CONTRACT RISK REVIEW

Master Services Agreement — Vendor X / Cardinal Point Advisors

Reviewed by Legal Workshop · 18 May 2026 · 14-page MSA, 32 clauses scanned

Overall Risk Score **HIGH · 72/100**

Risk Distribution

Severity	Clauses	Examples
High	3	Unlimited liability · IP assignment · Unilateral termination
Medium	5	Payment terms · Indemnification scope · Governing law
Low	7	Notice periods · Confidentiality carve-outs · Force majeure
Acceptable	17	Standard boilerplate

Top Issues Identified

HIGH **Issue 1. Unlimited liability for indirect damages** (Clause 11.2)

Why it matters: The MSA waives the standard limitation of liability for the consultant but preserves it for the client. This is asymmetric and exposes Cardinal Point to consequential damages unconnected to the work product.
Suggested redline: Cap aggregate liability at 12 months of fees paid; exclude indirect, consequential, and lost-profit damages for both parties.

HIGH **Issue 2. Blanket IP assignment to client** (Clause 9.1)

Why it matters: All pre-existing methodologies, tools, and frameworks would transfer to the client on delivery. This includes Cardinal Point's proprietary diagnostic framework used across all engagements.
Suggested redline: Grant client a perpetual, non-exclusive licence to deliverables. Reserve all background IP and methodologies for the consultant.

HIGH **Issue 3. Termination for convenience without notice** (Clause 14.4)

Why it matters: Client may terminate with zero notice and no payment for work in progress beyond the last invoiced milestone.
Suggested redline: Require 30 days' written notice and payment for all reasonable costs incurred and non-cancellable commitments through the effective termination date.