

Exari Systems, Inc. presents

The 7 Deadly Sins of Contract Drafting

How (not) to put your career on the fast track to purgatory

Sloth

Don't be complacent about slothful drafting, then
make mistakes and typos when time runs out

Presented by Jamie Wodetzki

Sloth

- Don't be complacent about slothful drafting.
- Mistakes will bite you when time runs out.
- Some examples...
 - The Dewey Ballantine \$92M typo
 - The TransAlta \$24M cut & paste
 - The JPM/Wachtell \$800M “inadvertent sentence”

At the Bar; How Three Missing Zeros Brought Red Faces and Cost Millions of Dollars.

By DAVID MARGOLICK

Published: October 4, 1991

The cable read: PARDON. IMPOSSIBLE TO BE SENT TO SIBERIA.

In one of his famous "Believe it or Not" columns, Robert Ripley wrote about that cable, and how a man's life had been spared when some Czarist apparatchik mistakenly placed the period after the first word of it instead of after the second.

The occasionally errant typography emerging from New York's corporate law firms rarely has such life-and-death consequences. But the omission of three figures from a routine mortgage agreement five years ago, a mistake overlooked by numerous supposedly crackerjack lawyers at several New York law firms, has generated a spate of litigation, hundreds of thousands of dollars in legal fees, millions of dollars in damages and an untold fortune in embarrassment.

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TransAlta Says Clerical Snafu Costs It \$24 Million

Tuesday, June 3, 2003 19:06 EDT

By Cameron French

TORONTO (Reuters) - TransAlta Corp. said on Tuesday it will take a \$24 million charge to earnings after a bidding snafu landed it more U.S. power transmission hedging contracts than it bargained for, at higher prices than it wanted to pay.

TransAlta, Canada's top investor-owned power generator, said it submitted the erroneous bid to the New York Independent System Operator for May 2003 transmission congestion contracts. The ISO manages the state's power transmission system and the contracts hedge the cost of transmission.

But the company's computer spreadsheet contained mismatched bids for the contracts, it said.

"It was literally a cut-and-paste error in an Excel spreadsheet that we did not detect

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JPMorgan in Negotiations to Raise Bear Stearns Bid

By [ANDREW ROSS SORKIN](#)

Published: March 24, 2008

JPMorgan and Bear were prompted to renegotiate after shareholders began threatening to block the deal and it emerged that several “mistakes” were included in the original, hastily written contract, according to people involved in the talks.

One sentence was “inadvertently included,” according to a person briefed on the talks, which requires JPMorgan to guarantee Bear’s trades even if shareholders voted down the deal. That provision could allow Bear’s shareholders to seek a higher bid while still forcing JPMorgan to honor its guarantee, these people said.

When the error was discovered, [James Dimon](#), JPMorgan’s chief executive, who was described by one participant as “apoplectic,” began calling his lawyers at Wachtell, Lipton, Rosen & Katz to seek a way to have the sentence modified, these people said. Finger pointing over the mistakes in the contracts began as bankers blamed the lawyers and vice