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28UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIAMICHAEL BALDUCCI,
Plaintiff,
v.
CONGO, LTD.,
Defendant.

Case No. 17-cv-04062-KAW

**ORDER GRANTING MOTION TO
DISMISS OR TRANSFER VENUE**

Re: Dkt. No. 4

United States District Court
Northern District of California

Plaintiff Michael Balducci filed the instant suit against Defendant Congo, Ltd., alleging that Defendant wrongfully terminated his employment to avoid providing him with stock benefits. (Compl. ¶ 14, Dkt. No. 1-2.) On July 19, 2017, Defendant removed the case from the San Francisco County Superior Court, on the basis of diversity jurisdiction. (Not. of Removal ¶ 6, Dkt. No. 1.) Defendant now moves to dismiss the case for lack of personal jurisdiction, improper venue, and forum non conveniens, or to transfer venue. (Def.'s Mot., Dkt. No. 4.)

Upon consideration of the parties' filings, as well as the arguments presented at the September 21, 2017 hearing, and for the reasons set forth below, the Court GRANTS Defendant's motion and TRANSFERS the case to the United States District Court, District of Colorado.

I. BACKGROUND

Defendant is a Colorado corporation whose corporate headquarters are located in Austin, Texas. (Compl. ¶ 2.) Defendant operates an online platform that connects users with attorneys. (Compl. ¶ 2.) In July 2016, Plaintiff began his employment with Defendant as Chief Marketing Officer ("CMO"). (Compl. ¶ 8.) Plaintiff's employment was pursuant to an employment agreement ("Agreement"), which contained the following clause:

13. **GOVERNING LAW; VENUE; JURISDICTION; JURY TRIAL**

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WAIVER. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Colorado without giving effect to any choice or conflict of law provision or rule (whether of the State of Colorado or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of Colorado. The parties agree that any action or proceeding commenced under or with respect to this Agreement shall be brought only in Colorado state courts of the county or district courts of Boulder, Colorado or the federal district courts of the District of Colorado located in Denver, and the parties irrevocably consent to the personal jurisdiction of such courts and waive any right to alter or change venue, including by removal. Service of process, summons, notice or other documents by mail to such party's address set forth herein shall be effective service or process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. **THE PARTIES HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO OR IN CONNECTION WITH THIS AGREEMENT.**

(Ogorzaly Decl., Exh. 1 ("Agreement") ¶ 13, Dkt. No. 4-2.) The Agreement also specified that Plaintiff could only be terminated for cause after Plaintiff failed to cure a failure or breach of duties within 10 days of being given notice of such failure or breach. (Compl. ¶ 9; Agreement ¶ 9(a).) The Agreement provided that Plaintiff would be compensated 150,000 shares of stock and additional stock options upon completion of certain financing or revenue milestones. (Compl. ¶ 11.)

On January 18, 2017, Defendant terminated Plaintiff's employment. (Compl. ¶ 12.) Plaintiff alleges that he was terminated without cause and without written notice or opportunity to cure any alleged problems, and that he was terminated immediately before he would have received additional shares. Plaintiff alleges that he was terminated so that Defendant could avoid providing him with his stock shares. (Compl. ¶ 14.) Plaintiff also asserts that his termination was the result of his reporting illegal and/or unethical actions by Defendant and Defendant's employees. (Compl. ¶ 15.) Plaintiff alleges that he has not been paid any wages for the length of his employment, and that he has not been reimbursed for any costs he personally paid for work-related travel and costs. (Compl. ¶¶ 16-17.)

Based on these actions, Plaintiff brought the instant suit in San Francisco County Superior

1 Court, alleging claims of: (1) breach of contract, (2) breach of the implied covenant of good faith
2 and fair dealing, (3) failure to compensate for all hours worked, (4) failure to pay minimum wage,
3 (5) failure to reimburse expenses and/or prohibited cash bond, (6) failure to pay final wages on
4 time, (7) promissory estoppel, (8) unlawful retaliation in violation of public policy, (9) fraud and
5 deceit, and (10) quantum meruit. Defendant subsequently removed the case to federal court, and
6 filed the instant motion to dismiss for lack of personal jurisdiction, improper venue, and forum
7 non conveniens, or, in the alternative, to transfer venue. On August 9, 2017, Plaintiff filed his
8 opposition to Defendant's motion to dismiss or transfer. (Plf.'s Opp'n, Dkt. No. 9.) On August 16,
9 2017, Defendant filed its reply brief. (Def.'s Reply, Dkt. No. 12.)

