STATE OF MINNESOTA
IN COURT OF APPEALS
A24-1122

Gopher Mats, LLC d/b/a Viking Mat Company,
Cross-Appellant,

vs.

Kalesnikoff Lumber Company, Ltd.,
Appellant,
Respondent on Related Appeal,

Kalesnikoff Mass Timber, Inc.,
Respondent on Related Appeal,

Weekes Forest Products Inc.,
Respondent.

Filed January 13, 2025
Affirmed in part, reversed in part, and remanded
Frisch, Chief Judge

Hennepin County District Court
File No. 27-CV-23-1636

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Considered and decided by Frisch, Chief Judge; Smith, Tracy M., Judge; and Schmidt, Judge.

SYLLABUS

1. In assessing a motion to dismiss for lack of personal jurisdiction, a court resolves conflicting evidence in favor of the party asserting jurisdiction.

2. A foreign corporation's business dealings with its exclusive product distributor in Minnesota may be relevant to assess the foreign corporation's contacts with Minnesota where those business dealings give rise or relate to a claim for liability connected to that product.

OPINION

FRISCH, Chief Judge

This interlocutory appeal arises from a products-liability action regarding allegedly defective construction products manufactured by two related Canadian corporations. A corporation conducting business in Minnesota acquired those allegedly defective products directly from the Canadian corporations and from their former exclusive distributor of those products in the United States. The purchaser sued the Canadian corporations and the former exclusive distributor, and the former exclusive distributor brought cross-claims against the Canadian corporations. The Canadian corporations sought dismissal for lack of personal jurisdiction. The district court granted the motion to dismiss with respect to the purchaser's claims and denied the motion with respect to the former exclusive distributor, leading to the appeals before us. Because we conclude at this procedural juncture that the record contains evidence that the Canadian corporations have sufficient connections to Minnesota to satisfy due process as to all of the asserted claims, we affirm in part, reverse in part, and remand for further proceedings.

FACTS

This matter relates to the purchase of large construction mats produced from cross-laminated timber (CLT mats). Two Canadian companies—appellant and respondent on related appeal Kalesnikoff Lumber Company, Ltd. (KLC) and respondent on related appeal Kalesnikoff Mass Timber, Inc. (KMT)—produced and sold CLT mats to two Minnesota companies—respondent Weekes Forest Products Inc. (Weekes), and cross-appellant Gopher Mats, LLC d/b/a Viking Mat Company (Viking). Weekes also sold CLT mats to Viking.

Viking asserted various claims against Weekes, KLC, and KMT alleging that the CLT mats it purchased from these companies were defective. Weekes cross-claimed against KLC and KMT for contribution and indemnity, alleging that Weekes had purchased the CLT mats that it sold to Viking from KLC or KMT. KLC and KMT moved to dismiss the complaint and the cross-claims for lack of personal jurisdiction. The district court granted the motion to dismiss with respect to Viking's claims and Weekes's cross-claims against KMT but denied that motion with respect to Weekes's cross-claims against KLC. KLC appeals the denial of its motion to dismiss. Viking cross-appeals the district court's dismissal of its claims against KLC and KMT. The record contains the following allegations and facts pertinent to jurisdiction.

In March 2019, the president of Weekes, Tom Le Vere, reached out to Ken Kalesnikoff, president of KLC, regarding an article about KLC opening a new facility to produce cross-laminated timber. Le Vere's email signature block denotes a St. Paul, Minnesota address. Le Vere congratulated Ken Kalesnikoff on the project and expressed

interest in doing business with KLC, particularly with respect to the new production of CLT mats. In May, Christopher Kalesnikoff, the chief operating officer of KLC, emailed Le Vere and informed him that KLC was beginning to produce CLT mats.

On June 28, Weekes and KLC finalized a promissory note for $75,000 in anticipation of what Ken Kalesnikoff described as the "beginning of a long and mutually beneficial relationship." In pertinent part, the promissory note provided for monthly payments and granted Weekes "exclusive distribution rights to any/all C.L.T[.] Crane Mats sold into United States of America" for "the life of the loan and/or 12 months, whichever is longer." The note was signed by Ken Kalesnikoff, lists Weekes's headquarters in Minnesota, and provided that Minnesota law governs. Weekes thereafter began purchasing CLT mats from KLC.

On August 17, Jeff Karschnik, a Viking employee, contacted Chris Kalesnikoff about purchasing CLT mats. Karschnik's email signature includes a business address located in Eden Prairie, Minnesota. Soon after, Chris Kalesnikoff contacted Weekes about selling CLT mats directly to Viking, notwithstanding the exclusive distribution agreement. Weekes informed Chris Kalesnikoff that it was not amenable to this direct-sale arrangement because it would violate the exclusive distribution agreement. Chris Kalesnikoff then directed Karschnik to buy CLT mats manufactured by Kalesnikoff directly from Weekes and provided Karschnik with Weekes's contact information to enable such purchases. In November, Chris Kalesnikoff and Weekes had a similar exchange regarding selling mats directly to Viking outside the exclusive distribution agreement. Chris Kalesnikoff also asked if Weekes would be willing to allow a Canadian company to

purchase mats from Kalesnikoff and then sell those products to Viking. Weekes was not open to either arrangement.

