California courts generally will apply Section 187 of the Restatement Second of Conflicts of Laws when deciding choice of law questions. *Nedlloyd Lines B.V. v. Superior Court*, 3 Cal. 4th 459, 465 (1992). Until now, it hasn't been known whether a California court will follow Section 207 which provides "The measure of recovery for a breach of contract is determined by the local law of the state selected by application of the rules".

In *Airs Aromatics, LLC v. CBL Data Recovery Technologies, Inc.*, 2020 Cal. App. LEXIS 559, the defendant challenged an award of prejudgment interest that arguably was not available under California law. The contract at issue included a New York choice of law provision and the applicable New York statute mandates the recovery of prejudgment interest because of a breach of performance under a contract. The Court of Appeal applied Section 207 and affirmed the judgment of prejudgment interest.