ANNOTATED CONTRACT ANALYSIS · ILLUSTRATIVE SAMPLE

Offer letter with Attachments A–D

A mid-level analyst hired to work in New York City, under a packet of six documents that all choose North Carolina law. Twelve provisions, read clause by clause.

FAIRNESS SCORE

31 / 100

High risk



8
High-severity provisions of the twelve reviewed

3
Moderate findings, plus one Low: the non-solicit

12
Jurisdiction notes across federal, New York and North Carolina law

2 yrs
Restricted from most of the industry after leaving

THE SHORT VERSION

The employee carries the income swings, the trip to a distant courtroom and a two-year restriction on where to work next. The Company keeps the right to amend the letter, move the pay rate and hold earned wages after a cause termination. The one clean document in the packet is the non-solicitation attachment.

DOCUMENT ANALYZED	Offer letter with Attachments A–D (Non-Disclosure, Non-Competition, Non-Solicitation, Invention Assignment) and a screening authorization
EMPLOYER	The Company. A synthetic composite; no real employer is described.
EMPLOYEE	A mid-level analyst hired to work in New York City
GOVERNING LAW	North Carolina law, all documents
FORUM	Exclusive venue: Mecklenburg County or W.D.N.C.

Illustrative sample. The contract is a synthetic composite and does not describe any real employer or employee. Findings cite federal, New York and North Carolina law for illustration. Not legal advice.

01 THE OFFER AT A GLANCE

New York work, North Carolina rules

New York wage law still protects New York work, but every document in the packet sends disputes to North Carolina first.

Annual pay at $48 an hour, by the hours the manager approves

§ 2



Guaranteed: $0
Hours are set by the manager. No minimum is promised.

Over 40 hours
Needs written approval, and pays $48 straight time, not $72 overtime.

Rate can move
Adjustable at the Company's sole discretion.

Benefits in writing × Health coverage × PTO × Holidays × Retirement × Bonus × Equity

Where a dispute goes

§ 5 · EVERY DOCUMENT

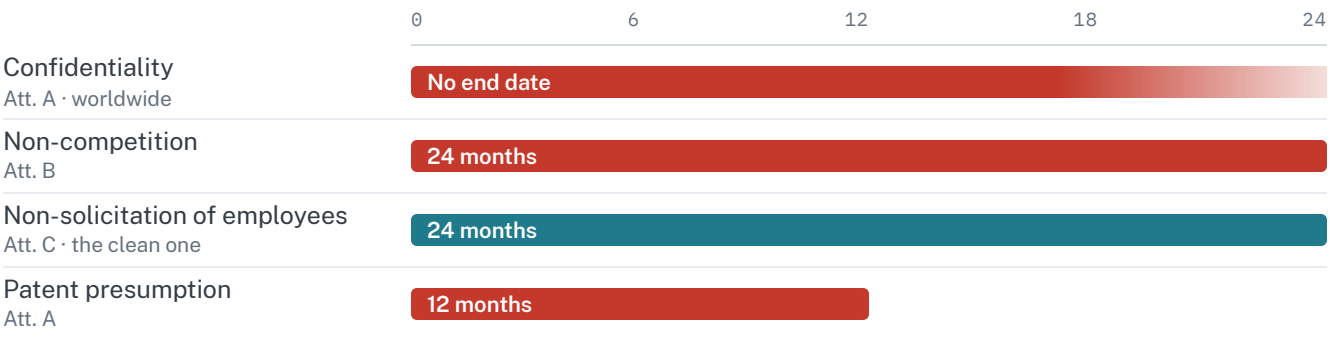
WORK PERFORMED
New York, NY
Where the employee lives and works

→

DISPUTES HEARD
Charlotte, NC
Mecklenburg County or W.D.N.C., exclusively, under North Carolina law

After you leave

MONTHS AFTER SEPARATION



02 FINDINGS, CLAUSE BY CLAUSE

Twelve provisions, in document order

Each finding quotes the contract verbatim, marks the language that matters and explains what it does in practice. Ratings go by the words on the page: a clause does not have to be enforceable to change behavior or raise the cost of a fight.



8 High **3** Moderate **1** Low

1 Carries the risk 2 Compounds it Each number ties a phrase to its reading.

§ 1 POSITION · OUTSIDE EMPLOYMENT

HIGH

Three separate clauses restrict working for anyone else

No single clause says “no moonlighting.” The package does it in three layers.

