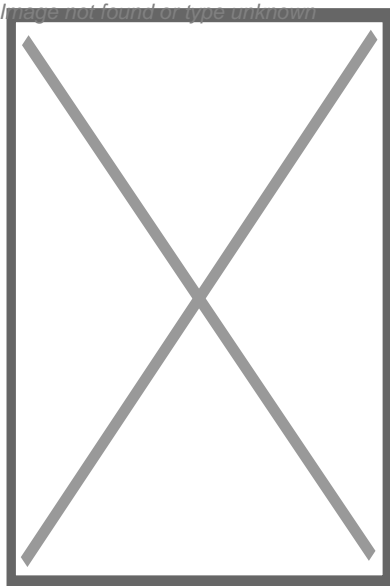


Corporations and Venue: Things to Consider When Incorporating Your Business



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Special to Business in Savannah

When incorporating and starting your business, strategically choosing the location of your registered office and your other offices can help to limit or control the counties in which your company can be sued. This can make a huge impact, as certain counties in Georgia are more business-friendly than others.

While most rural counties in Georgia tend to be fairly conservative in their verdicts, several counties are known to be more plaintiff-friendly. These include the urban counties of Muscogee (Columbus), Dougherty (Albany), Richmond (Augusta) and Chatham (Savannah). And while Fulton County has become more conservative over the past several

years, jury pools vary widely there, as they also do in DeKalb and Clayton Counties. As a result, it is difficult to determine what kind of jury will be selected prior to trial.

Two factors determine the place where lawsuits are heard and tried: jurisdiction, the legal authority of each court to hear and decide a case, and venue, which is either a county (for state cases) or a district or division (for federal cases). Under Georgia law, corporate venue may be proper in the county where a corporation maintains its registered office, where a corporation has allegedly injured someone, or where a corporation enters into a contract (as well as the place where that contract is to be performed).

The general rule under the Georgia Constitution is that civil actions must be brought in the county where the defendant “resides.” For corporations, that means the county in Georgia where the registered office is maintained. If the corporation does not maintain a registered office, then it is deemed to reside where its last named registered office or principal office was maintained (as evidenced by the Georgia Secretary of State records).

In contract cases, venue is also proper in the county in Georgia where the contract “was made or is to be performed,” as long as the corporation in question has an office and transacts business in that county. And in tort or personal injury cases, venue is proper in the county where the cause of action originated (meaning the county where the injury occurred).

There are special considerations where the defendants in a case are joint tortfeasors, meaning two or more people or businesses whose actions have caused injury to another person or entity. Where venue is proper in a certain county as to one joint tortfeasor, then the other(s) can be subject to a suit there as well.

Because of the great amount of variation in jury pools in Georgia, great care should be taken in deciding where to set up offices, whether to proceed with trial, whether to consider mediation as an alternative method of dispute resolution, and whether to settle a case.

If your business is facing a lawsuit or you are a business owner considering where to establish a registered office, consider consulting an attorney who has experience in commercial or corporate law to ensure that your business is poised for success.

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