

United States District Court  
Northern District of California

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IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

TRAVELERS PROPERTY CASUALTY	)	Case No. 11-3638-SC
COMPANY OF AMERICA, a Connecticut	)	
corporation; FIDELITY & GUARANTY	)	<u>ORDER REGARDING VENUE</u>
INSURANCE COMPANY, an Iowa	)	
corporation; THE TRAVELERS	)	
INDEMNITY COMPANY OF CONNECTICUT,	)	
a Connecticut corporation, ST.	)	
PAUL MERCURY INSURANCE COMPANY, a	)	
Minnesota corporation,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	
	)	
	)	
CENTEX HOMES, a Nevada	)	
partnership; and DOES 1 through	)	
10 inclusive,	)	
	)	
Defendant.	)	

**I.     INTRODUCTION**

Defendant Centex Homes ("Centex"), a general contractor and home-builder, is a named insured under a number of general liability policies issued by the Plaintiffs in the above-captioned matter. Plaintiffs filed this action when Centex refused to allow them to control Centex's defense in a number of construction defect actions which Centex had tendered under its policies. At least four of these actions were filed in courts that lie within the boundaries of the Eastern District of California (the "Eastern District"). None were filed in courts that lie in the Northern

1 District of California (the "Northern District"). On April 23,  
2 2012, the Court ordered the parties to show cause why venue lies in  
3 the Northern District rather than the Eastern District. ECF No. 52  
4 ("Order"). Centex and Plaintiff Travelers Property Casualty  
5 Company of America ("Travelers") filed briefs in response. ECF  
6 Nos. 53 ("Centex Response"); 54 ("Travelers Response"). Both  
7 parties contend that venue is proper in the Northern District,  
8 though Travelers argues that venue would also be proper in the  
9 Eastern District. Having reviewed the parties' arguments, the  
10 Court is satisfied that venue is proper in the Northern District  
11 and declines to transfer the case.

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13 **II. DISCUSSION**

14 Venue is proper in "a judicial district in which any defendant  
15 resides" or "a judicial district in which a substantial part of the  
16 events or omissions giving rise to the claim occurred." 28 U.S.C.  
17 §§ 1391(b)(1)-(2). With respect to determining the residence of a  
18 corporation such as Centex:

19 For purposes of venue . . . , in a State which has more  
20 than one judicial district and in which a defendant that  
21 is a corporation is subject to personal jurisdiction at  
22 the time an action is commenced, such corporation shall  
23 be deemed to reside in any district in that State within  
24 which its contacts would be sufficient to subject it to  
personal jurisdiction if that district were a separate  
State, and, if there is no such district, the corporation  
shall be deemed to reside in the district within which it  
has the most significant contacts.

25 Id. § 1391(d).

26 In this case, Centex may be considered a resident of the  
27 Northern District since it maintains the requisite minimum contacts  
28 with the area. According to both Centex and Travelers, Centex

1 builds homes throughout California, including in the Northern  
2 District. Centex Response at 2; Travelers Response at 1-2. For  
3 example, according to Travelers, at the time this action commenced,  
4 Centex was actively involved in the construction and sale of new  
5 homes in the Meadows Development at Magnolia Park in Oakley,  
6 California, which is located in the Northern District. Travelers  
7 Response at 1-2.

8 The Court notes that Centex may also be considered a resident  
9 of the Eastern District as it has been involved in the construction  
10 of at least four developments in that district. See Centex  
11 Response at 1. The residents of these developments later sued  
12 Centex for construction defects in state court, giving rise to the  
13 instant action. Thus, Centex clearly has stronger contacts with  
14 the Eastern District. Centex concedes as much in its brief.  
15 Centex Response at 3. However, the issue before the Court is not  
16 whether Centex has more contacts with the Eastern District or the  
17 Northern District. Rather, the pertinent inquiry is whether venue  
18 in the Northern District is proper. The Court finds that it is.

19 Travelers also argues that a substantial portion of the events  
20 that gave rise to its claims arose in the Northern District since  
21 Centex's attorneys, Newmeyer & Dillon ("Newmeyer"), tendered the  
22 underlying actions from their office in Walnut Creek, California.  
23 Travelers Response at 3. This argument also has merit. Two of the  
24 central issues in this case are: (1) whether Centex has the right  
25 to retain Newmeyer as its counsel in the tendered actions; and (2)  
26 whether Plaintiffs waived their right to appoint Centex's counsel  
27 by initially refusing to accept these tenders. Accordingly, a  
28 substantial part of the events giving rise to the claims and

1 counterclaims at issue occurred in Newmeyer's offices in the  
2 Northern District.

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4 **III. CONCLUSION**

5 For these reasons, the Court holds that venue in the Northern  
6 District of California is proper and declines to transfer this case  
7 to the Eastern District of California.

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9 IT IS SO ORDERED.

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11 Dated: May 3, 2012

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UNITED STATES DISTRICT JUDGE

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