

Venue for LLCs: Alabama Supreme Court Adopts the Corporate Standard

By Irving Jones and Jack Surber

EDITOR'S NOTE: We generally reserve reviews of new cases to our recurring "Appellate Corner" column. On rare occasions, however, a change in law is significant enough to highlight in a free-standing article. This is such an occasion.

In *Ex parte Rivers*, SC-2025-0301 (Ala. Sept. 26, 2025), the Alabama Supreme Court formally resolved a longstanding split over which venue statute governs actions against limited liability companies ("LLCs"). In an opinion authored by Justice Lewis, the Court held that venue in actions against LLCs is governed by Ala. Code § 6-3-7, the statute governing venue for actions against corporations, a marked departure from some prior decisions that had applied § 6-3-2, the statute governing venue for actions against individuals. The Court's reasoning largely followed Justice Mitchell's prior concurrence in *Ex parte Alabama Power Co.*,¹ which was later discussed by the Court of Civil Appeals in *Ex parte Honda Development & Manufacturing of Alabama, LLC*.²



Statutory Framework

Alabama's venue statutes were enacted before the creation of LLCs. Consequently, the Code contains no provision expressly addressing venue for actions against such entities. The various venue statutes address three categories of defendants: § 6-3-2, governing individuals; § 6-3-6, governing unincorporated organizations or associations; and § 6-3-7, governing corporations. Later-enacted statutes concerning limited liability companies, however, provide insight into how such entities should be treated for venue purposes. For example, Alabama's Limited Liability Company Law provides at § 10A-5A-1.04(a) that an LLC "is a separate legal entity," and § 10A-5A-3.01

states that an LLC's members are not "jointly and severally liable for the obligations of the limited liability company." The tenets of these statutes, combined with an in-depth analysis of how "corporation" was defined relative to the creation of the venue rules, as crystallized by Justice Mitchell's special writing in *Ex parte Alabama Power Co.*, informed the Court's decision in *Ex parte Rivers*.

Prior Inconsistency

Historically, Alabama's appellate courts have inconsistently applied both § 6-3-2 and § 6-3-7 in cases involving LLCs. Earlier decisions, including *Ex parte Miller, Hamilton, Snider & Odom*,

LLC,³ and *Ex parte WMS, LLC*,⁴ applied § 6-3-2 by analogizing LLCs to partnerships, reasoning that venue could be based on the residence of any LLC member. Later cases, however, such as *Ex parte J & W Enterprises, LLC*,⁵ *Ex parte Engineering Design Group, LLC*,⁶ and *Ex parte Road Gear Truck Equipment, LLC*⁷ applied § 6-3-7 but offered little discussion of why that provision should control, and those decisions did not address their apparent conflict with the cases that had analogized LLCs to partnerships. The resulting inconsistency left trial courts without clear guidance on how to determine venue in suits involving LLCs.

The Court's Resolution in *Ex parte Rivers*

In resolving the conflict, the Court agreed with Justice Mitchell's reasoning in *Ex parte Alabama Power Co.* that an LLC is closer in definition to a "corporation" than an "individual" or an "unincorporated organization."⁸ For starters, "a suit against a limited-liability company is not a suit against its individual members either in form or in substance."⁹ Because an LLC is distinct from its members and capable of suing and being sued in its own name, "the notion that the proper venue for an action against limited-liability companies is governed by § 6-3-2 [for "individuals"] ... is implausible."¹⁰ Moreover, allowing an LLC to be sued anywhere one of its members resides "is a recipe for inconvenience," as an LLC "may easily have members who live far from where it does business or from any other logical venue for a suit against the entity."¹¹

Building on that reasoning, Justice Mitchell in *Alabama Power* further noted that, considered together, §§ 6-3-6 and 6-3-7 "appear designed to cover the whole universe of private business entities."¹² Either an entity is a corporation, to which § 6-3-7 applies, or an unincorporated organization or association, to which § 6-3-6 applies.¹³ Historically, the term "corporation" has referred to "an artificial person or legal entity created by or under the authority of the laws of a state or nation," capable of "continuous existence" and "acting as a unit or single individual in matters relating to the common purpose of the association."¹⁴ Based on that understanding, LLCs "should count" as corporations for venue purposes because, like corporations, they are "separate legal entities ... created by filing a formal document with the government and whose existence and powers are granted by positive law."¹⁵

Conclusion

The Court's decision in *Ex parte Rivers* provides practical clarity for both litigants and trial courts. Venue for an action against an LLC is now decisively determined by the same test in section 6-3-7 that applies to corporations: generally (a) the county where a substantial part of the events giving rise to the claim occurred, (b) the county of the entity's principal office in Alabama; or (c) the county where the plaintiff resides, if the entity was doing business by agent at the time the cause of action accrued. ▲

ENDNOTES

1. 369 So. 3d 662 (Ala. 2022)
2. 383 So. 3d 394 (Ala. Civ. App. 2023)
3. 942 So. 2d 334 (Ala. 2006)
4. 170 So. 3d 645 (Ala. 2014)
5. 150 So. 3d 190 (Ala. 2014)
6. 200 So. 3d 634 (Ala. 2016)
7. 300 So. 3d 1101 (Ala. 2019)
8. No. SC-2025-0301, at *10 (quoting *Ex parte Alabama Power Co.*, 369 So. 3d at 670-72 (Mitchell, J., concurring in the result))
9. *Ex parte Alabama Power Co.*, 369 So. 3d at 670.
10. *Id.*
11. *Id.*, n.5.
12. *Id.* at 670.
13. *Id.* at 671.
14. *Id.*
15. *Id.* at 672.



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