: mana@manaonline.org • Web site: www.manaonline.org • All rights reserved. Reproduction without permission is strictly prohibited.