VERBATIM · OFFER LETTER § 1 · ATT. A · ATT. B

> “...will not 1 engage in any other activities that would conflict with the best interests of the Company.” OFFER LETTER § 1
>
> “...the employee shall not directly or indirectly, without the Company’s prior express consent, 2 engage in any employment or activity or business competitive with the Company.” ATT. A
>
> “...for a period of two (2) year after termination... Be associated with or involved, directly or indirectly, with 3 any... entity engaged in any business that solicits business from the Employer’s customers.” ATT. B

WHAT IT MEANS

1. Section 1 bars any activity that conflicts with the Company’s best interests, a standard the Company alone defines.
2. Attachment A requires prior express consent for any competitive work.
3. The sentence most readers skip: Attachment B applies during employment too, and bars association with any entity that solicits the Company’s customers. For a broad IT-services employer, that is most of the industry.

   There is also an IP collision. The invention assignment takes everything conceived during employment that relates to the Company’s business, and a second employer’s agreement almost certainly does the same: one invention, two owners.

BOTTOM LINE **Three layers** of restriction on outside work. Disclose any outside role in writing and get consent before the start date.

§ 2 COMPENSATION

HIGH

Hourly and exempt at the same time. No overtime, and no floor either.

VERBATIM · OFFER LETTER § 2

> "Compensation is payable at $48 per hour on a bi-weekly cycle, subject to standard withholdings. 1 The pay rate may be adjusted from time to time, including through increases, at the Company's sole discretion. 2 This role is classified as exempt, meaning Employee will not be eligible for overtime pay. Employee shall record actual start and end times each day, including meal breaks. Employee shall not work more than 40 hours per week without prior written approval from the assigned Manager."

WHAT IT MEANS

1. Watch "including through increases." If increases have to be called out, decreases are on the table too, at sole discretion.
2. Hourly and exempt do not normally go together. The drafting hands the employee the worst half of each model: exempt, so no overtime, and hourly, so no guaranteed pay.

   There are no benefits in this letter at all: no health coverage, PTO, holidays, retirement, bonus or equity.

BOTTOM LINE **$99,840 a year** is the ceiling at 40 hours. There is no floor.

JURISDICTION NOTES · § 2

US NY — CONFLICT WITH MANDATORY LAW

The classification and the pay structure contradict each other, and FLSA rights cannot be waived by contract

The FLSA requires overtime at one and a half times the regular rate for hours over forty for non-exempt employees; a contract clause purporting to waive that is void. New York requires a genuine salary basis for exempt status, a fixed amount that does not vary with hours worked. A role paid hourly, tracked by timesheet and requiring approval for overtime is a poor fit. If the classification is wrong, overtime is owed at roughly $72 an hour, with back-pay exposure on the employer.

NY — ENTITLEMENT OUTSIDE THE LETTER

Several rights attach by statute whether or not the contract mentions them

Paid sick leave is mandatory in New York and scales with employer size, up to 56 hours a year. Meal periods are required for shifts over six hours that span noon. Itemized wage statements are required with every paycheck, with damages up to $250 a day (capped at $5,000) plus attorney's fees. Once benefits are promised as part of the employment terms, failure to pay them when due carries civil and, in some cases, criminal exposure.

§ 3 AT-WILL EMPLOYMENT · 30-DAY NOTICE

MODERATE

The 30-day notice runs one direction

VERBATIM · OFFER LETTER § 3

> "...employment with the Company is at-will and may be terminated by you or the Company at any time, with or without cause and without notice. However, 1 the Company shall have the right in either case, to invoke a 30-day notice period..."

WHAT IT MEANS

At-will is normal; the asymmetry is not.

1. Only the Company can invoke the 30-day transition period, and it can invoke it when the employee resigns. The employee can be held for a month on the way out, while the Company owes no notice at all when it terminates.

BOTTOM LINE **30 days** of notice the Company can demand, and never owes.

§ 4 TERMINATION FOR CAUSE

HIGH

Cause is whatever the Company "determines." Then it holds your pay.

VERBATIM · OFFER LETTER § 4

> "'Cause' includes, without limitation, 1 any conduct that the Company determines, in its judgment, may adversely affect its business or reputation, provided that Employee is given ten (10) days' written notice and fails to cure such conduct. Upon a termination for Cause, 2 the Company reserves the right to withhold any amounts otherwise payable to Employee pending completion of any internal review of financial impact resulting from Employee's conduct."

WHAT IT MEANS

1. Cause rests on the Company's own judgment, is open-ended, and covers any conduct it decides adversely affects business or reputation, subject to a 10-day cure.
2. After a cause termination, the Company can withhold earned wages pending an internal review, with no deadline. Its enforceability is doubtful, but it still tells you how a dispute here would start.

BOTTOM LINE **No deadline** on the hold over earned wages.