Communication between Chris Kalesnikoff and Karschnik continued through the end of 2019 and into 2020, and included discussions of product, pricing, and indications that Weekes would be "open" to Kalesnikoff "moving product" if Viking had interest. On February 18, 2020, Chris Kalesnikoff emailed Karschnik asking about how the quarter had been, noting new products, and asking that Karschnik "[k]eep [Kalesnikoff] in mind" for CLT mats. Chris Kalesnikoff and Karschnik exchanged emails about product availability and price. At one point, Chris Kalesnikoff asked Karschnik about the state of business in Karschnik's "neck of the woods," referring to the start of the COVID-19 pandemic. Karschnik responded with information about Viking's operations in Minnesota.

On Friday, March 13, Weekes informed Ken Kalesnikoff that it was terminating the exclusive distribution provision in the promissory note. The following Monday, Chris Kalesnikoff emailed Karschnik and informed him that the exclusivity agreement with Weekes had ended. Chris Kalesnikoff then asked Karschnik to let him know "[i]f things start moving for [Viking]" necessitating the purchase of additional stock. On June 5, Chris Kalesnikoff emailed Karschnik to inquire about Viking's product needs, but the parties did not reach a deal at that time.

On December 21, Karschnik emailed Chris Kalesnikoff requesting a quote for the purchase of 5,000 mats. Chris Kalesnikoff provided current stock and price of the requested mats, but the deal again stalled. In January 2021, through several emails and

phone calls, Chris Kalesnikoff and Karschnik reached a deal for Viking to buy 3,768 mats directly from KMT.

The purchase was completed through a series of actions whereby Viking retrieved mats from KMT's lumberyard and KMT invoiced Viking for those mats. Viking retrieved the mats in Canada and then transported the mats to Florida, the site of a construction project. KMT sent invoices via email from an accounting clerk whose email signature denotes that she worked for "Kalesnikoff" to an invoicing email associated with Viking's parent company and, at times, to a Viking accountant in Minnesota. The invoices provide that the product was "sold to" Viking, listed Viking's Minnesota address, and noted that the product was to be shipped to Florida. The invoices reflect that the mats were sold by KMT. Viking paid the invoices through wire transfer and on some occasions, through check to KLC. KLC then moved at least some of these payments from KLC's bank account to KMT's account.

Viking also purchased 1,862 Kalesnikoff-manufactured CLT mats from Weekes. Viking transported these mats and the mats purchased directly from KMT to its customer in Florida. Many of the mats then began to delaminate and were eventually determined to be unusable. Viking notified Chris Kalesnikoff and Weekes of the problems with the product. After being informed of the extent of the delamination including photos and inspection, Chris Kalesnikoff stated, "[W]e aren't happy to see some of the failures that are being experienced in Florida, and we will stay involved until the job is completed and a resolution can be found." Ultimately, neither Weekes nor KMT or KLC accepted

responsibility for the failures of the CLT mats. Viking asserts that 75% of the "Kalesnikoff-manufactured" CLT mats were unusable because of delamination.

Viking filed a complaint in Minnesota district court against KLC and Weekes, alleging that both companies sold defective CLT mats to Viking. Viking's claims include breach of implied and express warranties, promissory estoppel, and unjust enrichment. Weekes answered and asserted cross-claims against KLC for contribution and indemnification regarding Viking's claims.

KLC moved to dismiss Viking's complaint and Weekes's cross-claims for lack of personal jurisdiction. KLC asserted that it "does not design, manufacture, or sell CLT mats," and that Viking bought CLT mats from KMT and not KLC. The district court allowed Viking to join KMT as a party, and KMT moved to dismiss for lack of personal jurisdiction. The district court granted KLC's motion to dismiss Viking's claims and KMT's motion to dismiss Viking's claims and Weekes's cross-claims. The district court denied KLC's motion to dismiss Weekes's cross-claim.

KLC appeals the denial of its motion to dismiss Weekes's cross-claims for lack of personal jurisdiction, and Viking appeals from a partial final judgment under Minn. R. Civ. P. 54.02 on dismissal of its claims against KLC and KMT for lack of personal jurisdiction.

ISSUES

I. Did the district court err by denying KLC's motion to dismiss Weekes's cross-claims for lack of specific personal jurisdiction?

II. Did the district court err by granting KLC and KMT's motions to dismiss Viking's claims for lack of specific personal jurisdiction?

ANALYSIS

KLC and KMT argue that they do not have the necessary connection to Minnesota as the forum to satisfy due-process requirements for the exercise of specific personal jurisdiction. Viking and Weekes argue that their business dealings with KLC and KMT as related to the purchase and sale of CLT mats included sufficient minimum contacts with Minnesota as the forum state and comports with fair play and substantial justice sufficient for the exercise of specific personal jurisdiction.

Personal Jurisdiction Framework

Personal jurisdiction refers to the court's ability to exercise control over the parties to litigation. *Leroy v. Great W. United Corp.*, 443 U.S. 173, 180 (1979). "The requirement that a court have personal jurisdiction flows . . . from the Due Process Clause" of the Fourteenth Amendment to the United States Constitution. *Ins. Corp. of Ir., Ltd. v. Compagnie des Bauxites de Guinee*, 456 U.S. 694, 702 (1982). The Due Process Clause limits a state's ability "to exercise its coercive power by asserting jurisdiction over [nonresident] defendants." *Bandemer v. Ford Motor Co.*, 931 N.W.2d 744, 749 (Minn. 2019); *see also* U.S. Const. amend. XIV, § 2.

