

**STATE OF MINNESOTA
IN COURT OF APPEALS
A23-0244**

State of Minnesota,
by its Attorney General, Keith Ellison,
Respondent,

vs.

HavenBrook Homes, LLC, et al.,
Defendants,

Pretium Partners, LLC,
Appellant.

**Filed September 5, 2023
Affirmed
Bratvold, Judge
Dissenting, Connolly, Judge**

Ramsey County District Court
File No. 62-CV-22-780

Keith Ellison, Attorney General, Caitlin Micko, Katherine Kelly, Assistant Attorneys General, Peter Surdo, Special Assistant Attorney General, St. Paul, Minnesota (for respondent)

Thomas H. Boyd, David M. Aafedt, Joseph M. Windler, Olga Tymouch, Winthrop & Weinstine, P.A., Minneapolis, Minnesota; and

Kannon K. Shanmugam (pro hac vice), Paul, Weiss, Rifkind, Wharton & Garrison LLP, Washington, District of Columbia (for appellant)

Considered and decided by Bratvold, Presiding Judge; Connolly, Judge; and Gaïtas, Judge.

SYLLABUS

1. A motion to dismiss for lack of personal jurisdiction is properly denied on claims asserted by the state against a nonresident defendant with interests in Minnesota

rental homes when the state presents prima facie evidence that the defendant held itself out as the owner of the homes and had multiple contacts with Minnesota related to maintenance of the homes that were of such a nature, quantity, and quality that the defendant could expect to be subject to suit in Minnesota.

2. When specific evidence of a nonresident defendant's contacts with Minnesota tends to prove, if accepted as true, that the nonresident's contacts continued the wrongful conduct alleged in the complaint, this evidence may be considered in determining specific personal jurisdiction, even if the same contacts may also be viewed as remedial.

OPINION

BRATVOLD, Judge

Respondent State of Minnesota sued appellant Pretium Partners LLC, claiming that Pretium—along with six other defendants—owns, rents, and manages over 600 rental properties in Minnesota. The amended complaint alleged that the defendants sought to profit from lease agreements by intentionally failing to make promised repairs on their rental properties. Pretium appeals the district court's denial of its motion to dismiss the amended complaint for lack of personal jurisdiction under Minn. R. Civ. P. 12.02(b).

Pretium is a nonresident, private-investment-management firm that focuses on residential real estate; its principal place of business is in New York. Pretium owns property-management firms that control and operate many Minnesota rental homes. Pretium offered evidence in support of its motion to dismiss, arguing that its limited contacts with Minnesota postdated the statutory violations alleged in the complaint and were remedial, and therefore, they do not subject it to specific personal jurisdiction in

Minnesota. We disagree. Because we conclude that the state offered prima facie evidence that its claims arise out of or relate to Pretium’s contacts with Minnesota, and because Pretium had sufficient minimum contacts with Minnesota, we conclude the district court did not err in denying Pretium’s motion to dismiss for lack of personal jurisdiction.

FACTS

In February 2022, the attorney general, on behalf of the state, filed and served a complaint against Pretium and other defendants alleging that they were “a syndicate of corporations that collectively own, rent, and manage over 600 rental properties in Minnesota under the name ‘HavenBrook Homes’” and that they “jointly executed a deliberate and calculated strategy to extract ever greater profits from their tenants by severely under-maintaining their homes.” The complaint alleged that the defendants failed to make repairs and otherwise failed to maintain their rental homes in compliance with Minnesota law, misrepresented to the public and to tenants the repairs they would make, “systematically fail[ed] to take mandatory lead-based paint safety precautions,” and “told numerous tenants who were behind on their rent to move out during the COVID-19 pandemic in violation of Emergency Executive Order 20-79 that prohibited such conduct.”

In March 2022, four defendants, including Pretium, moved to dismiss, argued that Minnesota lacked personal jurisdiction, and submitted evidence in support of their motion. On August 1, 2022, the district court granted the motion to dismiss as to three defendants¹

¹ The district court’s order dismissed three nonresident defendants for lack of personal jurisdiction: Front Yard Residential Corporation, Midway Acquisition Co. REIT, and SFR Investments V REIT.

and denied the motion as to Pretium. Pretium appealed. We dismissed Pretium's appeal as moot because the state had filed an amended complaint that, we determined, superseded the original complaint. *State by Ellison v. Havenbrook Homes, LLC*, No. A22-1168 (Minn. App. Sept. 27, 2022) (order).

Pretium filed a second motion to dismiss, again arguing that Minnesota lacked personal jurisdiction over it. Pretium filed more evidence in support of its motion. The state opposed the motion to dismiss and submitted evidence in response. The district court denied Pretium's second motion to dismiss, and Pretium filed this interlocutory appeal. The district court stayed proceedings pending the outcome of this appeal.

Amended Complaint

The amended complaint named six defendants relevant to the issues on appeal: Pretium, HavenBrook Homes LLC, HavenBrook Partners LLC, FYR SFR Borrower LLC, Home SFR Borrower LLC, and Progress Residential Management Services LLC (collectively, defendants). The amended complaint alleged that Pretium owns HavenBrook Partners, which owns HavenBrook Homes, and hereafter we refer to the two HavenBrook entities collectively as HavenBrook. HavenBrook is a nationwide property-management company that manages many rental properties in Minnesota. The amended complaint also alleged that Pretium owns Progress Residential Management Services, a property-management company that co-manages rental properties in Minnesota with HavenBrook.²

² Below, we discuss Pretium's argument that it offered evidence disputing that it owns either Progress Residential or HavenBrook.

The amended complaint asserted, in four counts, that defendants' wrongful conduct involved managing and renting residential properties in Minnesota and (1) making "false promises" with the intent "that others rely thereon" in violation of section 325F.69 of the Minnesota Prevention of Consumer Fraud Act (MCFA), Minn. Stat. §§ 325F.68-.94 (2022); (2) engaging in "deceptive and fraudulent conduct," such as promising that defendants "will respond to repair requests when they routinely fail to respond or respond only after repeated requests by their tenants," in violation of section 325D.44 of the Minnesota Uniform Deceptive Trade Practices Act (MUDTPA), Minn. Stat. §§ 325D.43-.48 (2022); (3) failing to keep rented premises "fit," failing to make "timely" or "adequate" repairs, and failing to maintain premises in compliance with applicable health and safety laws, all in violation of "their unwaivable duty to keep their premises in reasonable repair" under statutory landlord covenants, Minn. Stat. § 504B.161 (2022); and (4) notifying "tenants that their lease would not be renewed and that the tenants had to vacate their homes during the peacetime emergency" in violation of Emergency Executive Order 20-79, *Modifying the Suspension of Evictions and Writs of Recovery During the COVID-19 Peacetime Emergency* (July 14, 2020). The amended complaint sought declaratory and injunctive relief along with civil penalties and attorney fees.

The amended complaint described the evolving relationships among defendants. Before 2018, HavenBrook managed about 3,000 rental homes nationwide, many of which

were in Minnesota. In August 2018, Front Yard Residential Corporation,³ a publicly traded real-estate-investment trust that owned over 10,000 rental homes, acquired HavenBrook and its management portfolio. By March 2019, Front Yard had “transitioned all of its single-family rental assets to HavenBrook’s management” for leasing and maintenance.

