



Choice of Law Provisions have Limited Value in Employment Cases

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In a recent case, *Ruiz v. Affinity Logistics* [PDF], the Ninth Circuit refused to enforce a choice of law provision that designated Georgia law, rather than California law, to govern an agreement entered into and performed in California.

The agreements include two important provisions. First, the agreements specify that the drivers perform services for Affinity not as employees, but as independent contractors. Second, the agreements include a choice of law provision, which states that Georgia law will govern any dispute that could arise under the agreements.

The Court was required to decide which law to apply: California or Georgia. In its analysis, the Ninth Circuit considered several questions.

1. Did Georgia, the state selected by the parties, have a substantial relationship to the parties, or did the parties have an otherwise reasonable basis to select Georgia's laws to govern the agreement?
2. Would applying the law of Georgia contravene an important public policy of California?
3. Does California has a substantially greater interest in the resolution of the dispute than Georgia?

Although choice of law provisions are common and used frequently by companies that are incorporated outside of California but do business in California, this opinion demonstrates the limited value of these provisions in the employment context. California law provides workers with protections often unavailable in other states, and courts routinely refuse to enforce contractual provisions that undermine these protections.