The personal jurisdiction of Minnesota courts over a nonresident defendant is governed by Minnesota's long-arm statute, Minn. Stat. § 543.19 (2022), which "extend[s] the personal jurisdiction of Minnesota courts as far as the Due Process Clause of the federal constitution allows." *Valspar Corp. v. Lukken Color Corp.*, 495 N.W.2d 408, 410 (Minn. 1992). The long-arm statute "prevents personal jurisdiction over a nonresident defendant if it would violate fairness and substantial justice." *Bandemer*, 931 N.W.2d at

749 (quotation omitted). In evaluating whether the exercise of personal jurisdiction is consistent with due process such that a party may be required to defend claims in Minnesota, we "may simply apply the federal case law" regarding personal jurisdiction. *Id.* (quotation omitted); *see also Rilley v. MoneyMutual, LLC*, 884 N.W.2d 321, 327 (Minn. 2016).

A state may not exercise personal jurisdiction over a nonresident defendant unless the defendant has "minimum contacts" with the state and maintenance of the action "does not offend traditional notions of fair play and substantial justice." *Int'l Shoe Co. v. Wash., Off. of Unemployment Comp. & Placement*, 326 U.S. 310, 316 (1945) (quotation omitted). A nonresident defendant has the requisite "minimum contacts" with Minnesota if it "purposefully availed" itself of the privilege of conducting business in Minnesota such that it "should reasonably anticipate being haled into court there." *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 474-75 (1985) (quotations omitted). Two types of personal jurisdiction exist: general personal jurisdiction and specific personal jurisdiction. *Domtar, Inc. v. Niagara Fire Ins.*, 533 N.W.2d 25, 30 (Minn. 1995).

General personal jurisdiction relates to "contacts unrelated to the litigation" including "domicile or continuous and systematic contacts with the forum state." *Rilley*, 884 N.W.2d at 327 n.7 (quotation omitted). Specific personal jurisdiction may arise when "the defendant's contacts with the forum state are limited, yet connected with the plaintiff's claim such that the claim arises out of or relates to the defendant's contacts with the forum." *Domtar*, 533 N.W.2d at 30. The parties agree that only specific personal jurisdiction is at issue.

We analyze five factors in evaluating whether the exercise of specific personal jurisdiction is consistent with the constitutional due-process guarantee: "(1) the quantity of contacts with the forum state; (2) the nature and quality of those contacts; (3) the connection of the cause of action with these contacts; (4) the interest of the state in providing a forum; and (5) the convenience of the parties." *Bandemer*, 931 N.W.2d at 749 (quotation omitted). The first three factors relate to whether a nonresident defendant has sufficient "minimum contacts" with Minnesota, and the last two factors establish the reasonableness of jurisdiction under the concepts of "fair play and substantial justice." *Juelich v. Yamazaki Mazak Optonics Corp.*, 682 N.W.2d 565, 570 (Minn. 2004). "The first three factors are the primary factors, with the last two deserving lesser consideration." *Dent-Air, Inc. v. Beech Mountain Air Serv., Inc.*, 332 N.W.2d 904, 907 (Minn. 1983).

In determining whether minimum contacts exist, we focus on "the relationship among the defendant, the forum, and the litigation" and consider whether the "defendant's suit-related conduct" creates "a substantial connection with the forum State." *Walden v. Fiore*, 571 U.S. 277, 283-84 (2014) (quotations omitted). We "look to the defendant's contacts with the forum State itself and not [a nonresident] defendant's random, fortuitous, or attenuated contacts with persons affiliated with the State or persons who reside there." *Bandemer*, 931 N.W.2d at 750 (quotations omitted). The physical presence of a nonresident defendant in Minnesota is not required to exercise specific personal jurisdiction. *Id.*

Standard of Review

We review whether personal jurisdiction exists de novo. *Id.* at 749. In so doing, we accept the factual allegations in the complaint and supporting affidavits as true. *Rilley*, 884 N.W.2d at 326. But if "a defendant supports [a] motion to dismiss with an affidavit, the [party asserting jurisdiction exists] must allege specific evidence showing personal jurisdiction beyond general statements in the pleadings." *Young v. Maciora*, 940 N.W.2d 509, 514 (Minn. App. 2020) (citing *Rilley*, 884 N.W.2d at 334-35), *rev. denied* (Minn. May 19, 2020).

We note that our caselaw has not explicitly addressed the manner in which we are to resolve conflicting record evidence when confronted with a challenge to the exercise of personal jurisdiction. *See Behm v. John Nuveen & Co.*, 555 N.W.2d 301, 305 (Minn. App. 1996) (noting that jurisdictional discovery is generally permitted but not mandated before a court rules on a motion to dismiss and that the district court has "broad discretion" in granting such discovery). We are mindful of our practice to "resolve any doubt in favor of retaining jurisdiction." *Bandemer*, 931 N.W.2d at 749. And federal caselaw instructs courts assessing personal jurisdiction to resolve factual conflicts in favor of the party asserting jurisdiction. *See, e.g.*, *M-I Drilling Fluids UK Ltd. v. Dynamic Air Ltda.*, 890 F.3d 995, 999 (Fed. Cir. 2018) ("[I]n the procedural posture of a motion to dismiss, a district court must accept the uncontroverted allegations in the plaintiff's complaint as true and resolve any factual conflicts in the affidavits in the plaintiff's favor." (quotation omitted)); *Boschetto v. Hansing*, 539 F.3d 1011, 1015 (9th Cir. 2008) (noting "[c]onflicts between the parties over statements contained in affidavits" related to personal jurisdiction

"must be resolved in the plaintiff's favor" (quotation omitted)); *Don't Look Media, LLC v. Fly Victor Limited*, 999 F.3d 1284, 1292 (11th Cir. 2021) ("[W]hen the complaint and plaintiff's affidavits conflict with the defendant's affidavits, we draw all reasonable inferences in favor of the plaintiff."). And we recently addressed the circumstance where a party challenging jurisdiction produces evidence in conflict with allegations set forth in the pleadings, concluding that when a defendant supports its motion to dismiss for lack of personal jurisdiction with affidavits denying facts alleged in a complaint, a plaintiff must produce specific evidence supporting jurisdiction that must be taken as true. *State by Ellison v. HavenBrook Homes, LLC*, 996 N.W.2d 12, 22 (Minn. App. 2023), *rev. denied* (Minn. Jan. 16, 2024). Consistent with these principles and existing federal authority, we therefore hold that, in assessing a motion to dismiss for lack of personal jurisdiction, a court resolves conflicting evidence in favor of the party asserting jurisdiction. Applying this holding, we consider whether KLC and KMT have the minimum contacts with Minnesota related to Weekes's cross-claims and Viking's claims sufficient to satisfy due process.