10 II. LEGAL STANDARD

11 A. Motion to Dismiss Pursuant to Rule 12(b)(2)

12 Under Federal Rule of Civil Procedure 12(b)(2), a defendant may move to dismiss a claim
13 for lack of personal jurisdiction. The plaintiff bears the burden of demonstrating that the court has
14 jurisdiction over the defendant. *Schwarzenegger v. Fred Martin Motor Co.*, 374 F.3d 797, 800
15 (9th Cir. 2004). "Where, as here, a motion to dismiss is based on written materials rather than an
16 evidentiary hearing, the plaintiff need only make a prima facie showing of jurisdictional facts."
17 *Love v. Associated Newspapers, Ltd.*, 611 F.3d 601, 608 (9th Cir. 2010). To make a prima facie
18 showing, "the plaintiff need only demonstrate facts that if true would support jurisdiction over the
19 defendant." *Ballard v. Savage*, 65 F.3d 1495, 1498 (9th Cir. 1995). "Uncontroverted allegations
20 in the complaint must be taken as true, and conflicts over statements contained in affidavits must
21 be resolved in [the plaintiff's] favor." *Love*, 611 F.3d at 608.

22 B. Motion to Dismiss Pursuant to Rule 12(b)(3)

23 A defendant may raise a motion to dismiss for improper venue under Federal Rule of Civil
24 Procedure 12(b)(3) in its first responsive pleading or by a separate pre-answer motion. Once the
25 defendant challenges venue, the plaintiff bears the burden of establishing that venue is proper.
26 *Piedmont Label Co. v. Sun Garden Packing Co.*, 598 F.2d 491, 496 (9th Cir. 1979). When
27 considering a Rule 12(b)(3) motion to dismiss, the pleadings need not be accepted as true, and the
28 court "may consider facts outside of the pleadings." *Richardson v. Lloyd's of London*, 135 F.3d

1 1289, 1292 (9th Cir. 1998). If the court determines that venue is improper, it may dismiss the
2 case, or, if it is in the interest of justice, transfer it to any district in which it properly could have
3 been brought. 28 U.S.C. § 1406(a); Dist. No. 1, Pac. Coast Dist. v. Alaska, 682 F.2d 797, 799 (9th
4 Cir. 1982).

5 Even if the court determines that venue is proper, it may transfer for the convenience of
6 parties and witnesses. 28 U.S.C. § 1404(a). In either case, the decision to transfer is within the
7 discretion of the court. 28 U.S.C. § 1404(b); King v. Russell, 963 F.2d 1301, 1304 (9th Cir. 1992)
8 (no abuse of discretion under 28 U.S.C. § 1406(a) when it chose to dismiss, rather than transfer,
9 for improper venue).

10 III. DISCUSSION

11 A. Evidentiary Objections

12 In Plaintiff's opposition, Plaintiff objects to portions of Mr. William Ogorzaly's
13 declaration. (Plf.'s Opp'n at 7.) First, Plaintiff objects to paragraphs in which Mr. Ogorzaly
14 declares that Defendant has not agreed to be subject to jurisdiction in California, that Defendant
15 has not purposely availed itself to the benefits and protections of California, that Plaintiff's claims
16 do not arise from or relate to activity conducted by Defendant in California, and that Defendant
17 has no substantial connection with California. (Ogorzaly Decl. ¶¶ 17, 30, 37.) The Court
18 SUSTAINS Plaintiff's objections, as these are legal conclusions.

19 Plaintiff also objects to Mr. Ogorzaly's statements regarding "scraping," asserting that this
20 is subject to expert opinion. (Plf.'s Opp'n at 7; Ogorzaly Decl. ¶ 33.) These statements are not
21 relevant to the instant motion and were not considered by the Court; therefore, the Court
22 OVERRULES Plaintiff's objection as moot.