In January 2021, Pretium acquired Front Yard and, according to the amended complaint, thereby acquired HavenBrook. At the time of this acquisition, according to the amended complaint, “Pretium was already a large nationwide landlord but the acquisition resulted in it becoming ‘the second-largest owner and operator of SFR [single-family residential] properties in the United States.’” After its acquisition of Front Yard, Pretium’s “Minnesota portfolio” included “more than 600” single-family homes, which Progress Residential “co-manage[d] with Havenbrook.” In August 2021, Pretium “transferred many property management functions for its Minnesota portfolio” from HavenBrook to Progress Residential.

The amended complaint alleged that, as of January 2021, HavenBrook, Progress Residential, and Pretium “all engaged in the unlawful scheme” to profit from leasing rental properties by promising repairs would be made and then “severely under-maintaining” the rental properties. Pretium’s involvement included “visiting Minnesota to inspect [d]efendants’ rental homes.” It also alleged that although Pretium was not listed on the rental-property leases or rental licenses, Pretium “directly” corresponded with Minnesota

³ As stated *supra* note 1, the amended complaint named Front Yard as a defendant. The district court granted Front Yard’s motion to dismiss for lack of personal jurisdiction, and that ruling is not at issue in this appeal.

tenants about their tenancies and “directly” communicated with Minnesota cities about rental licenses.

The amended complaint alleged that Pretium “promises . . . their tenants” that they “will receive immediate maintenance for most emergency repairs.” For example, Pretium’s website claimed it offered residents “same-day service capability for most emergencies.”⁴ HavenBrook’s website included similar statements.

Before August 2021, HavenBrook allegedly failed to make repairs to save costs “at the expense of Minnesotans’ health and safety.” The amended complaint alleged that Progress Residential “also failed to provide habitable housing to Minnesota tenants” once it was brought on as a co-manager. “Since it began co-managing [d]efendants’ Minnesota homes, Progress Residential has not made timely repairs and sometimes fails to make any repairs at all, thereby failing to properly maintain [d]efendants’ homes in compliance with Minnesota law.”

The amended complaint alleged that “[b]etween March 2020 and January 2022 (only a 21-month period) the City [of Minneapolis] found 951 health and safety violations in [d]efendants’ homes, a 160% increase in violations-per-year.” In January 2022, the City of Columbia Heights revoked HavenBrook’s and Progress Residential’s rental licenses for properties within its city limits because they had “completely failed to address both tenant

⁴ In support of its motion to dismiss the amended complaint, Pretium submitted a copy of the document depicted on its website. Along with the “same-day” statement referenced in the amended complaint, the document states that Pretium is a “pioneer and long-term owner-operator in single-family rental housing” and is “dedicated to providing residents with renovated, well-maintained and affordable rental homes.”

and City repair and maintenance concerns.” Some of the needed repairs involved lead-safety issues. As for Pretium’s role, the amended complaint alleged that Pretium “itself engaged in the violations described herein that occurred after January 2021.”

Finally, the amended complaint alleged that defendants notified tenants that their leases would not be renewed and that tenants had to vacate their homes during the COVID-19 pandemic, a violation of Executive Order 20-79. The amended complaint alleged that the violations began before Pretium acquired HavenBrook; “however, Pretium continued the conduct in violation of the Order.”

Pretium’s Second Motion to Dismiss

In support of its second motion to dismiss, Pretium submitted, among other things, excerpts from the deposition testimony of one its employees (the Pretium employee), a managing director who visited Minnesota in January 2022, weeks before the state served the original complaint. Pretium’s second motion to dismiss also relied on and referenced two affidavits by its chief operating officer (COO) that were submitted in support of its first motion to dismiss. In the COO’s affidavits, he averred that Pretium “had no direct ownership with any of the other named Defendant entities in this case,” “did not engage in any communications with Minnesota tenants prior to January of 2022,” did not “enter into any contracts with Minnesota companies relating to the subject matter of the Complaint prior to January of 2022,” “did not and does not own real property in Minnesota,” “did not and does not lease real property in Minnesota,” “has not exercised control over or directed any repair or maintenance work in Minnesota generally during the time period relevant to any of the allegations set forth in the Complaint,” and “does not own” HavenBrook and

that Front Yard was acquired by entities “owned by an investment vehicle that is managed by an affiliate” of Pretium.

In response to Pretium’s second motion to dismiss, the state submitted the following: (1) additional excerpts from the Pretium employee’s deposition; (2) an affidavit from a representative of Inquilinx Unidxs Por Justicia (IX), a nonprofit tenants’ organization that communicated with the Pretium employee before, during, and after the January 2022 visit; (3) two affidavits from tenants who resided in HavenBrook’s Minnesota properties, both of whom aver that their homes were not repaired as promised; (4) emails exchanged between the Pretium employee and various individuals in Minnesota, including a general contractor, IX representatives, and at least one tenant; and (5) a letter the Pretium employee sent to Columbia Heights tenants about the revocation of rental licenses for HavenBrook homes.

The parties’ evidence expanded on the January 2022 visit to Minnesota referenced in the amended complaint. The Pretium employee testified that the purpose of her visit to Minnesota was “assess[ing] th[e] legal risk” of Pretium’s investment portfolio. The Pretium employee also testified that the January 2022 trip was “very focused on addressing . . . potential legal exposure.”

Emails the state submitted show that before her Minnesota visit, the Pretium employee contacted the IX representative mentioned above and introduced herself to the IX representative as a “new member[] of the Minneapolis community.” The IX representative’s affidavit states that the Pretium employee explained that “Pretium had bought HavenBrook from Front Yard Residential[,] that although HavenBrook managed

the homes Pretium was the owner of them,” and that “Pretium was in charge and was the entity responsible for the [HavenBrook] homes.” The IX representative then communicated with the Pretium employee—on behalf of tenants—about ongoing repair and maintenance issues in several Minnesota properties. One email the IX representative sent to the Pretium employee stated that IX had been “working with tenants in these homes for nineteen months.” The IX representative’s email attached “a spreadsheet documenting the problems that tenants have shared with [IX].” Taken together, the IX representative’s affidavit and emails show that the Pretium employee communicated with IX at least eight times before and after the January 2022 visit.

The Pretium employee also testified that before her January 2022 visit, Pretium, Progress Residential, and HavenBrook hired a third-party home inspector—US Housing Consultants (USHC)—to set up inspections of rental properties in Minnesota that were a part of Pretium’s portfolio. The IX representative’s affidavit stated that Pretium “decided to hire US Housing Consultants to do the inspections.” The Pretium employee invited the IX representative to attend the inspections for the purpose of “promot[ing] trust and transparency with the community.”

While the Pretium employee was in Minnesota, she participated in 22 rental-property inspections with USHC, the IX representative, and a HavenBrook maintenance technician. The Pretium employee testified that she spoke with tenants during the inspections. According to the IX representative’s affidavit, she heard the Pretium employee “regularly mak[e] promises to tenants” who lived in the homes being inspected that “we”—meaning Pretium—“would take care of and repair the maintenance issues that

the tenants were complaining about.” According to the Pretium employee’s testimony and the emails submitted by the state, after the inspections were completed, the Pretium employee both responded to tenant emails about property repairs and forwarded them to HavenBrook.