I. Minnesota courts have specific personal jurisdiction over KLC with respect to Weekes's cross-claims.

KLC argues that it is not subject to jurisdiction in a Minnesota court with respect to Weekes's cross-claims because KLC lacks the necessary connection to Minnesota as the forum state to satisfy due-process requirements for the exercise of personal jurisdiction. We conclude that the exercise of jurisdiction is consistent with the due-process guarantee.

Quantity of Contacts with Minnesota

KLC argues that it engaged in a single business transaction with Weekes and that this lone transaction is insufficient to establish personal jurisdiction. "It is a defendant's contacts with the forum state that are of interest in determining if personal jurisdiction exists, not its contacts with a resident." *Husky Constr. Inc. v. Gestion G. Thibault Inc.*, 983 N.W.2d 101, 108 (Minn. App. 2022) (quotation omitted), *rev. denied* (Minn. Mar. 14, 2023). And "it is essential in each case that there be some act by which the defendant purposefully avails itself of the privilege of conducting activities within the forum State, thus invoking the benefits and protections of its laws." *Hanson v. Denckla*, 357 U.S. 235, 253 (1958); *see also Husky*, 983 N.W.2d at 108 ("Merely entering into a contract with a forum resident does not provide the requisite contacts between a (nonresident) defendant and the forum state." (quotation omitted)).

No threshold number of contacts is necessary to exercise personal jurisdiction over an out-of-state party and a "single, isolated transaction between a nonresident defendant and a resident plaintiff can be a sufficient contact to justify exercising personal jurisdiction." *Marquette Nat'l Bank of Minneapolis v. Norris*, 270 N.W.2d 290, 295 (Minn. 1978). In such a case, it is not necessary to "artificially count[] the number of telephone or mail exchanges required to complete the transaction"; rather, the "nature and quality of [such] contact[s] becomes dispositive." *Id.* (emphasis omitted). And we have upheld the exercise of personal jurisdiction based on a relatively small number of telephonic or electronic contacts about a business transaction. *See, e.g.*, *Trident Enters. Int'l, Inc. v. Kemp & George Inc.*, 502 N.W.2d 411, 415-16 (Minn. App. 1993) (concluding

that fewer than ten telephone, mail, and fax contacts that induced Minnesota company to enter into contract were enough to establish minimum contacts); *Viking Eng'g & Dev., Inc. v. R.S.B. Enters., Inc.*, 608 N.W.2d 166, 168, 170 (Minn. App. 2000) (concluding that 24 phone calls, faxes, and letters, as well as signing of purchase agreement and acceptance of check, were sufficient to establish minimum contacts), *rev. denied* (Minn. May 23, 2000).

The record reflects that the business relationship with Weekes was not simply, as KLC characterizes, a one-off transaction with tenuous ties to Minnesota. The record instead reflects that KLC participated in an ongoing, significant, and mutually beneficial business relationship giving rise to consistent and numerous contacts with a Minnesota company for the purchase, sale, and distribution of products in the United States. Given this record, we are persuaded that the quantity of contacts favors the exercise of jurisdiction.

Nature and Quality of KLC's Contacts with Minnesota

KLC argues that the nature and quality of its contacts with Minnesota were insignificant and therefore insufficient to satisfy due process. In considering the nature and quality of a contact, we must determine whether a party had "fair warning" of being sued in the forum state. *TRWL Fin. Establishment v. Select Int'l, Inc.*, 527 N.W.2d 573, 576 (Minn. App. 1995). A party has "fair warning" of being sued in Minnesota if they "purposefully directed" their actions to the residents of the state. *Id.*; *see also Rilley*, 884 N.W.2d at 327-28 (explaining that personal jurisdiction applies when an out-of-state defendant "purposefully directs" their activities at the forum state (quotation omitted)). Out-of-state defendants do so when they "purposefully 'reach[] out beyond' their State and

into another by, for example, entering a contractual relationship that 'envisioned continuing and wide-reaching contacts' in the forum State." *Walden*, 571 U.S. at 285 (quoting *Burger King*, 471 U.S. at 479-80).

The record reflects that KLC and Weekes established a close, long-term business relationship with significant ties to Minnesota. The parties negotiated an exclusive distribution agreement via phone and email, which included emails between KLC and Weekes's president, who clearly identified in his email signature that he was based in St. Paul, Minnesota. These negotiations culminated in the agreement for Weekes to operate as the exclusive distributor of KLC's products in the United States. That business transaction was reduced to writing in a promissory note and signed by Weekes in Minnesota. And its express terms provide that Minnesota law governs. KLC anticipated this arrangement as "the beginning of a long and mutually beneficial relationship." Indeed, the record reflects that the parties thereafter enjoyed a long and mutually beneficial relationship, with Weekes making monthly payments to KLC in exchange for the acquisition of CLT mats pursuant to what KLC understood as an ongoing distributor relationship with a Minnesota company.