23 In their reply, Defendant objects to Attorney Tracy Scanlan's declaration, on the basis that
24 the declaration does not include any of the exhibits referenced in the declaration. (Defs.' Reply at
25 2.) Only after Defendant filed their reply did Plaintiff file the exhibits on the docket. (Dkt. No.
26 13.) Because Plaintiff did not timely provide the exhibits, Defendant did not have an opportunity
27 to review or respond to the exhibits. The Court therefore SUSTAINS Defendant's objection, and
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1 will not consider Attorney Scanlan's declaration.¹

2 **B. Forum Selection Clause**

3 Defendant makes two primary arguments in support of dismissal or transfer. First,
4 Defendant contends there is a valid forum selection clause, such that the case cannot be brought in
5 any court other than those located in Colorado. (Def.'s Mot. at 6.) Based on the forum selection
6 clause, Defendant seeks to either have the instant case dismissed or transferred to Colorado.
7 Second, Defendant argues that the Court lacks personal jurisdiction over it, requiring dismissal of
8 the case. (Id. at 7-15.) The Court concludes that the forum selection clause is enforceable, and
9 that transfer of the case is appropriate.²

10 **i. Enforceability of the Forum Selection Clause**

11 "The enforceability of the forum selection clause in [Plaintiff]'s employment contract is
12 controlled by *Bremen v. Zapata Off-Shore Co.*, 407 U.S. 1 (1972), wherein the Supreme Court
13 held that forum selection clauses are presumptively valid." *Murphy v. Schneider Nat'l, Inc.*, 362
14 F.3d 1133, 1140 (9th Cir. 2004). Because a forum selection clause is presumptively valid, it
15 should be honored "absent some compelling and countervailing reason." *Bremen*, 407 U.S. at 12.
16 Thus, "[t]he party challenging the clause bears a 'heavy burden of proof' and must 'clearly show
17 that enforcement would be unreasonable and unjust, or that the clause was invalid for such reasons

18 _____
19 ¹ Plaintiff suggests that Defendant's evidentiary objection is improper per Local Rule 7-1. (Dkt.
20 No. 13 ¶ 6.) Local Rule 7-3(c), however, requires that evidentiary objections to the opposition
21 must be contained within the reply brief. To the extent Defendant requested that the Court strike
22 the declaration, this request is moot as the Court has sustained Defendant's objection.

23 ² Because the Court finds that the forum selection clause is enforceable, it need not analyze
24 whether there is personal jurisdiction in this case. Courts have found that there is authority to
25 transfer cases regardless of whether there is personal jurisdiction over the defendants. See
26 *Goldlawr, Inc. v. Heiman*, 369 U.S. 463, 466 (1962) ("The language of § 1406(a) is amply broad
27 enough to authorize the transfer of cases, however wrong the plaintiff may have been in filing his
28 case as to venue, whether the court in which it was filed had personal jurisdiction over the
defendants or not"); *Dix v. Nova Benefit Plans, LLC*, Case No.: CV 14-08678-AB (FFMx), 2015
WL 12859222, at *2 (C.D. Cal. Aug. 25, 2015) ("In light of Plaintiffs' consent to transfer to the
District of Connecticut and the Court's conclusion that transfer is appropriate under 28 U.S.C. §
1404(a), the Court need not separately determine whether it has personal jurisdiction over
Defendant"); *Microsoft Corp. v. Hagen*, CIV-F-09-2094 AWI GSA, 2010 WL 11527312, at *1
(E.D. Cal. Aug. 30, 2010) (concluding that "[t]he court need not determine whether there is
personal jurisdiction or proper venue" where the court was transferring the case to another
district).

1 as fraud or over-reaching." Murphy, 362 F.3d at 1140 (quoting Bremen, 407 U.S. at 15.) Courts
2 recognize three circumstances in which enforcement of a forum selection clause would be
3 unreasonable: (1) if the inclusion of the forum selection clause was the product of fraud or
4 overreaching, (2) if the party challenging the forum selection clause would effectively be deprived
5 of his day in court if the clause is enforced, or (3) if enforcement would contravene a strong public
6 policy of the forum in which the suit was brought. Murphy, 362 F.3d at 1140.

