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# STATE OF MINNESOTA IN COURT OF APPEALS A11-895

U. S. Bancorp Equipment Finance, Inc., Respondent,

VS.

Healing Earth Rejuvination Center, LLC, a Florida limited liability company, et al., Appellants.

Filed January 30, 2012 Affirmed Peterson, Judge

Lyon County District Court File No. 42-CV-10-601

Troy C. Kepler, Marshall, Minnesota (for respondent)

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Considered and decided by Johnson, Chief Judge; Peterson, Judge; and Connolly, Judge.

### UNPUBLISHED OPINION

## PETERSON, Judge

In this appeal from a judgment following a court trial, appellants challenge the district court's enforcement of the forum-selection clause in a lease agreement. We affirm.

### **FACTS**

Appellant Healing Earth Rejuvination Center, LLC (Healing Earth) is a Florida limited-liability company with its principal place of business in Florida, and appellants Simon and Lionel Astor are residents of Florida. Respondent U.S. Bancorp Equipment Finance, Inc. is a Minnesota corporation with its principal offices in Minnesota. Healing Earth entered into a lease agreement with respondent to lease certain equipment. Simon Astor signed the lease as president of Healing Earth, and both Simon and Lionel Astor signed the lease as personal guarantors. The lease was signed in Florida.

The lease agreement contains a forum-selection clause, which states that the lease will be governed by Minnesota law and that appellants "expressly consent to jurisdiction and venue of any state or federal court in the state of Minnesota." Appellants failed to make payment under the terms of the lease, and respondent took possession of the equipment and sold it. Respondent sued appellants in Minnesota district court, seeking the amount owed under the terms of the lease agreement and attorney fees.

Appellants did not appear at trial. Counsel for appellants challenged the district court's exercise of personal jurisdiction over appellants on the basis that they do not satisfy the minimum-contacts requirement for exercising personal jurisdiction. The district court analyzed whether the forum-selection clause is enforceable and concluded that it is enforceable and that appellants' jurisdictional challenge, therefore, failed. The district court further concluded that appellants are indebted to respondent under the terms of lease agreement and that respondent is entitled to attorney fees. This appeal follows.

### DECISION

We review a district court's decision to enforce a forum-selection clause for a clear abuse of discretion. *Interfund Corp. v. O'Byrne*, 462 N.W.2d 86, 88 (Minn. App. 1990). This court will reverse a district court's enforcement of a forum-selection clause only if the clause is "so unreasonable that its enforcement would be clearly erroneous and against both logic and the facts on record." *Personalized Mktg. Serv., Inc. v. Stotler & Co.*, 447 N.W.2d 447, 451 (Minn. App. 1989), *review denied* (Minn. Jan. 12, 1990).

"Parties may contract to submit to the jurisdiction of any court." *Interfund*, 462 N.W.2d at 88. "[W]hen the parties to a contract agree that actions arising from that contract will be brought in a particular forum, that agreement should be given effect unless it is shown by the party seeking to avoid the agreement that to do so would be unfair or unreasonable." *Hauenstein & Bermeister, Inc. v. Met-Fab Indust., Inc.*, 320 N.W.2d 886, 890 (Minn. 1982). "The elements of unreasonableness can be divided into three categories: (1) the chosen forum is a seriously inconvenient place for trial; (2) the choice of forum agreement is one of adhesion; and (3) the agreement is otherwise unreasonable." *Id.* 

Appellants argue that because the contacts between appellants and Minnesota are not sufficient to meet the minimum-contacts requirement for exercising personal jurisdiction set forth in *Int'l Shoe Co. v. State of Wash., Office of Unemployment Comp.* & *Placement*, 326 U.S. 310, 316, 66 S. Ct. 154, 159 (1945), the district court erred in exercising jurisdiction over appellants. But because the lease agreement contains a forum-selection clause, the issue before the district court was not whether the minimum-

contacts requirement was met, but whether the forum-selection clause is enforceable. *See Interfund*, 462 N.W.2d at 89 (analyzing enforceability of forum-selection clause when appellant challenged exercise of personal jurisdiction).

Appellants' only argument that the forum-selection clause is not enforceable is that allowing "a contractual provision to circumvent and eviscerate the constitutional standard set out in *Int'l Shoe* is unreasonable." This argument is no more than a transparent attempt to recast the issue of enforceability as a question of whether the minimum-contacts requirement was met. Appellants have not shown that the district court's decision to enforce the forum-selection clause was a clear abuse of the district court's discretion.

### Affirmed.