

SUPREME COURT OF MISSOURI

State ex rel. Cedar Crest Apartments, LLC and Peterson Properties, Inc. d/b/a The Peterson Companies v. The Honorable Jack Grate

577 S.W.3d 490 (Mo. banc 2019) · No. SC96977 · Decided July 16, 2019

SUMMARY

The Supreme Court of Missouri made permanent a preliminary writ of prohibition, holding that Missouri courts lacked personal jurisdiction over two Kansas business entities sued for injuries arising from an accident in Kansas. The court concluded that the entities were not at home in Missouri for purposes of general jurisdiction and that the plaintiff's claims did not arise from their Missouri contacts for purposes of specific jurisdiction. The court also rejected imputing the Missouri contacts of a related corporation to the relators and denied jurisdiction-related discovery.

CASE DETAILS

COURT	Supreme Court of Missouri
WRITING FOR THE COURT	Paul C. Wilson; George W. Draper III; Mary R. Russell; W. Brent Powell; Patricia Breckenridge; Zel M. Fischer; Richard B. Teitelman; Laura Denvir Stith
JURISDICTION	Missouri
DECIDED	July 16, 2019
DOCKET	SC96977
DISPOSITION	writ_granted
PROCEDURAL POSTURE	Relators sought an original writ of prohibition directing the Jackson County Circuit Court to dismiss personal-injury claims against them for lack of personal jurisdiction. After the circuit court overruled their motion to dismiss and the court of appeals denied prohibition relief, relators petitioned the Supreme Court of Missouri.
STANDARD OF REVIEW	In an original prohibition proceeding, the Court determines whether the lower court is acting outside the proper exercise of its jurisdiction and whether usurpation of jurisdiction is clearly evident. Personal jurisdiction is evaluated from the pleadings and, when jurisdiction is contested with supporting evidence, from the parties' evidentiary submissions; the plaintiff bears the burden of establishing sufficient forum contacts.

PRECEDENTIAL VALUE	Published en banc opinion of the Supreme Court of Missouri; precedential.
PARTIES	State ex rel. Cedar Crest Apartments, LLC, Peterson Properties, Inc. d/b/a The Peterson Companies v. The Honorable Jack Grate, Lincoln Rene Aguiriano Martinez

TOPICS

personal jurisdiction

writ of certiorari

corporate veil piercing

appellate procedure

civil procedure

PRACTICE AREAS

civil procedure

appellate procedure

corporate law

remedies

QUESTIONS PRESENTED

1. Whether Missouri courts could exercise general personal jurisdiction over the Kansas corporate relators based on their Missouri registration, business activities, lawsuits, and rental property.
2. Whether Missouri courts could exercise specific personal jurisdiction over the relators when Martinez's Kansas injury and claims did not arise out of their Missouri contacts.
3. Whether the Missouri contacts of J.A. Peterson Enterprises, Inc. could be imputed to the relators based on agency, ownership, or a parent-subsidary relationship.
4. Whether Martinez was entitled to jurisdiction-related discovery despite failing to establish personal jurisdiction from the pleadings and evidence.

HOLDINGS

1. Missouri courts lacked general personal jurisdiction over Cedar Crest and Peterson Properties because neither entity was incorporated in Missouri or maintained its principal place of business there, and their Missouri contacts did not make Missouri an exceptional surrogate for their corporate home.
2. Missouri courts lacked specific personal jurisdiction because Martinez failed to show that his claims arose out of or were connected to any Missouri contact of either relator.
3. A corporation does not become the agent of another corporation merely because it owns the other corporation, and the Missouri contacts of a corporate parent or managing member cannot be imputed to out-of-state subsidiaries or related entities merely because of that relationship.
4. Martinez was not entitled to jurisdiction-related discovery because his pleadings contained only boilerplate allegations and legal conclusions, and he did not respond with evidence or facts establishing the relators' Missouri contacts after they contested jurisdiction.

KEY QUOTATIONS

“at home” is not synonymous with “doing business,” and, when “a corporation is neither incorporated nor maintains its principal place of business in a state, mere contacts, no matter how systematic and continuous,

are extraordinarily unlikely to add up to an exceptional case.” (at 4)

“there can be no question that every assertion of specific jurisdiction must rest upon a showing that: (1) the defendant had at least one contact with the forum state, and (2) the claim being asserted against that defendant arose out of that contact.” (at 5)

“Rather, each Relator’s contacts with Missouri must be sufficient to create general or specific jurisdiction on their own.” (at 8)

FACTUAL BACKGROUND

Martinez, a Kansas resident, alleged that he was seriously injured while working at an apartment complex in Overland Park, Kansas. He sued Cedar Crest Apartments, LLC and Peterson Properties, Inc., both Kansas business entities with Kansas employees and principal places of business in Kansas, asserting premises-liability and related claims. Martinez relied on the entities' Missouri registration, business solicitation, unrelated Missouri lawsuits, and unrelated Missouri rental property, and also argued that their relationship with Missouri corporation J.A. Peterson Enterprises, Inc. supplied jurisdiction.

PROCEDURAL HISTORY

Martinez filed a damages action in the Jackson County Circuit Court arising from an injury sustained at a Kansas apartment complex. Cedar Crest and Peterson Properties moved to dismiss for lack of personal jurisdiction; the circuit court overruled the motion. Relators unsuccessfully sought prohibition in the court of appeals, then sought the same relief in the Supreme Court, which made its preliminary writ permanent.

DISPOSITION

writ_granted

REMAND INSTRUCTIONS

None. The preliminary writ of prohibition was made permanent, preventing further action by the circuit court against the relators without personal jurisdiction.

CASES CITED

- State ex rel. Bayer Corp. v. Moriarty, 536 S.W.3d 227 (Mo. banc 2017)
- State ex rel. Norfolk S. Ry. Co. v. Dolan, 512 S.W.3d 41 (Mo. banc 2017)
- Daimler AG v. Bauman, 571 U.S. 117 (2014)
- Helicopteros Nacionales de Colombia, S.A. v. Hall, 466 U.S. 408 (1984)
- Goodyear Dunlop Tires Operations, S.A. v. Brown, 564 U.S. 915 (2011)
- Perkins v. Benguet Consolidated Mining Co., 342 U.S. 437 (1952)
- Bristol-Myers Squibb Co. v. Superior Court of California, 137 S. Ct. 1773 (2017)
- Piatt v. Indiana Lumbermen's Mutual Insurance Co., 461 S.W.3d 788 (Mo. banc 2015)
- Chromalloy American Corp. v. Elyria Foundry Co., 955 S.W.2d 1 (Mo. banc 1997) (per curiam)

- State ex rel. Ford Motor Co. v. Bacon, 63 S.W.3d 641 (Mo. banc 2002)
- Blanks v. Fluor Corp., 450 S.W.3d 308 (Mo. App. E.D. 2014)
- Thomas Berkeley Consulting Engineer, Inc. v. Zerman, 911 S.W.2d 692 (Mo. App. E.D. 1995)
- Central Cooling & Supply Co. v. Director of Revenue, 648 S.W.2d 546 (Mo. 1982)
- Blum v. Airport Terminal Services, Inc., 762 S.W.2d 67 (Mo. App. E.D. 1988)
- Doe 1631 v. Quest Diagnostics, Inc., 395 S.W.3d 8 (Mo. banc 2013)
- PHC-Minden, L.P. v. Kimberly-Clark Corp., 235 S.W.3d 163 (Tex. 2007)
- PanAmerican Mineral Services, Inc. v. KLS Environmental Resources, Inc., 916 P.2d 986 (Wyo. 1996)

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