The IX representative’s affidavit also averred that the Pretium employee stated that (1) Pretium had consulted with a Minnesota general contractor and USHC to develop “the phases of the renovation plan which would be created as a result of the [USHC] inspections” and that this would take between “six months to a year” to complete. The plan would involve repairing “the homes in the worst condition” first and then repairing others at a pace of “about 10 homes per month,” and (2) Pretium was “planning on hiring a third-party company to help arrange for the families to move out or have somewhere to go when their house was torn up.” Additionally, the Pretium employee testified that she contacted “two potential consultants,” Urbane Development Group and the Coalition for Nonprofit Housing and Economic Development, that provided Pretium with a list of nonprofits in Minnesota that could provide housing and social support to tenants. The Pretium employee also testified, however, that the repair-and-renovation plan was not implemented.

Finally, the Pretium employee’s testimony addressed the revocation of the Columbia Heights rental licenses. The Pretium employee “coordinated and facilitated interaction[s]” between HavenBrook and Progress Residential and “engaged with the locality,” such as the fire chief, “to understand the steps [needed to] . . . get the licenses reinstated.” The Pretium employee updated tenants about progress made on reinstating the

Columbia Heights rental licenses. The Pretium employee also described a letter she sent Columbia Heights tenants about the license revocation, stating that it provided “some form of comfort” on behalf of Pretium.

The state submitted a copy of the Pretium employee’s letter to affected tenants. The January 24, 2022 letter, which was written on Pretium letterhead, stated:

We are the owner of your rental home. We acquired your home in January of 2021 with the intent of improving your resident experience. We are writing today to express our support to you in the face of the City of Columbia Heights threat to revoke the rental license for your home.

. . . Please know we are immediately stepping in to ensure the appropriate remediations are conducted in the four homes, and we want to assure you that we will do everything in our power to ensure you are either able to remain in your home or facilitate alternative accommodations at no additional cost. . . .

. . . .

We would also like to organize a resident meeting, via Zoom, with our Minnesota residents and other interested community groups and stakeholders.

The Pretium employee signed the letter “on behalf of ownership.”

The Pretium employee also communicated with IX and the Columbia Heights tenants about how the rental-license revocations would affect rent for January, February, and March 2022. Emails the Pretium employee sent to IX in January and February 2022 stated that the Pretium employee had been “encouraging residents to let [her] know what their housing needs are so [Pretium and IX] can work, in parallel, to start our planning so folks don’t have to feel so much in limbo” and explained, “Residents should not pay

[Pretium] February rent and [Pretium] owe[s] them the January rent from the time of the revocation. [Residents] should feel assured that they're not doing anything wrong by not paying February rent." An email the Pretium employee sent to Columbia Heights tenants explained that Pretium would be "foregoing March rent" and that it would be "freezing long term lease renewals at 0% increase and capping month-to-month rent renewals at 5%."

ISSUE

Did the district court err when it denied Pretium's second motion to dismiss for lack of personal jurisdiction?

ANALYSIS

Pretium argues that the district court erred in denying its second motion to dismiss because Minnesota lacks personal jurisdiction over it. Personal jurisdiction refers to the "court's power to exercise control over the parties." *Swanson v. Wolf*, 986 N.W.2d 217, 220 (Minn. App. 2023) (quoting *Leroy v. Great W. United Corp.*, 443 U.S. 173, 180 (1979)). "Whether personal jurisdiction exists is a question of law, which [appellate courts] review de novo." *Rilley v. MoneyMutual, LLC*, 884 N.W.2d 321, 326 (Minn. 2016) (quotation omitted). To survive a motion to dismiss for lack of personal jurisdiction, the plaintiff must have "made a prima facie showing of personal jurisdiction." *Id.*

When reviewing a motion to dismiss for lack of personal jurisdiction, appellate courts must take the factual allegations in the complaint as true, *id.* at 326, and view the facts in the light most favorable to the plaintiff, *Fastpath, Inc. v. Arbela Techs. Corp.*, 760 F.3d 816, 820 (8th Cir. 2014). But if a defendant's motion to dismiss is supported by affidavits that deny the facts alleged in the complaint, a plaintiff "cannot rely on general

statements for a prima facie showing of personal jurisdiction—rather, specific evidence must be alleged.” *Rilley*, 884 N.W.2d at 334-35. If a plaintiff alleges specific evidence using supporting documentation, that evidence is taken as true. *Juelich v. Yamazaki Mazak Optonics Corp.*, 682 N.W.2d 565, 570 (Minn. 2004) (“At the pretrial stage, . . . the plaintiff’s allegations and supporting evidence are to be taken as true.”).

Minnesota’s long-arm statute, Minn. Stat. § 543.19 (2022), governs personal jurisdiction over nonresident defendants. *Id.* Under the long-arm statute, Minnesota courts do not have personal jurisdiction over a nonresident defendant if the exercise of jurisdiction would “violate fairness and substantial justice.” Minn. Stat. § 543.19, subd. 1(4)(ii). The Minnesota Supreme Court has concluded that the long-arm statute “extends the personal jurisdiction of Minnesota courts as far as the Due Process Clause of the federal constitution allows.” *Rilley*, 884 N.W.2d at 327 (quotation omitted). As a result, we may apply federal caselaw when analyzing this issue. *Id.*

Under the Due Process Clause, personal jurisdiction may not be exercised over a nonresident defendant unless the defendant has “‘minimum contacts’ with the [forum] state and maintaining the lawsuit ‘does not offend traditional notions of fair play and substantial justice.’” *Bandemer v. Ford Motor Co.*, 931 N.W.2d 744, 749 (Minn. 2019) (quoting *Int’l Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945)), *aff’d sub nom. Ford Motor Co. v. Mont. Eighth Jud. Dist. Ct.*, 141 S. Ct. 1017 (2021). A nonresident defendant’s contacts with the forum state are sufficient to establish personal jurisdiction if, through its contacts, the defendant has “‘purposefully avail[ed] itself’ of the privileges, benefits, and protections of the forum state” to the extent that it “should reasonably anticipate being haled into court

there.” *Id.* at 749-50 (quoting *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 474-75 (1985)).

Sufficient minimum contacts may establish either general or specific personal jurisdiction. *Domtar, Inc. v. Niagara Fire Ins. Co.*, 533 N.W.2d 25, 30-31 (Minn. 1995). When a defendant’s contacts are “continuous and systematic,” the forum state has general personal jurisdiction over the defendant.⁵ *Id.* at 30 (quotation omitted). “Specific personal jurisdiction exists 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.” *Juelich*, 682 N.W.2d at 570 n.3. “Substantial contacts with the forum do not compensate for a lack of a connection between the forum and the specific claims at issue.” *Bandemer*, 931 N.W.2d at 750 (quotation omitted).