7 a. Fraud or Overreach

8 The Court finds that the Agreement's forum selection clause is not the product of fraud or
9 overreach because there is no evidence of fraud or overreach. While Plaintiff states that he did not
10 have any involvement regarding the forum selection clause, he does not suggest that he never had
11 an opportunity to negotiate the forum selection clause, and in fact admits that he did edit the
12 Agreement. (Balducci Decl. ¶ 31, Dkt. No. 8.) In any case, even if Plaintiff did not have the
13 opportunity to negotiate the forum selection clause, "unequal bargaining power and non-
14 negotiation of a forum-selection clause are not enough to negate the clause." Pac. Health
15 Advantage v. CAP Gemini Ernst & Young U.S. LLC, No. C 07-1565 PJH, 2007 WL 1288385, at
16 *2 (N.D. Cal. May 2, 2007) (citing Carnival Cruise Lines, Inc. v. Shute, 499 U.S. 585, 595
17 (1991)); see also Murphy, 362 F.3d at 1141 ("Murphy's assertions reduce to a claim of power
18 differential and non-negotiability. This evidence, even accepted as true . . . is not enough to
19 overcome the strong presumption in favor of enforcing forum selection clauses"). Absent actual
20 evidence, the Court finds that Plaintiff fails to satisfy his heavy burden of proving that the forum
21 selection clause is invalid based on fraud or overreach.

22 b. Deprivation of Day in Court

23 The Court also finds that there is inadequate evidence that it would be so burdensome to
24 litigate the case in Colorado that Plaintiff would effectively be deprived of his day in court. In
25 Murphy, the Ninth Circuit found that the plaintiff's sworn assertions of financial inability to
26 litigate in Wisconsin were adequate to demonstrate that there was such exceptional burdens that
27 the forum selection clause would effectively preclude his day in court. 362 F.3d at 1142. There,
28 the plaintiff stated that he had a disability that prevented him from driving to Wisconsin, that his

1 wife could not drive him, and that even with a driver, he could not sit for more than an hour. *Id.*
2 Moreover, the plaintiff stated that since his accident, he had been unable to work, had earned no
3 income, and that the truck he used to earn his livelihood had been repossessed. The plaintiff also
4 detailed his financial situation, explaining that he and his wife lived on disability payments of less
5 than \$2,300 a month, and that the entirety of the combined disability payments were used to pay
6 outstanding bills. *Id.* Based on such allegations, the Ninth Circuit found that the combination of
7 the plaintiff's financial troubles and physical limitations effectively barred him from litigating his
8 claim in Wisconsin. *Id.* at 1143.

9 In contrast, Plaintiff here only states that he was not paid for his work for Defendant, and
10 that "[i]t would be very burdensome for me to travel to Colorado to litigate this case." (*Balducci*
11 *Decl.* ¶ 32.) Plaintiff gives no detail of his financial situation, and does not suggest that he is
12 financially incapable of litigating the case in Colorado. Plaintiff also does not explain why it
13 would be burdensome for him to travel to Colorado. Such evidence is inadequate to show that
14 litigating this case in Colorado would effectively deprive him of his day in court. Compare with
15 *Storm v. Witt Biomedical Corp.*, No. C-95-3718 SI, 1996 WL 53624, at *4 (N.D. Cal. Jan. 23,
16 1996) ("Plaintiff asserts increased expense and inconvenience to himself and witnesses as
17 hardships associated with having to litigate this matter in Florida. These difficulties are not the
18 grave hardships that would deprive plaintiff of a meaningful day in court"); *Sharani v. Salviati &*
19 *Santori, Inc.*, No. C 08-3854 SI, 2008 WL 5411501, at *3 (N.D. Cal. Dec. 29, 2008) (finding
20 inadequate evidence of hardships where "plaintiffs offer no evidence of their financial status other
21 than to state that they both have jobs" and "do not explain why counsel in this country would be
22 less expensive than in England or why, as pro se plaintiffs, they have greater familiarity with the
23 U.S. legal system").

