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BLOGS
Damages

Court Denies Summary Judgment Against One Guarantor Because Signatures of Co-Guarantors May Have Been Forged

A federal court in New Jersey last week refused to grant judgment to a franchisor without a trial to enforce a guaranty because the target guarantor submitted evidence that, while his own signature was undisputed, the signatures of his fellow guarantors were forged. *Ramada Worldwide Inc. v. Jafri*, 2015 U.S. Dist. LEXIS 10050 (D.N.J. Jan. 29, 2015). There were four guarantors to the franchisee's obligations under the hotel franchise agreement in this case. The party against which the franchisor sought summary judgment opposed the motion on the theory that he would not have committed to the guaranty agreement had he known he might be the only one against which the agreement could be enforced. In accepting this theory for purposes of the pending motion, the court noted that above the signatures the agreement said that "each of us has signed this Guaranty" and that the agreement refers to the guarantors in the plural with words such as "we" and "us." The court also pointed out that the agreement could have been drafted to say it was enforceable against each individual based on his signature alone, and that liability was not contingent on others signing.

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