

Court of Appeal enforces agreement to prohibit extrinsic evidence in interpreting contract

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Hot Rods, LLC v. Northrop Grumman Systems Corporation
(Nov. 6, 2015, pub. order Dec. 7, 2015, G049953)

Plaintiff bought property from defendant. The parties' written contract included an integration clause stating "no extrinsic evidence whatsoever may be introduced in any judicial proceedings involving this Agreement." The Court of Appeal held that it was error to admit extrinsic evidence to interpret the document.

Ordinarily, even for an integrated contract, evidence from beyond the four corners of the written agreement may be admitted to explain the meaning of ambiguous contractual language. The Court of Appeal's decision is significant because it allows contracting parties to opt out of this traditional rule by explicitly agreeing to prohibit the introduction of extrinsic evidence.

More Information

For more information about this case, contact Eric Boorstin (818.995.0800).