



URBAN LEGENDS OF THE LAW

BY JACK GARSON

Urban Legends abound, especially in legal matters. If you want to frighten yourself with a good, scary Urban Legend, turn on Netflix and watch someone else go camping on an old burial ground. In real life, if you fall for an Urban Legend of the Law, you can jeopardize your business, your finances and even your freedom. So, be afraid, be very afraid....

Urban Legend #1: “I’m Covered for That”

People regularly believe they have insurance coverage: “a neighbor with good hands who is on your side”. Guess what? Sometimes you just have an expensive piece of paper—even with that 15% discount.

We check boxes, sign applications and write checks to insurance companies. We think we’re covered. Hah! Consider this real-life¹ victim. He dutifully paid his health insurance premiums. Then, he had a wee bit too much to drink on Christmas Day and fell down a staircase. Ouch! The hospital bill was over \$500,000. Double-Ouch! The health insurance policy denied coverage because of a common, but not widely known, exclusion for accidents resulting from alcohol or drug use. A court upheld the denial of insurance coverage. The bottom line: this guy would have gotten more value out of his insurance policy if he had just unfolded it and tried to use it as a parachute.

Remember that indispensable AMEX coverage that automatically applies to car rentals? I love AMEX and I thought that was a nifty little benefit—a gift of protection from that kind-hearted corporate titan. Guess what? This insurance does not cover any damage to another car and it does not cover any injuries at all! That’s right. If you are in an accident, there is no coverage for the other car. There’s no insurance for you, any other person, or even one of those poor squirrels who can’t decide between the curb and your tire tread. So if you get in an accident, but manage to avoid

1 Really!

all other living creatures, every valuable object in your path, and walk away completely unscathed, you’re all good. Otherwise, it’s not the greatest insurance.

There are good insurance policies and bad ones. But catchy advertising is not the same as real legal protection—even though that cute little reptile with a Cockney accent is pretty convincing. You need healthy skepticism and a skilled advisor² to tell the difference.

Urban Legend #2: “No one ever gets caught for that—so, that makes it legal”

This Urban Legend relies on the delusion that if you’re not likely to get caught, then you’re not really breaking the law³.

It’s still illegal to speed on an empty highway. Even if “everyone’s doing it”, it’s still illegal to cheat on your taxes, cut down the legally-protected trees that block your view of the Potomac River, or smoke pot that’s “legal” under state law but definitely still illegal under federal law.⁴



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Close to home, we saw many parents lying about living in DC and sending their kids to the Duke Ellington School for the Arts without paying the living-outside-of-DC tuition. DC also just sued two families for over \$800K for allegedly putting their kids in other DC public schools without paying the tuition. Many others now face lawsuits—and expulsion of their children. This Urban Legend was compelling: “everyone is doing it” + “no one ever gets caught.” It was so seductive that one of the first families being sued is headed by two Metropolitan Police Department employees.

2 I’m not saying that’s me. But, it’s me.

3 This Urban Legend originated in pre-historic times: “But Ma, all the Neanderthals are doing it”.

4 For all of those folks caught up in this raging legend, or just plain stoned, all the state medical and recreational marijuana laws don’t change U.S. federal law which still strictly prohibits marijuana.

The scary truth: When a crime is hard to find, like tax evasion, authorities go medieval on the culprits they do catch. Prosecutors want to make an example as a warning to others. So, ignore the odds. Focus on the consequences, like devastating lawsuits, legal fees, bankruptcy and ugly prison onesies.

Urban Legend #3: “It’s attorney-client privilege. I can say whatever I want.”

When your opponent is trying to rip you to shreds in court, you can only keep a few secrets. The attorney-client privilege provides one of these rare cloaks of secrecy. Once again, Urban Legend misleads the unwary.

Here’s what the privilege is not. Just because you copy your attorney on an email, does not make the email privileged.⁵ This is especially true when you tell your attorney not to read the email because you don’t want to get billed for it. Even if something is privileged—POOF!—that goes away when you forward your attorney’s advice to your poker buddy for that critical second opinion. Whether attorney-client privilege applies is a technical, often complicated, legal question. Ask your lawyer, not your gut. The privilege is a shield. Don’t hand your opponent a sword.

Urban Legend #4: “I watch a lot of crime dramas, so I’m—like, you know—a lawyer.”

If you do your own surgery, then sure, do your own legal work. The risks are about the same.

Urban Legend #5: “Everybody Gets Their Day in Court”

If you can wait a few years and have half a millions bucks, go for it. Many people end up in a nursing home before they get to a courtroom.

Urban Legend #6: “It’s a Standard Agreement.”

People sign terrible agreements everyday just because they’re “standard”. It’s as if the word “standard” induces a trance in which people lose all sense of self-preservation. Folks, we are not talking about the Ten Commandments. No contract is set in stone. There is no such thing as a standard agreement.

⁵ Three times this week... and counting.

Consider this true, painful lesson. A U of MD student wanted to rent off-campus housing, but needed his parents’ personal guarantee of the lease. The guarantee obligated the parents for all rent and any damage to the house. The parents had choices: refuse to provide the guarantee; offer a substantial security deposit instead; or cap the maximum amount of guarantee. But, the guarantee said “standard”—right at the top of the page. Sign, sign, sign.

Fast forward seven days and four hours.

The son hosts a “small” fraternity party for a few hundred of his besties, none of whom showed sufficient—or any—restraint. The floor literally caved in, pipes burst, and some future leaders of the world tumbled into the new basement wading pool. The house was a total loss.

Back in Potomac, the guarantor-parents were getting their last night of restful sleep—ever. In the morning, they would discover their indebtedness to Darth-Landlord. Over the next few weeks, other parents would file countless lawsuits on account of their damp, jostled children. One standard agreement (and one standard son) put this poor couple in bankruptcy.

Let’s finally slay this Godzilla of Urban Legends. There is NO SUCH THING AS A STANDARD AGREEMENT! “Standard” just means the other guy wrote it.

My older brother told me Urban Legends about scary monsters and hooks hanging off car doors. I left the night light on ~~ever~~ since for a while. These myths can wreak havoc. If you’re trying to do business, avoid bankruptcy or just stay out of jail, you need to debunk the Urban Legends of the Law—otherwise you’ll be keeping on the night light, too.

THE END

Best,



Jack Garson
jgarson@garsonlaw.com