24 c. Contrary to Public Policy

25 Finally, the Court concludes that enforcement of the forum selection clause would not be
26 contrary to public policy. Plaintiff argues that the forum selection clause would violate California
27 public policy because it would cause him to lose unwaivable rights, including his statutory rights
28 to compensation for all hours worked, minimum wage, reimbursement for business expenses, and

1 failure to pay wages on time. (Plf.'s Opp'n at 10.) In support, Plaintiff primarily cites to cases
2 conducting choice of law analyses. See *Pinela v. Neiman Marcus Grp., Inc.*, 238 Cal. App. 4th
3 227, 248 (2015) (finding choice of law provision unenforceable) *Ruiz v. Affinity Logistics Corp.*,
4 667 F.3d 1318 (9th Cir. 2012) (same); *Rincon EV Realty LLC v. CP III Rincon Towers, Inc.*, 8 Cal.
5 App. 5th 1, 10-18 (2017) (reversing trial court's decision to strike jury demand under choice of law
6 principles).

7 Reliance on choice of law, however, is insufficient to show that the forum selection clause
8 is invalid. Multiple courts in this district have concluded that "[a] forum selection clause cannot
9 be conflated with choice of law analysis." *Meras Eng'g, Inc. v. CH2O, Inc.*, No. C-11-cv-389
10 EMC, 2013 WL 146341, at *12 (N.D. Cal. Jan. 14, 2013) (citing *Richards v. Lloyd's of London*,
11 135 F.3d 1289, 1295-96 (9th Cir. 1998) ("The Supreme Court repeatedly recognized . . . that
12 parties to an international securities transaction may choose law other than that of the United
13 States, yet it never suggested that this affected the validity of a forum selection clause")). This is
14 because "[a] forum-selection clause determines where an action will be heard, and is 'separate and
15 distinct from choice of law provisions that are not before the court.'" *E. Bay Women's Health, Inc.*
16 *v. gloStream, Inc.*, No. C 14-712 WHA, 2014 WL 1618382, at *3 (N.D. Cal. Apr. 21, 2014)
17 (quoting *Besag v. Custom Decorators, Inc.*, No. 08-cv-5463 JSW, 2009 WL 330934, at *4 (N.D.
18 Cal. Feb. 10, 2009). Thus, "[c]ourts in the Ninth Circuit have generally agreed that the choice-of-
19 law analysis is irrelevant to determining if the enforcement of a forum selection clause
20 contravenes a strong public policy." *Rowen v. Soundview Commc'ns, Inc.*, No. 14-cv-5530-WHO,
21 2015 WL 899294, at *4 (N.D. Cal. Mar. 2, 2015). "[A]bsent a total foreclosure of remedy in the
22 transferee forum, courts tether their policy analysis to the forum selection clause itself, finding the
23 forum selection clause unreasonable only when it contravenes a policy specifically related to
24 venue." *Id.*

25 Here, Plaintiff's arguments generally focus on choice of law, rather than a policy
26 specifically related to venue. The only argument Plaintiff makes that is specific to venue concerns
27 California Labor Code § 925, which states that an employer cannot require an employee who
28 primarily resides and works in California "to adjudicate outside of California a claim arising in

1 California." Plaintiff concedes, however, that this section is not applicable to his situation, as
2 "[t]his section shall apply to a contract entered into, modified, or extended on or after January 1,
3 2017." Cal. Labor Code § 925. Here, Plaintiff entered into the contract in July 2016. (Compl. ¶
4 8.) At the hearing, Plaintiff argued that the Court should look at the underlying legislative history
5 for the public policy, as the law was first introduced in February 2016. Plaintiff, however, does
6 not cite to any authority in which a court looked to legislative history for a public policy, rather
7 than an explicit statutory grant. Plaintiff also does not cite any authority in which legislative
8 history was used to expand on a statute's effect, particularly when it would contradict statutory
9 language limiting the applicability of the statute to a specific time period. Moreover, legislative
10 history is typically used for purposes of statutory interpretation, and "[i]n interpreting statutes, [the
11 courts] are not free to substitute legislative history for the language of the statute." *Aronsen v.*
12 *Crown Zellerbach*, 662 F.2d 584, 588 n.7 (9th Cir. 1981). It is also not clear that Plaintiff was
13 required to enter into the forum selection clause given the unique facts of this case; as discussed
14 above, Plaintiff presents no evidence that he had no opportunity to negotiate the clause, and indeed
15 admitted that he was able to edit the contract. Thus, it appears Plaintiff had significant power to
16 negotiate the contract, distinguishing his case from a typical adhesion contract.