Courts use five factors to assess whether specific personal jurisdiction over the defendant comports with due process. *Juelich*, 682 N.W.2d at 570. The factors are “(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

⁵ The state, in its brief to this court, argues that Pretium is subject to general personal jurisdiction under a theory of vicarious liability because HavenBrook and Progress Residential were acting as Pretium’s “alter ego.” See *JL Schwieters Constr., Inc. v. Goldridge Constr., Inc.*, 788 N.W.2d 529, 535 (Minn. App. 2010) (“A nonresident corporation may be subject to jurisdiction in a state by virtue of its subsidiary’s activities in that state if the companies are organized and operated so that the subsidiary is an instrumentality or alter ego of the parent.”), *rev. denied* (Minn. Dec. 14, 2010); see also *Victoria Elevator Co. of Minneapolis v. Meriden Grain Co.*, 283 N.W.2d 509, 512 (Minn. 1979) (describing liability under an alter-ego theory). Because we conclude that specific personal jurisdiction is established by Pretium’s contacts with Minnesota, we need not address this argument.

providing a forum; and (5) the convenience of the parties.” *Id.* The first three factors determine whether a defendant has sufficient minimum contacts with the forum state. *Bandemer*, 931 N.W.2d at 749. The last two factors determine “whether jurisdiction is otherwise reasonable under concepts of fair play and substantial justice.” *Id.* (quotation omitted). Any doubt about whether personal jurisdiction exists should be resolved “in favor of retaining jurisdiction.” *Id.* We address each factor in turn.

A. Quantity of Pretium’s Contacts with Minnesota

Pretium argues that it has “only the most limited connections with Minnesota.” Pretium contends that it has had only two direct contacts with Minnesota—the Pretium employee’s January 2022 visit to Minnesota and her contacts with Columbia Heights city officials about the license revocation—and that these contacts are too few to establish specific personal jurisdiction. The district court disagreed and concluded that “Pretium . . . engaged in regular and consistent communications with [IX], tenants, and local government officials.”

We agree with the district court that Pretium communicated with the IX representative “many times” via text, email, and phone. Before visiting Minnesota in January 2022, the Pretium employee hired an inspector and initiated site inspections of rental properties in Minnesota, and then she attended at least 22 inspections along with the HavenBrook maintenance technician and the IX representative. The Pretium employee also consulted with a general contractor in Minnesota to prepare a long-term repair plan for the Minnesota rental properties and planned to undertake repairs in ten homes per month over a period of six months to one year.

The Pretium employee communicated about repairs with Minnesota tenants residing in the inspected rental properties. After the City of Columbia Heights revoked HavenBrook’s rental license, the Pretium employee communicated with tenants about the licensing issue and also contacted Columbia Heights city officials—the fire chief, the mayor, and a member of the city council—with the stated aim of facilitating reinstatement. The Pretium employee authored at least four direct email communications to Columbia Heights tenants, one letter about the license revocation directed to all tenants, and an email about forgoing rent payments to IX. Taking these communications together and viewing them favorably to the state, we conclude the Pretium employee did more than forward tenant communications to HavenBrook.

For these reasons, Pretium’s claim that it had two “limited” contacts with Minnesota is contradicted by the specific evidence the state submitted. The quantity of Pretium’s contacts with Minnesota weighs in favor of personal jurisdiction.

B. Nature and Quality of Pretium’s Contacts with Minnesota

Pretium acknowledges that it “is affiliated with other corporate entities that allegedly conduct business in Minnesota” but urges that its affiliations “do not themselves show that Pretium has contacts with Minnesota.” In denying Pretium’s second motion to dismiss, the district court did not rely on Pretium’s affiliations. Rather, the district court reasoned that “the contacts that occurred in early 2022 were significant because these contacts directly related to [the amended complaint’s] allegations that [Pretium] failed to maintain single-family rental homes in Minnesota and put tenants’ health and safety at risk.” The district court also concluded that “Pretium purposefully engaged” with various

third parties and tenants in Minnesota and “created continuing obligations” for itself given the promises it made.

When an appellate court assesses the quality of a defendant’s contacts, it looks at “whether the party purposefully availed itself of the benefits and protections of Minnesota.” *Juelich*, 682 N.W.2d at 574. If a defendant’s contacts are “random, fortuitous, or attenuated” or the “unilateral activity of another party or a third person,” then the defendant did not purposefully avail itself of Minnesota’s benefits and protections. *Burger King Corp*, 471 U.S. at 475 (quotations omitted). But if the nature and quality of a defendant’s contacts show there is a “substantial connection” between the defendant and Minnesota, personal jurisdiction is proper. *Id.*

Pretium’s contacts with Minnesota, as detailed in the evidence the state provided, show that Pretium purposely availed itself of Minnesota law in three ways. First, Pretium held itself out to tenants and others as the owner of the Minnesota rental properties at issue in the state’s complaint. Pretium argues that there is no specific evidence of this, but our review of the record persuades us otherwise. It is true that Pretium submitted affidavits by its COO, who averred that Pretium does not own or lease real property in Minnesota. But the state responded with specific evidence that the Pretium employee told the IX representative that “although HavenBrook managed the homes, Pretium was the owner of them.” The Pretium employee also sent a letter to the Columbia Heights tenants on Pretium letterhead that read, “We are the owner of your rental home.” And that letter was signed “on behalf of ownership.” At this pretrial stage, we must take the specific evidence provided by the state as true. *Juelich*, 682 N.W.2d at 570.

On a related issue, Pretium argues that the district court erred by stating that Pretium “owns” Progress Residential and HavenBrook because Pretium merely invests in these entities through its corporate affiliate Home SFR Borrower. Again, it is true that Pretium submitted affidavits by its COO, who averred that Pretium “had no direct ownership with any of the other named defendant entities in this case.” But the state responded with specific evidence that Pretium has held itself out to third parties, including Minnesota tenants, as an owner of HavenBrook. Because we view any evidence submitted on a motion to dismiss in a light favorable to the plaintiff, we credit the state’s evidence that Pretium held itself out to tenants and others as the owner of HavenBrook. *See Fastpath*, 760 F.3d at 820.

Second, the state’s evidence of Pretium’s contacts supports the assertion that Pretium controlled the management of Minnesota rental properties. The Pretium employee testified that she worked with a general contractor to develop a long-term repair-and-renovation plan for rental properties in Minnesota and communicated with third parties about tenant relocation expenses related to those repairs. The Pretium employee also initiated, coordinated, and facilitated third-party inspections of at least 22 Minnesota rental properties. Finally, the Pretium employee contacted Columbia Heights officials and sought to facilitate reinstatement of the revoked rental licenses.

Third, Pretium communicated directly with Minnesota tenants about issues related to the statutory violations alleged in the amended complaint. The Pretium employee spoke with tenants during inspections of their rented homes and promised that Pretium would ensure repairs were completed. The Pretium employee also sent at least four communications to tenants about the license revocation in Columbia Heights. The Pretium

employee offered to host virtual meetings using an online platform to discuss the situation and informed a tenant organization that tenants should not pay rent while the licenses were revoked.

These contacts are not random, fortuitous, attenuated, or the unilateral activity of another party or a third person. *See Burger King Corp.*, 471 U.S. at 475. Pretium initiated these contacts. And by contacting Columbia Heights officials about license revocation, by promising to provide updates to the Columbia Heights tenants, and by promising to make repairs to the Minnesota homes that were inspected, Pretium created ongoing obligations for itself in Minnesota. *See id.* at 475-76 (“[W]here the defendant deliberately has engaged in significant activities within a State, or has created continuing obligations between himself and residents of the forum, he manifestly has availed himself of the privilege of conducting business there” (quotations omitted)).

Pretium argues that the district court erred because the Pretium employee’s visit to Minnesota and her follow-up contacts with Minnesota were “not the kind of interaction that establishes minimum contacts.” Pretium asserts that the state’s evidence shows Pretium’s contacts were remedial and “did nothing more than facilitate other companies’ resolution of outstanding complaints.” Pretium relies on *KSTP-FM, LLC v. Specialized Commc’ns, Inc.*, 602 N.W.2d 919 (Minn. App. 1999), to support its argument.