KLC suggests that we should entirely disregard its actions with respect to the promissory note in assessing the quality and nature of its contacts with Minnesota as the forum state. But there is no principled basis for us to do so, especially where KLC's business relationship with Weekes was governed by Minnesota law; the note was negotiated with the president of the company who was located in Minnesota at the time of the negotiations; KLC engaged in continuous contact with Weekes representatives located

in Minnesota; and the governing agreement vested exclusive product-distribution rights in Weekes as consideration. KLC's assertion that this agreement is "wholly unrelated" to Weekes's eventual purchase of mats ignores the plain language of the promissory note which anticipated purchases between Weekes and KLC upon execution of the note.

KLC's assertion that jurisdiction in Minnesota is somehow improper where it also had contacts with Weekes's Oregon-based employees does not negate the significance of KLC's contacts with Minnesota-based Weekes employees. *See Cambria Co. v. Disney Worldwide Servs., Inc.*, 651 F. Supp. 3d 1073, 1080-81 (D. Minn. 2023) (finding personal jurisdiction in Minnesota even though some negotiations and logistics were routed through a Minnesota defendant's Florida-based employee). To the contrary, the record establishes that the quality and nature of KLC's contacts with Minnesota-based Weekes employees favors jurisdiction. These contacts resulted in the long-term business relationship, including, but not limited to the exclusive distribution agreement, an informal commitment by Weekes to accept mats weekly from KLC through 2019, direct purchases of CLT mats, and coordination between Weekes and KLC employees. *See Marshal v. Inn of Madeline Island*, 610 N.W.2d 670, 675-76 (Minn. App. 2000) ("When a defendant deliberately engages in significant activities in a state or creates continuing obligations between itself and residents of the state, the defendant purposefully avails itself of the protections of the law, as required to support the exercise of personal jurisdiction under the Due Process Clause." (quotation omitted)). We recognize that KLC disputes Weekes's factual characterization of its ongoing business relationship, but, as set forth above, we resolve factual disputes in favor of the party asserting jurisdiction at this procedural juncture. Our

review of the parties' relationship as a whole therefore shows that KLC "purposefully avail[ed] itself of the privilege of conducting activities" in Minnesota and "invok[ed] the benefits and protections of its laws" such that it "should reasonably anticipate being haled into" Minnesota court. *See Burger King*, 471 U.S. at 474-75 (quotation omitted).

Finally, we emphasize that KLC's reliance on *Husky* is misguided. In *Husky*, we concluded that a Minnesota company that viewed an internet advertisement for equipment owned by a Canadian company and then reached out to purchase that equipment did not satisfy the due-process requirements for specific personal jurisdiction. 983 N.W.2d at 105. We concluded that this single transaction initiated by a Minnesota company was insufficient to confer jurisdiction over the Canadian company, which was otherwise a stranger to the forum state. *Id.* As detailed above, that is markedly different from the long-term, established, and ongoing business relationship between KLC and its Minnesota-based exclusive product distributor. *See Burger King*, 471 U.S. at 478-79 (explaining that establishment of minimum contacts in a contract dispute requires evaluation of "prior negotiations and contemplated future consequences, along with the terms of the contract and the parties' actual course of dealing").

We conclude that the nature and quality of KLC's contacts with Minnesota favors jurisdiction.

Connection Between Weekes's Cross-Claims against KLC and Minnesota

KLC argues that there is no connection between the subject matter of Weekes's cross-claims and Minnesota as the forum state. Specific personal jurisdiction exists when a nonresident defendant "purposefully directed his activities at residents of the forum" and

the action "arise[s] out of or relate[s] to those activities." *Id.* at 472 (quotations omitted). We focus on the relationship between the defendant, the forum, and the litigation. *Walden*, 571 U.S. at 283-84.

This case involves an ongoing business relationship between KLC and Weekes, through which Weekes made monthly payments to KLC, and KLC sold CLT mats to Weekes, a Minnesota company, for distribution in the United States. That relationship ultimately led to Weekes's sale of those mats to Viking, another Minnesota company. These transactions form the foundation of Weekes's claims against KLC and sufficiently connect KLC to the cross-claims brought in Minnesota district court.

We are unpersuaded by KLC's argument that the connection between the cross-claims and Minnesota is undermined because KLC "was not involved in [Weekes's] sale of mats that were owned by [Weekes] to [Viking] in 2021 or the contracts or warranties that [Weekes] allegedly provided in its sales of mats to [Viking] at that time." This argument ignores the nature of Weekes's cross-claims, which assert that the products it sold to Viking were manufactured by KLC and that KLC is liable if those mats are determined to be defective. This argument also ignores that KLC affirmatively directed a Minnesota representative of Viking to purchase its mats from Weekes, another Minnesota company, during the pendency of the exclusive distribution agreement. This directed facilitation of Viking's purchase through Weekes of allegedly defective products manufactured by KLC illustrates the interrelated relationship between the three parties, the claims at issue in this action, and Minnesota. We likewise construe these facts in favor of Weekes as the party asserting jurisdiction.

In sum, in construing the record in the light most favorable to Viking as the party asserting jurisdiction, the first three factors in the personal-jurisdiction analysis favor the exercise of specific personal jurisdiction because KLC has the requisite minimum contacts with Minnesota with respect to Weekes's cross-claims.

