



California Corporate & Securities Law

Can Parties Choose Venue in California?

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In prior posts, I discussed two unusual California statutes relating to choice-of-law and choice-of-forum provisions in agreements. Choice-of-forum provisions are often confused with choice-of-venue provisions. A choice of forum relates to the place of jurisdiction (*e.g.*, California, Delaware or Nevada) whereas a choice of venue refers to the place or geographic location of trial (*e.g.*, the County of Orange or the City of San Diego). Surprisingly, the California Supreme Court long ago held that venue selection provisions are void. *General Acceptance Corp. v. Robinson* 207 Cal. 285, 289 (1929). More recently, the Courts of Appeal have followed this holding. See, *e.g.*, *Alexander v. Superior Court* 114 Cal.App.4th 723 (2003) and *Arntz Builders v. Superior Court*, 122 Cal. App. 4th 1195 (2004).

One may question why the California courts would refuse to honor the parties' agreement as to venue. The Court of Appeal in *Alexander* gave the following answer:

"The concern with selecting venue is that parties will disrupt the statutory scheme and bring the administration of justice into disrepute in order to have their cause heard where they believe it will be received most sympathetically. But it is not for the parties or the courts to set venue. That is the role of the Legislature."

114 Cal.App.4th at 731.

What if the parties agree on a venue that is one of several permissible venues under California's venue statutes? The Court of Appeal in *Arntz* allowed that "there is some logic to the contention that the parties should be able to agree among statutorily permissible counties". However, the Court declined to decide the question. Stay tuned.

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