In *KSTP*, a limited-liability company—KSTP-FM LLC—owned and operated a radio station in Minnesota. 602 N.W.2d at 921. KSTP bought two electronic billboards from a third party who was not a resident of the state. *Id.* at 922. The third party provided KSTP with the billboards by ordering them from a Canadian billboard manufacturer. *Id.*

At the request of the third party, the billboard manufacturer shipped the billboards directly to KSTP in Minnesota. *Id.* The billboards did not work as KSTP expected. *Id.* To fix the problem, the billboard manufacturer sent the schematics of the billboard directly to KSTP; sent a replacement part to the third party, who sent it on to KSTP; and sent a technician to Minnesota. *Id.* KSTP sued the billboard manufacturer, which challenged personal jurisdiction. *Id.* The district court dismissed KSTP’s complaint against the billboard manufacturer for lack of personal jurisdiction. *Id.*

On appeal, this court affirmed after noting that when “a nonresident has had few contacts with Minnesota, the nature and quality of those contacts become dispositive.” *Id.* at 924. We stated that “[p]ersonal jurisdiction does not generally exist when a nonresident defendant makes a single, isolated sale of its goods in the forum state, especially where the sale occurs through an intermediary distributor,” and observed that the billboard manufacturer had not solicited or initiated the sale of the billboard in Minnesota. *Id.* at 924-25. We concluded that the billboard manufacturer’s contacts with Minnesota occurred only as “a direct and proximate result” of the initial sale and that “it would be inappropriate to treat [the billboard manufacturer’s] subsequent contacts with Minnesota as a basis for exerting personal jurisdiction when those contacts occurred solely as part of an effort to settle a dispute.” *Id.* at 925. For these reasons, we held that Minnesota lacked personal jurisdiction over the billboard manufacturer. *Id.*

Pretium argues that all of its contacts with Minnesota were remedial because they were made to assess its legal risk after acquiring Front Yard and HavenBrook. We disagree with Pretium’s characterization of its contacts as remedial and conclude that *KSTP* is

distinguishable. The billboard manufacturer’s contacts with Minnesota stemmed from the single sale of a single billboard and the later single effort to repair that single billboard. The billboard manufacturer did not initiate any of its contacts with Minnesota, and its contacts occurred at the request of, or through, a third party. In contrast, Pretium not only had more contacts with Minnesota than the billboard manufacturer, but Pretium also *initiated* many of those contacts with Minnesota. *See id.* at 924 (“[W]here a nonresident defendant is an ‘aggressor’ in the transaction, it is more likely to have purposefully availed itself of the forum state’s benefits and protection . . .”).

We also reject Pretium’s argument that the evidence shows only that Pretium was assessing its legal risk. Viewing the evidence favorably to the state, we conclude that Pretium stepped out of its remedial role when it held itself out as the owner of Minnesota rental properties, made long-term plans for repairs and renovations to Minnesota rental properties, and made promises directly to Minnesota tenants, telling the tenants that Pretium owned their homes and would make necessary repairs. The state’s evidence, if accepted as true, also tends to prove that Pretium’s repair promises were not fulfilled, which is directly relevant to the state’s claims under the MCFA and the MUDTPA.⁶

⁶ The other cases Pretium cites are distinguishable as well. *Pangaea, Inc. v. Flying Burrito LLC*, 647 F.3d 741, 747 (8th Cir. 2011) (reasoning that *one* contact with a forum state that was made to settle a trademark dispute was not sufficient to create personal jurisdiction); *Chung v. NANA Dev. Corp.*, 783 F.2d 1124, 1129 (4th Cir. 1986) (concluding that a contact stemming from a “single, chance happening” does not satisfy the minimum-contacts test); *In re Shipowners Litig.*, 361 N.W.2d 112, 115 (Minn. App. 1985) (determining that *one* settlement meeting that took place in the forum state is not sufficient to establish personal jurisdiction over a nonresident). Personal jurisdiction is not present in these cases because the nonresident defendants’ contacts with the forum state were either incidental or singular. Pretium’s contacts with Minnesota are neither incidental nor singular.

Additionally, even if Pretium’s contacts with Minnesota may be viewed as remedial, the same contacts may also be viewed as part of the wrongful conduct alleged in the amended complaint—or at least a continuation of that conduct. When we review a motion to dismiss for lack of personal jurisdiction, we do not weigh the evidence presented, but take the state’s supporting evidence as true when determining whether the state made a prima facie case for specific personal jurisdiction. *See Fastpath, Inc.*, 760 F.3d at 820. When presenting a prima facie case, the state does not have to eliminate all factual and legal defenses. *See Tousignant v. St. Louis County*, 615 N.W.2d 53, 59 (Minn. 2000) (“[A] prima facie case simply means one that prevails in the absence of evidence invalidating it. . . . In other words, it is evidence which suffices to establish the fact unless rebutted, or until overcome, by other evidence.” (quoting *Trudeau v. Sina Contracting Co.*, 62 N.W.2d 492, 498 (Minn. 1954)); accord *Black’s Law Dictionary* 1441 (11th ed. 2019) (defining “prima facie”). We conclude that the quality and nature of Pretium’s contacts with Minnesota weigh in favor of personal jurisdiction.

C. Connection Between the Causes of Action and Pretium’s Contacts with Minnesota

Pretium argues that its contacts lack the required nexus for the exercise of personal jurisdiction and that its contacts postdate the allegations in the state’s complaint. “Substantial contacts with the forum do not compensate for a lack of a connection between the forum and the specific claims at issue.” *Bandemer*, 931 N.W.2d at 750 (quotation omitted). For Pretium to be subject to personal jurisdiction, the state’s claim “must arise out of or relate to [Pretium’s] contacts” with Minnesota. *Ford Motor Co.*, 141 S. Ct. at

1025 (quotation omitted); *see also Int'l Shoe Co.*, 326 U.S. at 319 (“Whether due process is satisfied must depend rather upon the quality and nature of the activity in relation to the fair and orderly administration of the laws which it was the purpose of the due process clause to insure.”). This means that “there must be an affiliation between the forum and the underlying controversy, principally, an activity or an occurrence that takes place in the forum State and is therefore subject to the State’s regulation.” *Ford Motor Co.*, 141 S. Ct. at 1025 (quotations omitted). Essentially, if Pretium’s contacts subject it to “fair warning” that it could be haled into court in Minnesota, there is a sufficient nexus between the contacts and the causes of action. *Id.* (quotation omitted).

The claims alleged in the state’s amended complaint relate to Pretium’s contacts with Minnesota. Count I of the amended complaint alleges that Pretium violated the MCFA, which provides that the “act, use, or employment by any person of any fraud, false pretense, false promise, misrepresentation, misleading statement or deceptive practice, with the intent that others rely thereon in connection with the sale of any merchandise, whether or not any person has in fact been misled, deceived, or damaged” violates state law and may be enjoined. Minn. Stat. § 325F.69, subd. 1. If we take the allegations in the amended complaint and the state’s evidence of Pretium’s Minnesota contacts as true, Pretium promised tenants that it would undertake repairs to Minnesota rental properties and failed to follow through on these promises.