17 Other than California Labor Code § 925, Plaintiff's arguments are focused on choice of
18 law. A challenge to a choice of law provision is distinct from the forum because "[a]s a general
19 matter, the selection of a forum does not always dictate the choice of law." *Meras Eng'g, Inc.*,
20 2013 WL 146341, at *12. Instead, courts have found it sufficient that the choice of law arguments
21 can be made before the transferee court, and have declined to speculate how the transferee court
22 will decide the issue. *Gamayo v. Match.com LLC*, Nos. 11-cv-762 SBA, 11-cv-1076 SBA, 11-cv-
23 1206 SBA, 2011 WL 379542, at *6 (N.D. Cal. Aug. 24, 2011) ("With regard to the issue of
24 whether Texas law affords the same protections as the CLRA, Plaintiff overlooks that the instant
25 motion does not seek a choice of law determination. Rather, the resolution of which state's laws
26 apply is for the Texas court to make"); *Rowen*, 2015 WL 899294, at *4 n.2 ("the mere ability to
27 argue the application of California law means no foreclosure of remedy and prevents consideration
28 of policies unrelated to venue"); *E. Bay Women's Health, Inc.*, 2014 WL 1618382, at *3

1 ("plaintiff's argument that Michigan state laws might provide them with less protection than
2 California's Unfair Competition Law is unavailing because it requires speculation as to the
3 potential outcome of the litigation on the merits in the transferee forum). Applying this principal,
4 courts have upheld forum selection clauses in cases involving employment agreements with forum
5 selection and choice of law clauses, where there was no showing that the forum selection clause
6 itself would foreclose a worker's rights. E.g., *Meras*, 2013 WL 146341, at *1-2, 15 (enforcing
7 forum selection clause in an employment agreement that contained non-compete provisions and a
8 choice of law provision); *Rowen*, 2015 WL 899294, at *1-2, 7 (same); *Monastiero v. appMobi,*
9 *Inc.*, No. C 13-5711 SI, 2014 WL 1991564, at *1, 6 (N.D. Cal. May 15, 2014) (enforcing forum
10 selection clause in an employment agreement that contained a choice of law provision and a jury
11 trial waiver).

12 Again, in the instant case, Plaintiff's public policy arguments focus on the choice of law
13 provision and the jury trial waiver, rather than the forum selection clause. Plaintiff does not argue
14 that litigating this case in Colorado would, in and of itself, deprive him of rights that he would be
15 entitled to under California law. At the hearing, Plaintiff argued that this case was unique because
16 the choice of law clause and the forum selection clause were "inextricably linked." Plaintiff did
17 not, however, explain why the clauses were inextricably linked, and the Court disagrees that the
18 choice of law clause would only apply if the case was heard in a Colorado court. Instead, the
19 choice of law issue would need to be litigated even if the case remained in California, or if the
20 case had been brought in another state. Notably, as discussed above, other courts have enforced
21 forum selection clauses even when there was a similar choice of law clause. Compare Agreement
22 ¶ 13 ("This Agreement shall be governed by and construed in accordance with the internal laws of
23 the State of Colorado without giving effect to any choice or conflict of law provision or rule . . .
24 that would cause the application of Laws of any jurisdiction other than those of the State of
25 Colorado") with *Monastiero*, 2014 WL 1991564, at *1 (enforcing forum selection clause where
26 the choice of law clause stated: "This Agreement shall be governed by and enforced in accordance
27 with the laws of the Commonwealth of Pennsylvania without regard to its laws of conflicts of
28 law").

