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Contractual Jury Waiver Clauses Ruled Unenforceable

This past Tuesday the Court of Appeal in San Francisco issued a decision that invalidates contractual jury waivers. In brief, the Court held that section 631 of the California Code of Civil Procedure, which specifies various ways in which a party waives trial by jury in civil matters, is the sole means for waiving a jury. Since section 631 does not provide for predispute contractual waivers, such waivers are unenforceable. Grafton Partners LP v. Superior Court, 04 C.D.O.S. 1167 (February 6, 2004.)

Since there is a 1991 decision from the Court of Appeal in Los Angeles that goes the other way, it is all but certain that the California Supreme Court will grant review and decide the issue.

Interestingly, another California Court of Appeal has recently also held that contractual VENUE selection clauses are unenforceable. Probably another task for the California Supreme Court.

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For additional information on this topic or other areas of law affecting financial institutions, please contact one of the following attorneys:

Robert J. Stumpf, Jr.	San Francisco	415.774.3288	rstumpf@sheppardmullin.com	
Edward D. Vogel	San Diego	619.338.6529	evogel@sheppardmullin.com	
John R. Pennington	Los Angeles	213.620.1780	jpennington@sheppardmullin.com	
Andrew J. Guilford	Orange County	714.513.5100	aguilford@sheppardmullin.com	

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP					
LOS ANGELES	SAN FRANCISCO (415) 434-9100	ORANGE COUNTY	SAN DIEGO		
(213) 620-1780		(714) 513-5100	(619) 338-6500		
SANTA BARBARA	WASHINGTON, D.C.	WEST LOS ANGELES	DEL MAR HEIGHTS		
(805) 568-1151	(202) 218-0000	(310) 824-0097	(858) 720-8900		
W W W.SHEPPARD M ULLIN.CO M					