Count II of the amended complaint alleges that Pretium violated the MUDTPA, which provides that deceptive trade practice occurs when a person “causes likelihood of confusion or of misunderstanding as to the source, sponsorship, approval, or certification

of goods or services” or the person “engages in any other conduct which similarly creates a likelihood of confusion or of misunderstanding.” Minn. Stat. § 325D.44, subd. 1(2), (13). The state’s evidence of Pretium’s allegedly false and unfulfilled promises about rental-property repairs—as stated on its website and communicated during and after on-site inspections of Minnesota rental properties—support the amended complaint’s claim that Pretium caused confusion or misunderstanding about those repairs. Both the housing and the repairs are the subject of the state’s amended complaint. Pretium’s representations to tenants and others that it was the owner of rental properties and would oversee repairs and licensing issues created a misunderstanding, at the very least, if we assume that Pretium will offer evidence, as it has here, that it does not own these properties. Thus, we conclude that there is a sufficient nexus between Pretium’s contacts with Minnesota and the controversy as alleged in counts I and II of the amended complaint.

Because all of the counts alleged in the amended complaint arise out of the same operative facts—what is alleged to be an ongoing and “jointly executed . . . deliberate and calculated strategy to extract ever greater profits from [defendants’] tenants by severely under-maintaining their homes”—and because we determine there is a sufficient nexus between Pretium’s contacts with Minnesota and counts I and II of the amended complaint, we need not also analyze count III, which alleged violations of a landlord’s covenants under Minn. Stat. § 504B.161, or count IV, which alleged violations of Executive Order 20-79.⁷

⁷ To be clear, personal jurisdiction must be established for each claim if multiple claims are raised, *Blume L. Firm PC v. Pierce*, 741 N.W.2d 921, 925 (Minn. App. 2007) (citing *Seiferth v. Helicopteros Atuneros, Inc.*, 472 F.3d 266, 274-75 & n.5 (5th Cir. 2006)), *rev. denied* (Minn. Feb. 19, 2008), unless those claims arise out the same set of operative facts,

We also reject Pretium’s argument that its contacts with Minnesota took place after many of the alleged wrongs detailed in the complaint. First, the amended complaint generally refers to the Pretium employee’s visit to Minnesota. Many of the Pretium employee’s communications with IX, tenants, and third parties about rental-housing inspections and repairs occurred before the state served its original complaint. Also, the amended complaint alleged that Pretium participated in continuing the wrongful conduct initiated by HavenBrook and Progress Residential. And the state offered specific evidence to establish a prima facie case that Pretium participated with other defendants in an ongoing course of conduct that violated Minnesota law and involved Minnesota rental properties.

see Seiferth, 472 F.3d at 274 (“A plaintiff bringing multiple claims that arise out of different forum contacts of the defendant must establish specific jurisdiction for each claim.”); *see also T.A. Schifsky & Sons, Inc. v. Bahr Constr., LLC*, 773 N.W.2d 783, 787 (Minn. 2009) (“This court has given ‘claim’ and ‘cause of action’ the same meanings: a group of operative facts giving rise to one or more bases for suing, or the legal theory of a lawsuit.” (quotations omitted)); *Black’s Law Dictionary* 275 (11th ed. 2019) (defining “cause of action” as “[a] group of operative facts giving rise to one or more bases for suing; a factual situation that entitles one person to obtain a remedy in court from another person; claim”).

Consequently, while we need not analyze count III or IV in depth, we note that though the parties dispute key facts for both counts, the state offered evidence showing a nexus between its claims in the amended complaint and Pretium’s contacts with Minnesota. For count III, the parties dispute whether Pretium is a “landlord” under Minn. Stat. § 504B.001, subd. 7, which defines “landlord” as “an owner of real property, a contract for deed vendee, receiver, executor, trustee, lessee, agent, or other person directly or indirectly in control of rental property.” The state offered evidence that Pretium held itself out as an owner of the Minnesota rental properties and directly or indirectly controlled HavenBrook and Progress Residential. For count IV, the parties dispute whether Pretium violated the emergency executive order related to evictions. The state offered evidence that Pretium acquired Front Yard in January 2021, and Emergency Executive Order 20-79 remained in effect until July 1, 2021. *See Snell v. Walz*, 985 N.W.2d 277, 283 (Minn. 2023) (citing 2021 Minn. Laws 1st Spec. Sess. ch. 12, art. 2, § 23, at 2124, 2155). And the amended complaint alleges that HavenBrook violated the emergency executive order after Pretium acquired Front Yard.

Thus, because the claims in the amended complaint relate to Pretium’s contacts with Minnesota, we conclude that factors one through three weigh in favor of personal jurisdiction and that Pretium had sufficient minimum contacts with Minnesota.

D. Minnesota’s Interest in Providing a Forum and Convenience of the Parties

Under the fourth and fifth factors, we consider whether the exercise of specific personal jurisdiction over Pretium follows “traditional notions of fair play and substantial justice.” *Domtar*, 533 N.W.2d at 34 (quotation omitted). After reviewing “factors four and five of [the] test: Minnesota’s interest in the litigation, and the convenience of the parties,” *Bandemer*, 931 N.W.2d at 755, we conclude that the exercise of personal jurisdiction over Pretium is appropriate in this case.

Pretium argues that “[i]t is undisputed that the Minnesota courts can exercise jurisdiction over HavenBrook and Progress Residential, the management entities that actually do business in Minnesota,” so “the State’s interest in ensuring truthful advertising and fair rental practices will not be hindered by the dismissal of Pretium.” But Minnesota’s jurisdiction over HavenBrook and Progress Residential does not negate the state’s interest in compelling Pretium to appear in a Minnesota court. The amended complaint alleges that Pretium benefitted financially from a scheme to increase profits by failing to maintain rental properties and that this scheme violated Minnesota law. Minnesota has an interest in enforcing its laws and protecting its tenants against all parties involved in alleged wrongdoing. *See id.* (“Minnesota has a vital interest in protecting the safety and rights of its residents . . .”). We also conclude that the inconvenience to Pretium of Minnesota as a

forum does not outweigh the convenience that this forum provides to the state as a litigant, the other defendants, and tenants affected by the alleged wrongdoing because the rental properties are located in Minnesota.

We recognize that there are legitimate public-policy concerns with concluding that personal jurisdiction can be established over a nonresident investment firm that may be seen as somewhat removed from the wrongdoing of entities in which it invests. But if we accept the allegations in the amended complaint and the state's evidence as true, Pretium's contacts with Minnesota went beyond merely investing in Progress Residential and HavenBrook. Similarly, as discussed above, Pretium's contacts with Minnesota went beyond assessing the legal risk associated with its investments in Minnesota. Viewed in the light most favorable to the state, the evidence of Pretium's contacts with Minnesota shows Pretium became involved in the operations of Minnesota rental properties by directing repairs, communicating with tenants, and addressing city officials about license revocation. Thus, the state made an adequate prima facie showing to establish specific personal jurisdiction over Pretium, and the exercise of personal jurisdiction comports with notions of fair play and substantial justice. The district court did not err by denying Pretium's motion to dismiss.

DECISION

Viewing the evidence in the light most favorable to the state and recognizing that the state need only make a prima facie case of sufficient minimum contacts with the forum state at this pretrial stage, we conclude that Minnesota has specific personal jurisdiction

over Pretium. We also conclude that the exercise of personal jurisdiction over Pretium is reasonable and consistent with fair play and substantial justice.

