

SUPREME COURT OF RHODE ISLAND

Rose v. Firststar Bank

819 A.2d 1247 (R.I. 2003) · No. No. 2001-556-M.P. · Decided March 27, 2003

SUMMARY

The Supreme Court of Rhode Island held that Rhode Island courts lacked personal jurisdiction over an Ohio bank serving as trustee of an Ohio trust. The bank's mailing of trust statements and checks and occasional trust-related telephone communications to Rhode Island beneficiaries did not constitute purposeful availment of Rhode Island's benefits and protections, and the beneficiaries' mismanagement claims did not arise from contacts with the state. The court granted certiorari, quashed the Superior Court's order, and remanded for dismissal for lack of personal jurisdiction.

CASE DETAILS

COURT	Supreme Court of Rhode Island
WRITING FOR THE COURT	Flanders, Justice; Williams, C.J.; Flanders, J.; Goldberg, J.
JURISDICTION	Rhode Island
DECIDED	March 27, 2003
DOCKET	No. 2001-556-M.P.
DISPOSITION	quashed
PROCEDURAL POSTURE	Firststar Bank petitioned for a writ of certiorari to review a Providence County Superior Court order denying its motion to dismiss for lack of personal jurisdiction. The Supreme Court granted certiorari and stayed further proceedings.
STANDARD OF REVIEW	The Supreme Court reviewed by certiorari the Superior Court's ruling on personal jurisdiction.
PRECEDENTIAL VALUE	Published Rhode Island Supreme Court opinion; precedential.
PARTIES	Firststar Bank v. Laura Love Rose, Alexander Rose, Marshall Rose

TOPICS

[personal jurisdiction](#) [trust administration](#) [civil procedure](#) [appellate procedure](#)

PRACTICE AREAS

[civil procedure](#) [trusts](#) [appellate procedure](#)

QUESTIONS PRESENTED

1. Whether Rhode Island courts had specific personal jurisdiction over an Ohio bank serving as trustee of an Ohio trust based on its mailing trust statements and checks and making occasional trust-related telephone calls to Rhode Island beneficiaries.
2. Whether Firststar purposefully availed itself of the privilege of conducting activities in Rhode Island by continuing to serve as trustee after a beneficiary relocated to Rhode Island.
3. Whether Rhode Island could exercise in rem jurisdiction over the Ohio trust.

HOLDINGS

1. Rhode Island lacked specific personal jurisdiction over Firststar because Firststar did not purposefully avail itself of the privilege of conducting activities in Rhode Island, and the beneficiaries' trust-mismanagement claims did not arise out of Firststar's Rhode Island contacts.
2. The Court did not decide whether Firststar's contacts were systematic and purposeful enough to establish general personal jurisdiction because the beneficiaries conceded that they were not asserting general jurisdiction.
3. The Court concluded that Rhode Island could not exercise in rem jurisdiction over the Ohio trust on the alleged facts, but noted that the issue was not properly preserved because it had not been raised in the motion to dismiss or presented to the Superior Court.

KEY QUOTATIONS

“We now reverse, holding that the Superior Court lacked personal jurisdiction over the bank because, in its capacity as trustee, the bank never purposefully availed itself of the benefits of doing business in this jurisdiction and the beneficiaries' trust-mismanagement claims do not arise out of the bank's Rhode Island contacts.” (1249)

“We hold that the bank has not purposefully availed itself of the benefits of Rhode Island law merely by agreeing to and continuing to serve as the trustee for this trust after one of the trust's beneficiaries had moved her residence to this jurisdiction and then continued to reside here with her children.” (1255)

“Thus, we grant the petition for certiorari, quash the order of the Superior Court denying the bank's motion to dismiss for lack of personal jurisdiction, and remand this case with our opinion endorsed thereon to the Superior Court for entry of a judgment in favor of the bank, dismissing the complaint for lack of personal jurisdiction.” (1256)

FACTUAL BACKGROUND

Elizabeth Allen Love created a testamentary trust in Ohio in 1962, and an Ohio probate court later appointed an Ohio bank as trustee. Following corporate reorganizations, Firststar succeeded to the trusteeship and administered the trust from Cincinnati, Ohio. The beneficiaries later became Rhode Island residents, and Firststar sent them trust statements, checks, and occasional trust-related telephone communications in Rhode Island. The beneficiaries sued in Rhode Island for alleged trust mismanagement and sought Firststar's removal as trustee.

PROCEDURAL HISTORY

The beneficiaries filed suit in Providence County Superior Court alleging that Firststar mismanaged an Ohio trust and seeking Firststar's removal as trustee. The Superior Court motion justice denied Firststar's motion to dismiss, concluding that Firststar's Rhode Island contacts satisfied due process. The Supreme Court granted certiorari, quashed that order, and remanded for entry of judgment dismissing the complaint for lack of personal jurisdiction.

DISPOSITION

quashed

REMAND INSTRUCTIONS

The case was remanded to the Superior Court with the Supreme Court's opinion endorsed thereon for entry of judgment in favor of Firststar dismissing the complaint for lack of personal jurisdiction.

CASES CITED

- McKenney v. Kenyon Piece Dye Works, Inc., 582 A.2d 107 (R.I. 1990)
- International Shoe Co. v. State of Washington, International Shoe Co. v. Washington, 326 U.S. 310 (1945)
- Phillips Exeter Academy v. Howard Phillips Fund, Inc., Phillips Exeter Academy v. Howard Phillips Fund, Inc., 196 F.3d 284 (1st Cir. 1999)
- Casey v. Treasure Island at Mirage, 745 A.2d 743 (R.I. 2000)
- Ben's Marine Sales v. Sleek Craft Boats, 502 A.2d 808 (R.I. 1985)
- Helicopteros Nacionales de Colombia, S.A. v. Hall, 466 U.S. 408 (1984)
- Maryland Central Collection Unit v. Board of Regents for Education of the University of Rhode Island, 529 A.2d 144 (R.I. 1987)
- Hanson, Executrix, et al. v. Denckla et al., Hanson v. Denckla, 357 U.S. 235 (1958)
- Matter of Estate of Ducey, 241 Mont. 419, 787 P.2d 749 (1990)
- Trustees of the Sheppard and Enoch Pratt Hospital v. Smith, 114 R.I. 181, 330 A.2d 804 (1975)
- Conn v. ITT Aetna Finance Co., 105 R.I. 397, 252 A.2d 184 (1969)
- Nicholson v. Buehler, 612 A.2d 693 (R.I. 1992)
- Bendick v. Picillo, 525 A.2d 1310 (R.I. 1987)
- Violet v. Picillo, 613 F. Supp. 1563 (D.R.I. 1985)