

# Ninth Circuit Requires Application of California Law over Contractual Choice of Law Provision

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A class of truck drivers filed suit against a home delivery and transportation logistical support services company claiming alleged violations of the Fair Labor Standards Act and various related California labor laws, including failure to pay overtime, failure to pay wages, and unfair business practices. The company defended the claims by arguing that the drivers were not employees, but instead were independent contractors, and pointed to the Independent Truckman's Agreement and Equipment Lease Agreement signed by the drivers. Further, because the Agreement contained a provision indicating that Georgia law was to apply to any disputes relating to the relationship, the company claimed that Georgia law confirmed that the drivers were not employees and thus could not maintain their claims. After motion practice and a bench trial, the district court agreed with the company and found that not only did Georgia law properly apply to the dispute, but that under Georgia law, there is a presumption of independent contractor status and that the drivers could not establish the existence of an employer-employee relationship. The Ninth Circuit Court of Appeals, however, [disagreed](#) with the trial court's analysis, at least in part, and reversed the decision. The Court of Appeals found that the district court failed to consider whether applying Georgia law would be contrary to fundamental California policies, and whether California had a materially greater interest in the resolution of these issue than did Georgia. Since the Court of Appeals found Georgia law to directly conflict with California law on the presumptions and burdens involved in the consideration of independent contractor status, and because worker protection is a fundamental public policy in California, the application of Georgia law would be improper. Finding that California law applied to the dispute, the case was remanded with instructions for the district court to reconsider the issues in light of California law. You can read more about the Court's decision and why it ultimately determined that the company's choice of law provision and Georgia law did not apply [here](#).

Many employers include choice of law provisions in employment and independent contractor agreements, however, such provisions must be narrowly-tailored and compliant with specific state laws to ensure that the employer can ultimately obtain the benefit of the provision.

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## Topics

Independent Contractors, Misclassification, Choice Of Law