Affirmed.

CONNOLLY, Judge (dissenting)

I respectfully dissent. Respondent State of Minnesota brought this action against appellant Pretium Partners, LLC (Pretium), alleging that Pretium, along with other defendants, “jointly executed a deliberate and calculated strategy to extract ever greater profits from their tenants by severely under-maintaining their homes.” But Pretium is not a landlord and does not own any property in Minnesota. Because Pretium’s contacts with Minnesota are few in number, remedial in nature, and unrelated to the state’s claims, I do not believe Minnesota can assert specific personal jurisdiction over it. Consequently, I would reverse the district court’s decision that denied Pretium’s motion to dismiss the case for lack of personal jurisdiction.

Pretium is an investment-management firm located in New York. Co-defendants HavenBrook Homes, LLC, HavenBrook Partners, LLC (collectively HavenBrook), and Progress Residential Management Services, LLC (Progress) co-manage single-family residential homes in Minnesota. SFR Investments V REIT (SFR Investments) acquired Front Yard Residential Corporation, which was the owner of HavenBrook. In January 2021, an investment fund managed by Pretium’s affiliate acquired a majority interest in SFR Investments. Thus, Pretium’s affiliate manages a fund that owns the company that indirectly owns HavenBrook; Pretium does not own HavenBrook. Progress became management of record in June 2022. Tenants do not pay their rent to Pretium, and Pretium does not own the rental properties in Minnesota.

The state sued eight corporate defendants including Pretium, alleging that the defendants violated Minn. Stat. § 325F.69 (2022), Prevention of Consumer Fraud Act;

Minn. Stat. § 325D.44 (2022), Uniform Deceptive Trade Practices Act; Minn. Stat. § 504B.161 (2022), Covenants of Landlord or Licensor; and Emergency Executive Order 20-79, *Modifying the Suspension of Evictions and Writs of Recovery During the COVID-19 Peacetime Emergency* (July 14, 2020). The defendants moved to dismiss the complaint, and the district court denied the motion as to Pretium but dismissed the claims against three other out-of-state defendants for lack of personal jurisdiction. The state filed an amended complaint, and Pretium again moved to dismiss the complaint for lack of personal jurisdiction. The district court denied Pretium’s motion.

Pretium argues that the district court erred in denying its motion to dismiss for lack of personal jurisdiction. I agree. This court reviews de novo whether personal jurisdiction exists. *Rilley v. MoneyMutual, LLC*, 884 N.W.2d 321, 326 (Minn. 2016). On review of a motion to dismiss for lack of personal jurisdiction, we determine whether the plaintiff has made a prima facie showing of personal jurisdiction, taking the factual allegations in the complaint and supporting affidavits as true. *Id.* If the defendant supports its denial of the facts alleged in the complaint with an affidavit, the plaintiff “cannot rely on general statements for a prima facie showing of personal jurisdiction—rather, specific evidence must be alleged.” *Id.* at 334.

States are limited in their ability to “exercise [their] coercive power by asserting jurisdiction over non-resident defendants” by the Due Process Clause of the Fourteenth Amendment. *Bandemer v. Ford Motor Co.*, 931 N.W.2d 744, 749 (Minn. 2019). Minnesota’s long-arm statute governs the personal jurisdiction of Minnesota courts over nonresident defendants to the full extent of federal due process. *Juelich v. Yamazaki Mazak*

Optonics Corp., 682 N.W.2d 565, 570 (Minn. 2004); *see* Minn. Stat. § 543.19 (2022). This statute “prevents personal jurisdiction over a nonresident defendant if it would ‘violate fairness and substantial justice.’” *Bandemer*, 931 N.W.2d at 749 (quoting Minn. Stat. § 543.19, subd. 1(4)(ii)). We may apply federal caselaw when analyzing most questions of personal jurisdiction. *Rilley*, 884 N.W.2d at 327.

Minnesota may not exercise personal jurisdiction over a nonresident defendant unless that “defendant has ‘minimum contacts’ with the state and maintaining the lawsuit ‘does not offend traditional notions of fair play and substantial justice.’” *Bandemer*, 931 N.W.2d at 749 (quoting *Int’l Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945)). A nonresident defendant has “minimum contacts” with the forum state if it “‘purposefully avails itself’ of the privileges, benefits, and protections of the forum state, such that the defendant ‘should reasonably anticipate being haled into court there.’” *Id.* at 749-50 (quoting *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 474-75 (1985)).

The minimum contacts requirement may be established in two contexts, which are referred to as specific and general jurisdiction. *Domtar, Inc. v. Niagara Fire Ins. Co.*, 533 N.W.2d 25, 30 (Minn. 1995). “General personal jurisdiction exists when a nonresident defendant’s contacts with the forum state are so substantial and are of such a nature that the state may assert jurisdiction over the defendant even for causes of action unrelated to the defendant’s contacts with the forum state.”¹ *Id.* “Specific personal jurisdiction exists

¹ In the alternative to its arguments about specific personal jurisdiction, the state contends that Minnesota has general personal jurisdiction over Pretium because HavenBrook is the alter-ego of Pretium. This theory applies if “the formalities of corporate existence are disregarded by one seeking to use it.” *Victoria Elevator Co. of Minneapolis v. Meriden*

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." *Id.*

Pretium contends that the district court erred by concluding that Minnesota can exercise specific personal jurisdiction over Pretium. Minnesota courts use five factors to determine if the exercise of personal jurisdiction over a defendant is consistent with due process: "(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 providing a forum; and (5) the convenience of the parties." *Bandemer*, 931 N.W.2d at 749 (quotation omitted). "The first three factors determine whether minimum contacts exist and the last two factors determine whether the exercise of jurisdiction is reasonable according to traditional notions of fair play and substantial justice." *Juelich*, 682 N.W.2d at 570.

Pretium asserts that its contacts with Minnesota are few in number. "A nonresident's contacts with the forum state, not with residents of the forum state, determine whether minimal contacts exist." *KSTP-FM, LLC v. Specialized Commc'ns, Inc.*, 602

Grain Co., 283 N.W.2d 509, 512 (Minn. 1979). When determining whether the formalities of corporate existence have been disregarded, courts consider the following factors: "insufficient capitalization . . ., failure to observe corporate formalities, nonpayment of dividends, insolvency of debtor corporation at time of transaction in question, siphoning of funds by dominant shareholder, nonfunctioning of other officers and directors, absence of corporate records, and existence of corporation as merely facade for individual dealings." *Id.* The record does not demonstrate that the formalities of corporate existence have been disregarded. The state has not established that HavenBrook was acting as Pretium's alter ego, and therefore, Minnesota has no general personal jurisdiction over Pretium.

N.W.2d 919, 923 (Minn. App. 1999). In *KSTP-FM*, this court analyzed whether a party had minimum contacts with Minnesota. A Minnesota company ordered a billboard from a nonresident company, and the nonresident company placed an order with a nonresident billboard company to manufacture the billboards. *Id.* at 921-22. After the billboard company shipped the billboard, the Minnesota company was not satisfied with the billboard's performance, so the billboard company sent a technician to Minnesota to attempt to repair the billboard. *Id.* at 922. The billboard company's contacts with Minnesota included: shipping the billboards at a third party's request, sending or hiring a technician to attempt to repair the billboards, hand-delivering a replacement part for one of the billboards to the third party with the knowledge that it would be forwarded to the Minnesota company, agreeing to the Minnesota company's hiring of an independent consultant, and mailing schematic drawings to be used by an independent consultant. *Id.* at 924. This court concluded that the billboard's contacts with Minnesota were few in number because the billboard company never had an office, owned property, or filed taxes in Minnesota; did not have a mailing address or phone number in Minnesota; and did not negotiate a contract directly with the Minnesota company. *Id.* at 923-24.

