



# LAW NOTES

from the Law Firm of  
**Kay & Andersen, S.C.**

January, 2007

## What Every Employer Should Know.....

*ABOUT THE DANGER OF AMBIGUITY IN EMPLOYMENT AGREEMENTS*

**E**mployers frequently enter into agreements with employees which dictate the terms and conditions of employment. A recent Wisconsin Court of Appeals decision illustrates the danger posed by an employment agreement which does not clearly and unambiguously state the rights and responsibilities of the employer and the employee. In *Wookey v. Kaplan, Inc.*, No. 2006 AP 709 (Wis. Ct. App. Dec. 27, 2006), available at <http://www.wisbar.org/res/capp/2006/2006AP000709.htm>, Kaplan hired Wookey to manage a study program, and Wookey entered into a written agreement with Kaplan. The agreement stated in part that for the period of “up to six months following the termination” of employment (“the restricted period”), Wookey agreed not to engage in a number of activities “in consideration of Kaplan’s agreement to continue to pay (Wookey’s) base salary throughout the restricted period.” When Wookey resigned, Kaplan advised Wookey that it would not continue to pay his salary and would not restrict his post-employment activities. Wookey notified Kaplan that he intended to comply with the restrictions and demanded six months salary. When Kaplan refused to pay, Wookey filed suit. The Court of Appeals concluded that the agreement was ambiguous in that the agreement did not explain how, when, or by whom the length of the restrictive period would be determined. Because Kaplan drafted the agreement, the ambiguity would be construed against it and the Court of Appeals ordered judgment to be entered in favor of Wookey, entitling him to six months of post-employment salary at Kaplan’s expense. This case serves as a reminder to employers in Wisconsin that they may face substantial and unanticipated liability arising from employment agreements if great care is not exercised in drafting the agreements. Kay & Andersen, S.C. can draft appropriate employment agreements and other contracts for employers, as well as handle employers’ litigation needs.

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