Minnesota's Interest in Providing a Forum

Minnesota's interest in providing a forum is a secondary factor that we consider in light of our conclusion that the first three personal-jurisdiction factors satisfy due process. *Dent-Air*, 322 N.W.2d at 907. This factor is concerned with the "fair play and substantial justice" required for Minnesota to exercise personal jurisdiction over a nonresident entity. *Juelich*, 682 N.W.2d at 570.

Minnesota has an interest in providing a forum for Weekes, a Minnesota company, to address its asserted injury arising from its business relationship with KLC. *See Dent-Air*, 332 N.W.2d at 908 (recognizing Minnesota's "interest in providing a forum for its residents who have allegedly been wronged"); *C.H. Robinson Worldwide, Inc. v. FLS Transp., Inc.*, 772 N.W.2d 528, 538 (Minn. App. 2009) (concluding that when a case involves an alleged injury to a Minnesota resident, both the resident and Minnesota have an interest in resolving the dispute here), *rev. denied* (Minn. Nov. 24, 2009). This factor therefore favors jurisdiction.

Convenience of the Parties

The parties' convenience, like Minnesota's interest in providing a forum, is also a secondary factor. *Dent-Air*, 332 N.W.2d at 907. And there is a strong presumption in favor of the plaintiff's choice of forum. *Bergquist v. Medtronic, Inc.*, 379 N.W.2d 508, 511

(Minn. 1986). KLC contends that Minnesota is an inconvenient forum because its employees must travel from Canada to defend the case in Minnesota, Weekes is a large company who can manage the inconvenience of litigating elsewhere, and because the district court dismissed Viking's claims against KLC. But these asserted inconveniences apply to all parties to this action, so we conclude that "convenience of the parties and witnesses is a neutral factor in the analysis." *See Juelich*, 682 N.W.2d at 576.

In sum, considering the five personal jurisdiction factors, we conclude that the exercise of specific personal jurisdiction over KLC to adjudicate Weekes's cross-claims is consistent with the notion of fair play and substantial justice. *See Bandemer*, 931 N.W.2d at 749.

II. Minnesota courts have specific personal jurisdiction over KLC and KMT with respect to Viking's claims.

KLC and KMT argue that Minnesota courts lack specific personal jurisdiction over them related to the manufacture and sale of allegedly defective CMT mats.

As a threshold matter, Viking asserts that we should consider KLC and KMT as one entity for purposes of determining the existence of personal jurisdiction. KLC and KMT assert that they are separate, unrelated companies and that they cannot be considered together in this analysis. A nonresident corporation may be subject to jurisdiction in Minnesota because of an affiliated entity's activities in that state if the companies are organized and operated so that the affiliated companies are instrumentalities or alter egos of each other. *See Zimmerman v. Am. Inter-Ins. Exch.*, 386 N.W.2d 825, 828 (Minn. App. 1986), *rev. denied* (Minn. July 31, 1986); *JL Schwieters Constr., Inc. v. Goldridge Constr.,*

Inc., 788 N.W.2d 529, 536 (Minn. App. 2010) (concluding that a parent company was subject to vicarious personal jurisdiction through its "Minnesota alter ego" company), *rev. denied* (Minn. Dec. 14, 2010). In *JL Schwieters*, we identified a number of factors that supported the exercise of personal jurisdiction under an alter ego theory including whether

> (1) the parent conducted business through "wholly owned," "closely interrelated" subsidiaries; (2) the parent and subsidiary maintained offices in the same location; (3) . . . directors of the subsidiary were also directors of the parent; (4) the corporations shared a number of officers; (5) the corporations issued consolidated financial statements and tax returns; (6) the parent guaranteed the credit facility of the subsidiary and funded its pension plan; (7) the parent held itself out as having substantial control of the subsidiary and did in fact have substantial control; and (8) the parent-subsidiary relationship appeared to be a convenient way for the parent to organize its own business.

JL Schwieters, 788 N.W.2d at 536 (quoting *Scott v. Mego Int'l, Inc.*, 519 F. Supp. 1118, 1126 (D. Minn. 1981)). In light of the foregoing, and mindful of our obligation to resolve conflicting facts in favor of Viking as the party asserting jurisdiction, we conclude that the record shows that KMT is an alter ego of KLC for three reasons.

First, the record reflects no distinction between the operations of KMT and KLC.[1] In communicating with Viking, Chris Kalesnikoff never distinguished his role as chief

[1] We note that, for purposes of the personal-jurisdiction analysis, alter-ego theories of imputing contacts of one business entity to a related business entity have generally involved entities with a parent and subsidiary relationship. *See, e.g.*, *JL Schwieters*, 788 N.W.2d at 536 (concluding a "parent" company was subject to personal jurisdiction based on the "subsidiary" company's contacts with Minnesota). But our caselaw regarding the application of alter-ego theories is not limited to or dependent on a hierarchy of the business relationship. Based on the facts of this case, we conclude that the record at this procedural juncture sufficiently demonstrates that KMT and KLC are sufficiently interrelated to be alter egos of one another.