1 Plaintiff also does not argue that he would be prevented from making his choice of law
2 arguments in the Colorado courts. Notably, Plaintiff also does not address whether application of
3 Colorado law in this case would deprive him of any statutory rights under California law; for
4 example, Plaintiff does not suggest that Colorado law does not provide a means of seeking
5 compensation for all hours worked, minimum wage, reimbursement of business expenses, and
6 timely payment of final wages. Plaintiff also does not address whether Colorado law would
7 permit a waiver of a right to a jury trial. In short, the Court finds that Plaintiff has failed to meet
8 the heavy burden of demonstrating that the forum selection clause would be against public policy.³
9 Thus, the Court concludes that the forum selection clause is enforceable.

10 **ii. Transfer Factors**

11 "In the typical case not involving a forum-selection clause, a district court considering a §
12 1404(a) motion (or a forum non conveniens motion) must evaluate both the convenience of the
13 parties and various public-interest considerations." *Atl. Marine Constr. Co. v. U.S. Dist. Ct. for*
14 *Western Dist. of Tex.*, 134 S. Ct. 568, 581 (2013). Once a court finds that the forum selection
15 clause is valid, however, the clause "should be given controlling weight in all but the most
16 exceptional cases." *Id.* at 582. The presence of a valid forum selection clause changes the court's
17 evaluation in several ways. First, a plaintiff's choice of forum is entitled to "no weight," and the
18 burden is placed on the plaintiff to "establish[] that transfer to the forum for which the parties
19 bargained is unwarranted." *Id.* at 581. Second, the court "should not consider arguments about
20 the parties' private interests" because such considerations were waived by agreement to the forum
21 selection clause. *Id.* at 582. The court should instead "deem the private-interest factors to weigh
22

23 ³ Plaintiff's reliance on *Verdugo v. Alliantgroup, L.P.*, 237 Cal. App. 4th 141 (2015) is unavailing.
24 There, the California Court of Appeal determined that the forum selection clause was
25 unenforceable because it violated California's public policy on employee compensation. *Verdugo*,
26 however, applied California law, focusing on the choice of law provision and placing the burden
27 on the defendant to show that enforcement would not diminish unwaivable California statutory
28 rights. *Verdugo*, 237 Cal. App. 4th at 144-45. This framework is contrary to federal law, and
"[i]n diversity cases, federal law governs the analysis of the effect and scope of forum selection
clauses." *Jones v. GNC Franchising, Inc.*, 211 F.3d 495, 497 (9th Cir. 2000). Moreover, *Verdugo*
does not address 28 U.S.C. § 1404(a). See *O'keeffe's Inc. v. Access Info. Techs. Inc.*, No. 15-cv-
3115 EMC, 2015 WL 6089418, at *4 n.2 (N.D. Cal. Nov. 16, 2015) (distinguishing *Verdugo*
because it "does not purport to apply 28 U.S.C. § 1404(a) and the rule of *Atlantic Marine*").

1 entirely in favor of the preselected forum." *Id.* While the district court may consider arguments
2 about the public interest factors, such "factors will rarely defeat a transfer motion" *Id.*

3 Here, Plaintiff makes several arguments for why the case should not be transferred or
4 dismissed. First, Plaintiff contends that Defendant waived its right to object to the venue by
5 removing the instant case to federal court. (Plf.'s Opp'n at 18.) Plaintiff's argument lacks merit.
6 Courts have generally found that "defendants do not waive the right to challenge venue based
7 upon a forum selection clause simply by filing a removal petition." *Tokio Marine & Fire Ins. Co.,*
8 *Ltd. v. Nippon Express U.S.A. (Ill.), Inc.*, 118 F. Supp. 2d 997, 999 (C.D. Cal. 2000); see also
9 *Great Am. Ins. Co. of N.Y. v. Nippon Yusen Kaisha*, No. 13-cv-31 NC, 2013 WL 3850675, at *3
10 (N.D. Cal. May 10, 2013) ("Although there is some variance among courts as to whether removal
11 to federal court waives a challenge to venue, courts to have considered the issue when a forum
12 selection clause is in play have found that removal does not waive a party's right to enforce the
13 venue selected by the clause"); *Greenberg v. Giannini*, 140 F.2d 550, 553 (2d Cir. 1994) ("When a
14 defendant removes an action from a state court in which he has been sued, he consents to nothing
15 and 'waives' nothing; he is exercising a privilege unconditionally conferred by statute, and, since
16 the district court to which he must remove it is fixed by law, he has no choice, without which there
17 can be no 'waiver'").

