Focus

Business Litigation/Tort & Insurance Practice

Jones Paternity Case Highlights Parental Contract Rules for Minors

BY STEPHEN FOX AND JONATHAN CLARK

The Jerry Jones paternity litigation reads like a modern-day soap opera. It had everything: money, power, and a supposed cover-up. But it also raised interesting legal questions, chief among them: is a confidentiality and release agreement executed by a mother that purports to bind her daughter valid and enforceable? In July, a Texas federal court answered "yes" to that question. The ruling offers an important reminder of the broad freedom of contract that Texas law provides—even when the contract binds a one-year-old.

For background, a 25-year-old woman sued Dallas Cowboys owner Jerry Jones for defamation in the Eastern District of Texas, alleging that she was Jones's child. At central issue in the litigation was a confidentiality agreement—executed when the plaintiff was a one year old. The agreement's terms included (1) the payment of money to the plaintiff's mother; (2) required the mother and the daughter to keep the matter confidential; and (3) prohibited the daughter from seeking to establish Jones's paternity at any time in the future.

Jones denied paternity but did not dispute the existence or contents of the agreement. In fact, Jones countersued claiming the plaintiff and the mother had breached the agreement.

A foundational question looming over the entire litigation was whether the agreement was enforceable against the daughter. The daughter contended that the agreement was unenforceable because: (1) it violated public policy; (2) the daughter was not a signatory;

(3) no authorized third party (such as an ad litem) signed on her behalf; and (4) even if her mother could contract for the daughter in limited circumstances, she could not do so here because the mother's interests were adverse to the daughter.

Jones's response focused on the policy and validity question. Jones argued the law on parents contracting for minors is quite clear—parents may contract for minor children. Jones further claimed there was no evidence that the mother's interests were adverse to the daughter when executing the agreement. Ultimately, Jones argued, "the law presumes that a fit parent, i.e., a parent who adequately cares for her child, acts in her child's best interests."

The court agreed with Jones, finding the agreement valid, enforceable, and binding upon the daughter. First, it held Texas law unequivocally permits parents to bind their children. This occurs frequently in other contexts—including custody and visitation, settlement of legal claims, or privacy waivers. To that end, the mother had legal authority to bind the daughter when signing the agreement. Nothing about that contract, according to the court, required a break from this norm.

Second, the court held that Texas public policy did not invalidate the agreement. In particular, the court noted that Texas law does not prohibit parents from waiving various legal rights of their children—including the right to establish paternity. The court noted with importance that the agreement also included significant financial compensation to provide for the daughter's upbringing. Those financial benefits to

the daughter counseled against a finding that the agreement was void on public policy grounds.

Third, the parties' prior, historic compliance with the agreement was evidence of its validity. Both Jones and the mother had strictly followed the terms of the agreement for two decades before the litigation arose.

Finally, the court determined there was no evidence of unconscionability or coercion in the agreement's formation and execution. The daughter implied that the personal power dynamics between her (through a single, middle-class mother) and Jones (a wealthy and prominent businessman) should factor into the analysis. The Court did not take this into consideration—and the court's ruling made no mention of coercion, duress, or other indicia of unconscionability.

For some, the result may seem surpris-

ing. But Texas, like most states, follows the principle of freedom of contract. In short, individuals are generally free to negotiate and execute contracts without government oversight. While the principle is not absolute, its limitations are narrow, largely centering on illegal acts, fraud or coercion, mental capacity, or unconscionability. The latter is very difficult to prove and generally requires a showing that *both* the circumstances of the agreement's formation and its underlying terms are so grossly out of step with ordinary society that they shock the conscience.

The Jones case serves as a stark reminder that the bar to unwinding a contract on unconscionability grounds is high. **HN**

Stephen Fox and Jonathan Clark are Partners at Sheppard Mullin and can be reached at sfox@sheppardmullin.com and iclark@sheppardmullin.com, respectively.



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