JURISDICTION NOTE · § 4, CONTINUED

NY NC

CONFLICT WITH MANDATORY LAW

This clause conflicts with the wage law of both states

New York Labor Law § 193 permits deductions from wages only where required by law or authorized in writing by the employee for the employee's own benefit. An open-ended hold on earned wages pending an internal determination fits no authorized category. North Carolina, which the contract selects, requires all wages owed to be paid on or before the next regular payday following separation (N.C. Gen. Stat. § 95-25.7) and permits withholding only with a written authorization identifying the specific amount and reason, or where required by law (§ 95-25.8). A hold tied to an undated internal review cannot coexist with a fixed payday deadline.

§ 5 GOVERNING LAW · JURISDICTION

HIGH

A New York worker who has to sue in Charlotte

VERBATIM · OFFER LETTER § 5

> "This Agreement, together with all attachments, (1) shall be governed by and construed under the laws of the State of North Carolina. Any dispute arising under or relating to this Agreement (2) shall be brought exclusively in the state courts of Mecklenburg County or in the United States District Court for the Western District of North Carolina."

WHAT IT MEANS

1. Every document in the packet picks North Carolina law, for someone who lives and works in New York.
2. And North Carolina courts, exclusively. Any claim for unpaid wages, misclassification or withheld pay means North Carolina counsel and travel. Most people never bring the claim.

   New York wage protections still attach to work performed in New York; the employee has to get past the forum clause first to use them at home.

BOTTOM LINE **Charlotte** is where a New York employee has to bring any claim.

JURISDICTION NOTE · § 5

NC NY

LIKELY ENFORCEABLE

The clause is probably enforceable, and New York's protections are not self-executing

California voids out-of-state choice-of-law and forum clauses for resident employees by statute; neither North Carolina nor New York has that statute. North Carolina courts generally enforce forum clauses as written, including against out-of-state employees. New York's wage protections still apply to work actually performed in New York, but the employee has to raise and litigate that, typically in the selected forum first.

§ 7 UNILATERAL AMENDMENT · CONDITIONS

HIGH

The Company can rewrite this letter whenever it wants

VERBATIM · OFFER LETTER § 7

> "1 These terms may be modified by the Company at its sole discretion upon written notice to Employee. Employment is contingent upon satisfactory completion of a background screening, reference checks, 2 verification of prior compensation history, and confirmation of work authorization."

WHAT IT MEANS

1. Modification happens at the Company's sole discretion, not by mutual consent. Pay, role, location: all of it can move. Meanwhile the invention assignment needs both signatures to change; the one document locked against unilateral edits is the one that protects the Company.
2. Prior-compensation verification may run into New York's salary-history restrictions for a New York City hire.

BOTTOM LINE **One way:** only the Company can change the terms.

JURISDICTION NOTES · § 7

NY NYC — CONFLICT WITH MANDATORY LAW

Two separate prohibitions, state and city

New York Labor Law § 194-a bars an employer statewide from seeking, requesting or requiring wage or salary history as a condition of being interviewed, considered or hired. NYC Human Rights Law § 8-107(25) adds a second, independently enforced prohibition for employees hired to work in New York City, with civil penalties up to $125,000 (up to $250,000 where willful). The employee is not obligated to supply salary history.

NY NC — LIKELY ENFORCEABLE

Under the law the contract selects, this clause probably works

New York treats an unbounded unilateral modification power as potentially illusory. North Carolina is more permissive, and North Carolina is what the contract picked: an at-will employer can generally impose new terms on notice, with continued work treated as acceptance. A reason to insist that benefits and any rate floor live in a signed mutual document.

Offer VALIDITY WINDOW — MODERATE

Three days to sign

VERBATIM · OFFER LETTER, CLOSING

> "This offer of employment is valid through [1] [three days after the offer date]."

WHAT IT MEANS

1. A window that short exists to prevent review. The start date can also be moved by the Company alone.

   Ask for a week, in writing. A refusal tells you something too.

BOTTOM LINE **3 days** to review six documents.

Att. A NON-DISCLOSURE AGREEMENT — HIGH

No end date, no borders, and a patent trap that runs a year past separation

VERBATIM · ATTACHMENT A

> "...the reasonable restrictive covenants hereinafter contained shall apply to the employee and be [1] enforceable against him in any part of the world, without limitation on territory... if any application for patent related to or connected with the business of the company or any customer of the company is filed by him... [2] during the period of one (1) year after the termination... the subject matter thereof shall be presumed... to have been conceived during his employment..."