operating officer of KLC and his identical role and title of KMT. He made no differentiation in his management duties or daily operations with respect to these entities. And he never separated his role at KLC from his role at KMT. Second, Viking routinely issued payments to KLC, rather than KMT, without objection or correction. It may be that as a matter of course, KLC made the unilateral decision and unexplained choice to transfer some of Viking's payments from its bank account to KMT's account. But the apparent ease and routine nature of these transfers as set forth in the record suggest that the distinctions between the two entities was a "convenient way for the parent to organize its own business," rather than a reflection of a wholly separate and uncontrolled entity. *See Scott*, 519 F. Supp. at 1126. In viewing this evidence in the light most favorable to Viking as the nonmoving party at this juncture, we cannot conclude that this action establishes that the entities are distinct for purposes of the jurisdictional analysis. *Cf. Curtis v. Altria Grp., Inc.*, 792 N.W.2d 836, 846-47 (Minn. App. 2010) (concluding that a plaintiff had not shown that a subsidiary was an alter ego where the record lacked evidence that the alleged parent company had no power to exercise control over the alleged subsidiary or its day-to-day operations), *rev'd on other grounds*, 813 N.W.2d 891, 895-96 (Minn. 2012). Third, KLC and KMT share the same registered address and the same three principal officers. *See JL Schwieters*, 788 N.W.2d at 536-37 (concluding that a parent company controlled and operated a subsidiary because, among other reasons, the companies shared the same address and were controlled by the same principal officers). We therefore conclude that KLC and KMT are sufficiently interrelated affiliated entities to constitute a single entity for purposes of the jurisdictional analysis at this juncture of the litigation. *See, e.g.*, *Scott*,

519 F. Supp. at 1126; *Curtis*, 792 N.W.2d at 846-47. As such, we refer to KLC and KMT collectively as "Kalesnikoff" in the following personal-jurisdiction analysis and analyze the Minnesota contacts of both entities together.

Quantity of Kalesnikoff's Contacts with Minnesota

Kalesnikoff argues that its contacts with Minnesota are insufficient to confer jurisdiction. Viking identifies the following categories of Kalesnikoff contacts with Minnesota: (1) the above-described circumstances related to and in the performance of Kalesnikoff's exclusive distribution agreement and relationship with Weekes; (2) Kalesnikoff's affirmative pursuit of business with Viking through Viking's Minnesota-based employee; (3) the business dealings and Kalesnikoff's eventual sale of mats to Viking through that same Minnesota-based employee; (4) the exchange of invoices and payments related to the sale of mats, including that the mats were "sold to" Viking at a Minnesota address; (5) communications between Kalesnikoff and Viking accounting staff; and (6) communication after Viking raised concerns regarding mat defects.

Kalesnikoff, differentiating between its two entities, argues we should ignore some of the contacts identified by Viking, thus rendering the quantity of contacts insufficient to sustain personal jurisdiction over either entity. Specifically, Kalesnikoff asserts we should not consider (1) its relationship and promissory note with Weekes in our specific personal-jurisdiction analysis related to Viking's claims, or (2) the post-sale communications between Chris Kalesnikoff and Viking about mat defects.

First, we reject Kalesnikoff's argument that we must ignore its relationship with Weekes in assessing the nature and quality of Kalesnikoff's contacts with Minnesota. We

emphasize that Kalesnikoff cited no authority from any jurisdiction standing for the proposition that we should or must ignore these types of business dealings in determining the existence of specific personal jurisdiction. And we see no principled basis to do so. The record reflects that Kalesnikoff's dealings with Viking and Weekes were not independent. Kalesnikoff entered into an exclusive distribution agreement with Weekes to distribute Kalesnikoff's CLT mats in the United States. In so doing, Kalesnikoff purposefully directed its actions to Minnesota, where Weekes was headquartered. *Burger King*, 471 U.S. at 474-75 (noting that a company "should reasonably anticipate being haled into court" when it "purposefully avail[ed] itself of the privilege of conducting activities" in a forum state (quotation omitted)). And later, when Viking contacted Kalesnikoff about a direct purchase of those mats, Kalesnikoff affirmatively contacted Weekes in Minnesota seeking permission to make the direct sale to Viking. Weekes objected, and Kalesnikoff thereafter affirmatively directed Viking in Minnesota to purchase Kalesnikoff's CLT mats from Weekes. Again, we recognize that Kalesnikoff disputes these factual characterizations, but we construe conflicting evidence in favor of Viking as the party asserting jurisdiction. And we conclude that these are not isolated, random, attenuated, or fortuitous contacts between the three companies—they are purposeful, directed, targeted business negotiations and transactions centered in Minnesota and implicating a contract executed in Minnesota and governed by Minnesota law.

Thus, we hold that for purposes of determining the existence of specific personal jurisdiction, a foreign corporation's business dealings with its exclusive product distributor in Minnesota may be relevant to assess the foreign corporation's contacts with Minnesota

where those business dealings give rise or relate to liability connected to the product. Accordingly, we conclude that Kalesnikoff's relationship with Weekes as to exclusive distribution rights and subsequent actual distribution of CLT mats to Viking are contacts with Minnesota that warrant our consideration in determining whether Minnesota has specific personal jurisdiction over Kalesnikoff as related to Viking's claims.

Second, we agree with Kalesnikoff that its Minnesota contacts occurring after the events giving rise to Viking's claims are not properly considered in the jurisdictional analysis. *See Husky*, 983 N.W.2d at 111 ("[I]n examining the sufficiency of contacts with the forum state to determine the exercise of specific personal jurisdiction over a nonresident defendant, we generally focus on those contacts leading up to and surrounding the accrual of the cause of action."). While Viking seeks to distinguish *Husky* because it alleges a collateral estoppel claim based on Kalesnikoff's "post-sale communications," it cites to no authority recognizing such a distinction. We therefore do not consider Kalesnikoff's post-sale contacts with Viking in our personal-jurisdiction analysis. But we conclude that the quantity of remaining contacts including Kalesnikoff's business dealings with Weekes and Viking, its agreement to sell CLT mats to Viking, and the series of transactions executing this sale are a sufficient quantity of contacts between Kalesnikoff and Minnesota to favor the exercise of jurisdiction.[2]

[2] We note that Kalesnikoff disputes that Viking is a Minnesota company. But Viking asserts in its complaint and by affidavit that its principal place of business is in Eden Prairie, Minnesota, and we accept that allegation as true at this juncture.

