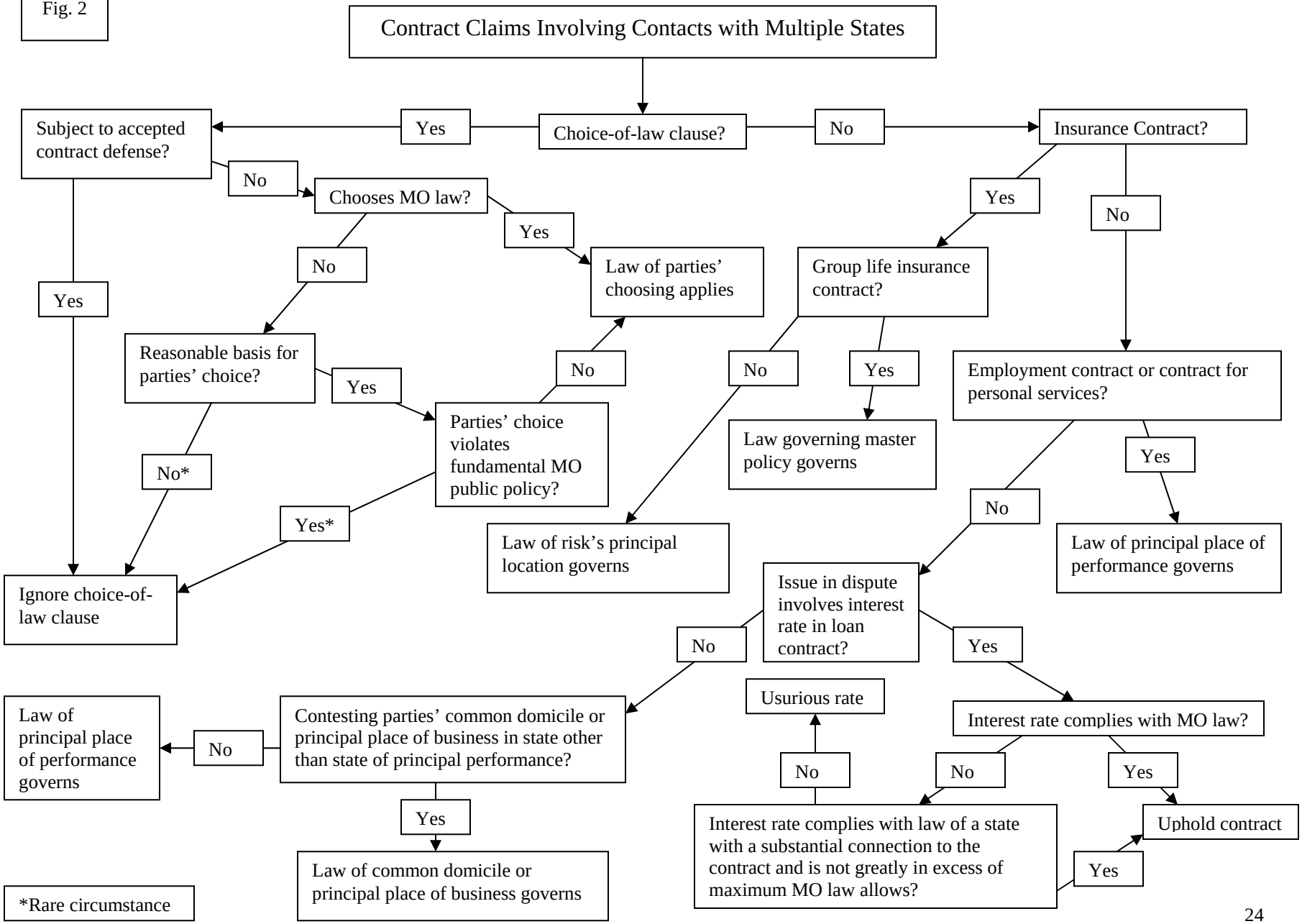
Fig. 2


Contract Claims Involving Contacts with Multiple States
Choice-of-law clause?
Yes
No
Subject to accepted contract defense?
Yes
No
Chooses MO law?
Yes
No
Law of parties' choosing applies
Reasonable basis for parties' choice?
Yes
No*
Parties' choice violates fundamental MO public policy?
No
Yes*
Ignore choice-of-law clause
Insurance Contract?
Yes
No
Group life insurance contract?
No
Yes
Law governing master policy governs
Law of risk's principal location governs
Employment contract or contract for personal services?
Yes
No
Law of principal place of performance governs
Issue in dispute involves interest rate in loan contract?
No
Yes
Contesting parties' common domicile or principal place of business in state other than state of principal performance?
No
Law of principal place of performance governs
Yes
Law of common domicile or principal place of business governs
Usurious rate
Interest rate complies with MO law?
No
No
Yes
Interest rate complies with law of a state with a substantial connection to the contract and is not greatly in excess of maximum MO law allows?
Yes
Uphold contract
*Rare circumstance