WHAT IT MEANS

1. Confidentiality never expires and applies "in any part of the world."
2. The patent presumption is the dangerous part: file a patent within 12 months of leaving that touches the business of the Company or any of its customers, and it is presumed conceived on the job. For a broad IT-services firm, that reaches almost any technology filing in that year.

   The Company can also inspect property "available to" the employee at any time, without notice, and the employee must indemnify the Company against third-party claims.

BOTTOM LINE **12 months** after you leave, any related patent is presumed conceived on the job.

JURISDICTION NOTES · ATT. A, CONTINUED

US · DEFECT FAVORING EMPLOYEE

A required federal notice is absent, and the omission costs the employer

Any agreement governing trade secrets must include notice that the individual is immune from liability for disclosing a trade secret to a government official or attorney solely to report a suspected violation of law. The immunity exists whether or not the notice is printed; the drafter loses exemplary damages and attorney's fees in a trade secret action against that employee.

US · VULNERABLE AS WRITTEN

A definition broad enough to chill protected conversations is unenforceable to that extent

Employees have a federally protected right to discuss wages and working conditions. The definition sweeps in "financial status" and "data" with no carve-out or time limit, and read literally reaches two employees talking about pay. The usual remedy is narrowing; a protected-activity carve-out is standard and costs the employer nothing legitimate.

NY · NC · VULNERABLE AS WRITTEN

No categorical statutory ban applies here, so the only test is unconscionability

Indemnification prohibitions in both states are narrow and industry-specific (principally construction), so an employee facing indemnification in an employment agreement gets no categorical statutory protection. The inspection provision reaches property "available to" the employee at any time and, for a home-office worker, reaches into a residence: unregulated territory governed entirely by contract language.

Att. B NON-COMPETITION AGREEMENT · HIGH

Two years locked out of any company that competes for the Company's clients

VERBATIM · ATTACHMENT B

> "During employment and for a period of two (2) years following separation, Employee shall not (1) ❶ solicit or accept work of any kind from any client or prospective client of the Company; or ❷ (2) join, invest in, advise, or otherwise associate with any entity that competes with the Company for work from any of the Company's clients."

WHAT IT MEANS

❶ Prong (1) blocks work from any client or prospective client, for two years.

❷ Prong (2) bars association with any entity that competes for work from the Company's clients. For a broad services firm, that is most of the industry, attached to a mid-level analyst role.

The employee also waives defenses and pre-approves a court narrowing anything invalid to the enforceable maximum. The threat and the legal bill do the work either way.

BOTTOM LINE **24 months** out of most of the industry.

JURISDICTION NOTE · ATT. B, CONTINUED

NC NY

VULNERABLE AS WRITTEN

Overbroad under both states' tests, but North Carolina blue-pencils rather than voids

North Carolina enforces a non-compete only where reasonable in time, geography, scope and consideration, and where ancillary to an otherwise enforceable agreement. A covenant broad enough to bar association with any entity that competes for the employer's clients is vulnerable as written, but North Carolina courts blue-pencil overbroad covenants, striking offending terms while enforcing the remainder rather than voiding the whole. New York applies a comparable reasonableness test and can likewise narrow rather than void.

Att. C NON-SOLICITATION AGREEMENT

● LOW

A no-poach clause, and only a no-poach clause

VERBATIM · **ATTACHMENT C**

> "...he or she will not, 1 for a period of two (2) years after termination... approach, solicit, entice or attempt to approach, solicit or entice any of the other employees of the Employer or its Affiliates to leave the employment of the Employer."

WHAT IT MEANS

It covers recruiting the Company's employees away. Nothing else.

1 Two years is on the long side, but this is still the cleanest document in the packet.

BOTTOM LINE **Cleanest** document in the packet.

Att. D INVENTION ASSIGNMENT AGREEMENT · HIGH

It takes your ideas. A blank schedule gives away your past work too.

VERBATIM · **ATTACHMENT D**

> "Employee assigns to the Company all right, title, and interest in (1) any and all inventions, works of authorship, know-how, and improvements, whether or not patentable, that Employee may conceive or reduce to practice, alone or with others, during the term of employment. (2) Where Schedule 1 is not completed, Employee warrants that no Prior Inventions exist."

WHAT IT MEANS

1. It is hard to draft an assignment more broadly. The own-time carve-out excludes anything related to the Company's business or research, which for a broad services firm leaves it covering close to nothing.
2. A blank prior-inventions schedule is a warranty that none exist. Unlisted prior work that lands in a deliverable becomes company property or a perpetual, royalty-free license.

   One point runs the other way: this attachment controls where it conflicts with the offer letter, and changing it takes both signatures.

BOTTOM LINE **Schedule 1** left blank warrants you have no prior inventions.