18 Second, Plaintiff suggests that forum non conveniens only applies when an alternate forum
19 exists abroad. (Plf.'s Opp'n at 18.) It does not. Courts have applied forum non conveniens where
20 the alternate venue was in another state. See *Atl. Marine Constr. Co.*, 134 S. Ct. at 580 ("the
21 appropriate way to enforce a forum-selection clause pointing to a **state** or foreign forum is through
22 the doctrine of forum non conveniens").

23 Finally, Plaintiff argues that transfer of the case would not promote the interest of
24 judgment. (Plf.'s Opp'n at 19.) In addition to reiterating the public policy arguments above,
25 Plaintiff argues that transfer would violate the relevant public policy of the state. Neither of
26 Plaintiff's cases, however, supports his argument. Both *Jones and Celtic International, LLC v. J.B.*
27 *Hunt Transport* are distinguishable because they concern policies that specifically addressed
28 venue. In *Jones*, there was a California statute which explicitly voided provisions in franchise

1 agreements that restricted venue to a forum outside of California. 211 F.3d at 497. In Celtic
2 International, LLC, there was a federal statute that limited which venues a shipper could sue in.
3 234 F. Supp. 3d 1034, 1040 (E.D. Cal. 2017). Here, in contrast, Plaintiff does not identify any
4 policy that specifies what venue an employment case must be brought in. Compare with Rowen,
5 2015 WL 899294, at *4 (distinguishing Jones as a case in which the forum selection clause
6 "contravenes a policy specifically related to venue"); Fraser v. Brightstar Franchising LLC, No.
7 16-cv-1966-JSC, 2016 WL 4269869, at *5 (N.D. Cal. Aug. 15, 2016) (distinguishing Jones
8 because "California law specifically provided that California franchisees operating a franchise in
9 California were entitled to a California venue for franchise agreement suits").

10 Finally, Plaintiff makes arguments that it does not make "logistical sense for Colorado to
11 be the forum" because Defendant no longer operates in Colorado. (Plf.'s Opp'n at 19.) Such
12 arguments go to the parties' private interests, which the Court cannot consider. See Atl. Marine
13 Constr. Co., 134 S. Ct. at 582. Instead, the Court can only consider the public interest factors,
14 such as the administrative difficulties flowing from court congestion, the local interest in having
15 localized controversies decided at home, and the interest in having a diversity case in a forum that
16 is at home with the law. As to the first factor, there is no showing that the Colorado federal courts
17 have worse court congestion than the Northern District of California. As to the third factor, the
18 Supreme Court has recognized that "federal judges routinely apply the law of a State other than
19 the State in which they sit." Atl. Marine Constr. Co., 134 S. Ct. at 584. With respect to the second
20 factor, while California has an interest in having the lawsuit decided in California:

21 this interest is insufficient to prevent transfer in this case for three
22 reasons. First, this limited interest does not outweigh all the private
23 interest factors presumed to be in favor of the transferee forum and
24 the controlling weight already given to the forum selection clause.
25 Atl. Marine Constr. Co., Inc., 134 S. Ct. at 582-83. Second, the
26 plaintiff's choice of forum generally merits no weight in this context.
27 Id. at 581. Third, there are interests other than [the plaintiff's] at
28 play, including those of [the defendant], a [Colorado] corporation
that negotiated the contracts with [Colorado] venue and choice of
law provisions

Rowen, 2015 WL 899294, at *7. The Court concludes that Plaintiff has not established that this is
the "exceptional case" that defeats application of a valid forum selection clause, and will exercise

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its discretion to transfer the case pursuant to the doctrine of forum non conveniens.


IV. CONCLUSION

For the reasons stated above, the Court GRANTS Defendant's motion and TRANSFERS the case to the United States District Court for the District of Colorado.

The Clerk of the Court shall transfer the case forthwith and terminate all motions and deadlines pending on the court docket.

IT IS SO ORDERED.

Dated: September 21, 2017


KANDIS A. WESTMORE
United States Magistrate Judge