Pretium has few contacts with Minnesota. Like the billboard company in *KSTP-FM*, Pretium (1) does not have any operations in Minnesota; (2) does not own or lease property in Minnesota; (3) does not own or manage rental properties in Minnesota; (4) does not direct advertising to Minnesota; (5) does not perform repair or maintenance work in Minnesota; and (6) is not registered to do business in Minnesota.

The state asserts that a Pretium’s employee’s January 2022 visit “constituted countless contacts with [Minnesota],” including speaking with tenants, reaching out to a tenants-rights nonprofit organization,² coordinating an inspection of some homes, and discussing a repair and maintenance plan with tenants and the nonprofit. But these were all part of the one contact that occurred when Pretium’s employee traveled to Minnesota, and before travelling to Minnesota, reached out to the nonprofit and tenants. *See In re Shipowners Litig.*, 361 N.W.2d 112, 115 (Minn. App. 1985) (“A single meeting in Minnesota and accompanying correspondence do not suffice to create minimum contacts . . .”).

If a nonresident has few contacts with Minnesota, as Pretium does here, the nature and quality of the contacts becomes dispositive. *Marquette Nat’l Bank of Minneapolis v. Norris*, 270 N.W.2d 290, 295 (Minn. 1978). In *KSTP-FM*, we considered the quality of the billboard’s contacts with the forum state, which included sending or hiring a technician to attempt to repair the billboards and mailing schematic drawings to be used by an independent consultant. 602 N.W.2d at 922. This court concluded that the quality of the contacts did not demonstrate that the defendant purposefully availed themselves of the forum state because the billboard company’s subsequent contacts with Minnesota occurred as an effort to settle a dispute and resolve the problems with its billboards. *Id.* at 925.

² In support of its argument, the state relies heavily on paragraph six of the affidavit of a lead organizer for Renter United (IX), a tenant’s rights advocacy nonprofit organization. The organizer is not even a tenant of the rental homes at issue.

Here, similar to the contacts of the billboard company in *KSTP-FM*, the nature and quality of Pretium’s contacts with Minnesota are remedial in nature. In January 2022, Pretium’s employee went on a trip to Minnesota to perform legal due diligence and “assess [the] legal risk” to the Minnesota portfolio. As part of the legal assessment, the employee coordinated and attended third-party inspections of the rental properties. HavenBrook staff were present at the inspections, and when tenants communicated with Pretium’s employee, she would respond to the tenants and forward those communications to HavenBrook. When the City of Columbia Heights threatened to revoke HavenBrook’s rental licenses, this employee “coordinated and facilitated interaction” between tenants, HavenBrook, Progress, and the city. These contacts occurred as part of an effort to remediate the problems with the rental properties and are therefore insufficient to establish personal jurisdiction. *See KSTP-FM*, 602 N.W.2d at 925 (noting that a company “should not be subject to personal jurisdiction because of its efforts to resolve” issues); *Pangaea, Inc. v. Flying Burrito LLC*, 647 F.3d 741, 749 (8th Cir. 2011) (concluding that a trip in an effort to avoid a trademark infringement did not establish sufficient contacts to justify personal jurisdiction); *see also Husky Constr., Inc. v. Gestion G. Thibault, Inc.*, 983 N.W.2d 101, 111 (Minn. App. 2022) (stating that “for purposes of determining specific personal jurisdiction, courts look to those contacts leading up to and surrounding the accrual of the cause of action” (quotation omitted)), *rev. denied* (Minn. Mar. 14, 2023).

It is unnecessary to address the remaining factors in the five-part analysis, but I nevertheless address the third factor, the relationship between Pretium’s contacts with Minnesota and the cause of action. *See Welsh v. Takekawa Iron Works Co.*, 529 N.W.2d

471, 475 (Minn. App. 1995) (concluding that where neither the quantity nor quality of contacts establishes “purposeful availment,” personal jurisdiction does not exist). In *Marshall v. Inn on Madeline Island*, we considered whether there was a relationship between a party’s contacts with Minnesota and the cause of action. 610 N.W.2d 670, 676 (Minn. App. 2000). We concluded that there was no nexus between the cause of action and the contacts because the events on which the plaintiff based its cause of action preceded the contacts with Minnesota. *Id.*

Here, Pretium’s employee’s brief trip to Minnesota lacks a sufficient nexus to the state’s claims because the allegations preceded the trip. First, count IV alleges that the defendants violated Emergency Executive Order 20-79, modifying the suspension of evictions and writs of recovery during the COVID-19 peacetime emergency. The executive order expired on July 1, 2021, which was more than six months before Pretium’s employee’s visit to Minnesota. And none of Pretium’s direct contacts in early 2022 relate to COVID-19 evictions.

Second, count III alleges that the defendants violated the covenants of landlord by failing to make repairs or make timely, adequate, or lead-safe repairs. However, Pretium is not the landlord, and the statute governing landlord-tenant disputes only applies to landlords. *See* Minn. Stat. § 504B.161, subd. 1 (2022) (providing that “[i]n every lease or license of residential premises, the *landlord or licensor covenants*” (emphasis added)). A landlord is the “owner of real property, a contract for deed vendee, receiver, executor, trustee, lessee, agent, or other person directly or indirectly in control of rental property.”

Minn. Stat. § 504B.001, subd. 7 (2022). Pretium does not own or manage rental properties in Minnesota and does not perform repair or maintenance work in Minnesota.

Third, count II alleges the defendants engaged in deceptive trade practices by representing that they will make repairs and failing to respond to repair requests. But the complaint only identifies two maintenance-related allegations that occurred after January 2022, and these allegations did not involve Pretium. Indeed, Pretium rebutted any maintenance-related allegation with evidence that it does not perform maintenance or repair work in Minnesota.

Lastly, count I alleges that the Pretium engaged in fraud, false pretenses, false promises, misrepresentation, misleading statements, and deceptive practices by representing that it would, but failing then to, quickly make repairs and make emergency repairs on the same day and holidays. The complaint does not identify a misrepresentation by Pretium in January 2022, or after. Pretium's investor website advertises, "[s]ame-day service capability for most emergencies," but this is not a representation to a tenant.

Therefore, Pretium's minimal remedial contacts are not sufficient to establish specific personal jurisdiction in Minnesota. If Minnesota can assert jurisdiction under these circumstances, there is no limit to its jurisdiction. As an example, what if the Vanguard Group, Inc., headquartered in Pennsylvania, had bought Pretium, and what if, in turn, Credit Suisse AG in Zurich, Switzerland, had bought Vanguard and a Credit Suisse employee did what the Pretium employee did but there were no other contacts in Minnesota. Taking the state's argument to its logical conclusion, the state would contend

that Minnesota has specific personal jurisdiction over Credit Suisse. I think that is absurd.

Accordingly, I dissent.