UNITED STATES COURT OF APPEALS FOR THE EIGHTH CIRCUIT

Reinhardt Enterprises, LLC v. Kaseya U.S., LLC

No. 25-1069 · No. 25-1069 · Decided January 29, 2026

SUMMARY

The Eighth Circuit held that the term “termination” in a contract between Reinhardt Enterprises, LLC and Kaseya U.S., LLC was ambiguous because it could mean either an affirmative ending of the agreement or the end of the contractual relationship upon expiration. The court reversed the district court’s dismissal with prejudice and remanded for factual proceedings concerning the parties’ intent and Reinhardt’s entitlement to a termination buyout fee.

CASE DETAILS

COURT	United States Court of Appeals for the Eighth Circuit
WRITING FOR THE COURT	Grasz, Circuit Judge; Smith, Circuit Judge; Kelly, Circuit Judge
JURISDICTION	United States Court of Appeals for the Eighth Circuit
DECIDED	January 29, 2026
DOCKET	25-1069
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Reinhardt appealed the federal district court's dismissal with prejudice under Federal Rule of Civil Procedure 12(b)(6) of its breach-of-contract action.
STANDARD OF REVIEW	De novo review of the district court's contract interpretation and decision to dismiss under Rule 12(b)(6).
PRECEDENTIAL VALUE	precedential
PARTIES	Reinhardt Enterprises, LLC v. Kaseya U.S., LLC, BNG Holdings, LLC, successor BNG Holdings, Inc.

TOPICS

contract interpretation · breach of contract · appellate procedure · standard of review · commercial litigation

PRACTICE AREAS

contracts · commercial litigation · appellate procedure

QUESTIONS PRESENTED

1. Whether the contract's use of the undefined term "termination" unambiguously excluded expiration following a party's decision not to renew the agreement.
2. Whether the district court properly dismissed the breach-of-contract claim at the pleading stage based on its interpretation of termination as necessarily requiring an immediate mid-term end to the agreement.

HOLDINGS

1. The term "termination" is ambiguous in the context of the parties' contract because it is reasonably susceptible to both the meaning of an act that ends an agreement and the meaning of the end of the contractual relationship itself.
2. The district court erred by concluding as a matter of law that Kaseya's decision not to renew the contract was not a termination; the case must proceed for fact-finding regarding the parties' intended meaning and whether Reinhardt is entitled to the buyout fee.

KEY QUOTATIONS

> *“"Termination" has two different ordinary and popular meanings; while one meaning supports the district court’s interpretation, the other favors Reinhardt’s.”* (at 4)

> *“As a result, the contract is ambiguous, and whether the parties intended for Reinhardt to receive the termination buyout fee if Kaseya decided not to renew the contract must be resolved as a question of fact.”* (at 7)

FACTUAL BACKGROUND

Reinhardt and BNG Holdings, Inc. entered a contract under which Reinhardt marketed BNG's services, with automatic one-year renewals unless either party gave timely notice of non-renewal. The parties later amended the agreement to provide a termination buyout fee if BNG terminated the agreement under specified circumstances, and Kaseya subsequently assumed BNG's contractual obligations. Kaseya sent Reinhardt a letter stating that it would discontinue Reinhardt's services under the non-renewal provision, but refused to pay the buyout fee. The contract also provided that several provisions survived termination, and Kaseya reminded Reinhardt that confidentiality and non-solicitation obligations continued after the contract's term.

PROCEDURAL HISTORY

Reinhardt filed suit in state court alleging that Kaseya breached the parties' contract by refusing to pay a termination buyout fee after electing not to renew the contract. Kaseya removed the case to federal court and moved to dismiss. The district court concluded as a matter of law that non-renewal was not termination under the contract and dismissed the action with prejudice. The Eighth Circuit reversed and remanded.

DISPOSITION

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reversed_and_remanded
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REMAND INSTRUCTIONS

Proceed with further proceedings consistent with the opinion, including resolution of the parties' intent regarding whether non-renewal and expiration constituted termination for purposes of the buyout provision. The court did not decide as a matter of law that Reinhardt is entitled to the fee.

CASES CITED

- Sorenson v. Sorenson, 64 F.4th 969, 975 (8th Cir. 2023)
- Weitz Co. LLC v. MacKenzie House, LLC, 665 F.3d 970, 975 (8th Cir. 2012)
- Higgins v. Lund, 17 N.W.3d 828, 835 (N.D. 2025)
- Specialized Contracting, Inc. v. St. Paul Fire & Marine Ins. Co., 825 N.W.2d 872, 877 (N.D. 2012)
- Hoge v. Burleigh Cnty. Water Mgmt. Dist., 311 N.W.2d 23, 27 (N.D. 1981)
- Bye v. Elvick, 336 N.W.2d 106, 111-12 (N.D. 1983)
- Atlas Ready-Mix of Minot, Inc. v. White Props., Inc., 306 N.W.2d 212, 220 (N.D. 1981)
- GAP, Inc. v. GK Dev., Inc., 843 F.3d 744, 748 (8th Cir. 2016)
- Olander v. State Farm Mut. Auto. Ins. Co., 317 F.3d 807, 809 (8th Cir. 2003) (en banc)
- Yates v. United States, 574 U.S. 528, 537 (2015)
- Highline Expl., Inc. v. QEP Energy Co., 43 F.4th 813, 817 (8th Cir. 2022)
- Bice v. Petro-Hunt, L.L.C., 768 N.W.2d 496, 500 (N.D. 2009)
- Golden v. SM Energy Co., 826 N.W.2d 610, 617 (N.D. 2013)
- Spagnolia v. Monasky, 660 N.W.2d 223, 228 (N.D. 2003)

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