

What happens when a contract does not reflect what was agreed upon between the parties?

November 1, 2011

Author

Étienne Brassard

Partner, Lawyer

On October 28, 2011, the Quebec Court of Appeal upheld a judgment of the Superior Court allowing for clauses of a loan agreement to be modified by the Court so as to reflect the common intention of the parties after it was proved that there was a discrepancy between the real intention of the parties, as stated in a letter of intent, and the wording of the document drawn up to implement the letter of intent, namely a loan agreement. The Court therefore refused to give effect to a clause in the loan agreement that contained a significant error that would have resulted in material financial consequences for the borrower.