JURISDICTION NOTE · ATT. D

NY NC · STATUTORY GAP

Neither North Carolina nor New York provides the protection a California employee would have

California Labor Code § 2870 automatically carves out inventions developed entirely on an employee's own time and equipment, unrelated to the employer's business. Neither New York nor North Carolina has an equivalent statute, so this assignment language is far more likely to be enforced as written here than identical language would be in California. Anyone with pre-existing repositories or side projects should complete Schedule 1 with counsel before signing.

Auth. SCREENING AUTHORIZATION

● MODERATE

The background check never really ends

VERBATIM · **SCREENING AUTHORIZATION**

> "The information received may include… credit reports, trace reports, driving records, and criminal and civil history records… (1) personal interviews regarding my character, general reputation, personal characteristics, and mode of living… (2) this authorization will remain in effect throughout such employment…"

WHAT IT MEANS

1. The authorization covers credit, criminal and civil history, driving records, watch lists, "mode of living" interviews, a physical exam, drug testing and cross-border data transfer.
2. It stays in force for the entire employment unless withdrawn in writing. Answer residency questions accurately, and request a copy of any report prepared.

BOTTOM LINE **For the whole job:** the consent stays in force until you withdraw it in writing.

JURISDICTION NOTE · AUTH.

US NY

VULNERABLE AS WRITTEN

Consent that never expires, plus medical inquiry that needs a lawyer's eye on sequencing

The FCRA requires written permission before procuring a consumer report and disclosure of rights before adverse action. The authorization here runs for the entire employment and reaches "mode of living" interviews and international data transfer. The ADA restricts medical inquiries and requires timing and sequencing review that this analysis cannot complete from the form alone. New York's SHIELD Act obligates reasonable safeguards for the sensitive data collected.

03 OVERALL RISK SUMMARY

Twelve provisions. Eight of them high.

8 High **3** Moderate **1** Low

CLAUSE	SEVERITY	FINDING	IMPACT
§ 1 Position	HIGH	Three separate restrictions on outside work	Written consent needed for any outside role
§ 2 Pay	HIGH	Hourly and exempt at the same time	No overtime, no pay floor, no benefits in writing
§ 3 Notice	MODERATE	30-day notice runs one direction	Held a month on the way out
§ 4 Cause	HIGH	Cause is what the Company determines; wages held	Conflicts with NY and NC wage law
§ 5 Forum	HIGH	NC law and forum for a New York worker	Any claim means NC counsel and travel
§ 7 Amendment	HIGH	Company can rewrite the terms on notice	Pay, role and location can move
Offer Validity	MODERATE	Three days to sign	Ask for a week, in writing
Att. A NDA	HIGH	No end date, no borders, patent presumption	Reaches most filings for a year after leaving
Att. B Non-compete	HIGH	Two years out of competitors for the Company's clients	Vulnerable; NC narrows rather than voids
Att. C Non-solicit	LOW	No-poach only	Cleanest document in the packet
Att. D Inventions	HIGH	Assigns everything; blank schedule warrants none exist	Complete Schedule 1 with counsel
Auth. Screening	MODERATE	Consent runs for the whole employment	Request a copy of any report

04 RECOMMENDED ACTIONS

Before you accept this offer

01	**Resolve the classification before signing**	§ 2
	Either non-exempt hourly with overtime, or exempt on a genuine salary basis at or above the New York threshold.	
02	**Put pay, any rate floor and benefits in a signed mutual document**	§ 2, 7
	As drafted, the letter lets the Company move all three on notice.	
03	**Strike the wage-hold sentence**	§ 4
	Or replace it with a written authorization naming a specific amount and reason.	
04	**Ask for New York law and forum**	§ 5
	That is where the work is performed. At minimum, confirm in writing that New York wage protections apply.	
05	**Do not supply salary history**	§ 7
	The verification condition runs into New York State and City prohibitions.	
06	**Narrow the non-compete**	Att. B
	Named competitors, a defined territory and a shorter term. Delete prong (2).	
07	**Fix the NDA**	Att. A
	Add a protected-activity carve-out and an end date, and delete the one-year patent presumption.	
08	**Complete Schedule 1 with counsel**	Att. D
	A blank schedule warrants that no prior inventions exist.	
09	**Disclose any outside role in writing**	§ 1
	And get written consent before the start date.	
10	**Ask for a week to review**	Offer
	In writing. Request a copy of any background report prepared.	

Know exactly what you're agreeing to before you sign.
Upload a contract and get the same analysis, with a Fairness Score and every risk flagged, within minutes.

ANALYZE YOUR OWN
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