Nature and Quality of Kalesnikoff's Contacts with Minnesota

Kalesnikoff argues that because it was not the aggressor in the business relationship with Viking, the nature and quality of contacts with Minnesota disfavors the exercise of jurisdiction. *See KSTP-FM, LLC v. Specialized Commc'ns, Inc.*, 602 N.W.2d 919, 924, 926 (Minn. App. 1999) (holding that a party who solicited and took more initiative in a transaction had availed itself of Minnesota's laws); *Dent-Air*, 332 N.W.2d at 907-08 (explaining the "aggressor" analysis but noting that "[m]ere inquiry by a prospective buyer or seller, without more, will not sustain jurisdiction").

Viking and Kalesnikoff both argue that the other party was the aggressor in their business relationship. The record reflects that throughout the parties' relationship, both pursued business with the other. For example, Viking's Minnesota-based employee contacted Kalesnikoff in 2019 with interest in the company's mat production and continued to follow up as the parties contemplated a purchase, ultimately reaching a deal for the purchase of mats. But in the same communications, Chris Kalesnikoff eagerly pursued a relationship with Viking through its Minnesota-based employee, including informing him when Kalesnikoff's exclusive distribution agreement ended and asking that Viking "keep [Kalesnikoff] in mind" if the company needed to source mats. We also note that the record demonstrates Kalesnikoff's eagerness to sell CLT mats to Viking as expressed in Chris Kalesnikoff's repeated attempts to gain Weekes's approval for a direct sale that would have otherwise violated the exclusive distribution agreement. Throughout these exchanges, the Viking employee's email signature reflected that he was in Minnesota and at least twice

discussed the climate in Minnesota in relation to the COVID-19 pandemic. We construe these factual allegations in favor of Viking as the party asserting jurisdiction.

We conclude that both Kalesnikoff and Viking were, at times, the aggressor in the ultimate purchase of CLT mats. And given our practice to "resolve any doubt in favor of retaining jurisdiction," we conclude that the aggressor analysis supports the conclusion that the nature and quality of Kalesnikoff's contacts with Minnesota favors the exercise of jurisdiction. *See Bandemer*, 931 N.W.2d at 749.

Connection Between Viking's Claims and Minnesota

Similar to Weekes's cross-claims, we conclude that Viking's claims against Kalesnikoff "arise out of or relate to" Kalesnikoff's contacts with Minnesota. *See Burger King*, 471 U.S. at 472. The relationships and business dealings between Weekes, Kalesnikoff, and Viking led to the sale of Kalesnikoff's CLT mats giving rise to Viking's product-liability claims and are sufficiently related to those claims to satisfy due process. And we conclude that the first three personal-jurisdiction factors establish that Kalesnikoff had sufficient minimum contacts with Minnesota as the forum state with respect to Viking's claims to favor the exercise of specific personal jurisdiction.

Minnesota's Interest in Providing a Forum

Finally, the remaining two personal-jurisdiction factors do not demonstrate that an unfairness or injustice would result from Minnesota's exercise of specific personal jurisdiction over Kalesnikoff. Again, Minnesota has an interest in providing a forum for an injured resident company. Minnesota also has an interest in avoiding "piecemeal and fragmented litigation" or the possibility of inconsistent results associated with litigation

occurring in multiple jurisdictions. *See Domtar*, 533 N.W.2d at 34 (concluding that "efficient resolution" of a case involving claims for contribution favored retaining personal jurisidction over a Canadian insurance company where other claims would proceed in Minnesota).

Convenience of the Parties

And consistent with our prior analysis, we recognize that witnesses are located throughout North America and some inconvenience to the parties is likely regardless of where this matter is litigated. Thus, the "convenience of the parties and witnesses is a neutral factor in the analysis." *See Juelich*, 682 N.W.2d at 575-76.

We therefore conclude that the exercise of specific personal jurisdiction over Kalesnikoff to adjudicate Viking's claims is consistent with the notion of fair play and substantial justice. *See Bandemer*, 931 N.W.2d at 749.

DECISION

The circumstances of Kalesnikoff's sale of CLT mats to Weekes and Viking establish the requisite minimum contacts with Minnesota as the forum state to satisfy due process. We hold that in assessing a motion to dismiss for lack of personal jurisdiction, a court resolves conflicting evidence in favor of the party asserting jurisdiction. We therefore conclude that Kalesnikoff, acting either as KLC or KMT, purposefully availed itself of the laws and protections of Minnesota by seeking and initiating business in Minnesota with both Weekes and Viking. And we hold that for purposes of determining the existence of specific personal jurisdiction, a foreign corporation's business dealings with its exclusive product distributor in Minnesota may be relevant to assess the foreign

corporation's contacts with Minnesota where those business dealings give rise or relate to liability connected to the product. The record contains sufficient evidence to establish that Kalesnikoff has the requisite minimum contacts with Minnesota as the forum state to support the exercise of specific personal jurisdiction over both Weekes's cross-claims and Viking's claims, and that the exercise of such jurisdiction is consistent with the notion of fair play and substantial justice. We therefore affirm the district court's denial of KLC's motion to dismiss for lack of personal jurisdiction, reverse the district court's grant of KLC and KMT's motions to dismiss for lack of personal jurisdiction, and remand for further proceedings not inconsistent with this opinion.

Affirmed in part, reversed in part, and remanded.