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Minn. R. Civ. App. P. 136.01, subd. 1(c).*

**STATE OF MINNESOTA
IN COURT OF APPEALS
A25-0634**

Timothy John Walvatne,
Respondent,

vs.

Urmah Arte, et al.,
Defendants,

Muhammed Begovic, et al.,
Appellants.

**Filed January 20, 2026
Reversed and remanded
Bratvold, Judge**

Hennepin County District Court
File No. 27-CV-24-16813

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Considered and decided by Worke, Presiding Judge; Bratvold, Judge; and Jesson, Judge.*

* Retired judge of the Minnesota Court of Appeals, serving by appointment pursuant to Minn. Const. art. VI, § 10.

NONPRECEDENTIAL OPINION

BRATVOLD, Judge

This is an interlocutory appeal from an order denying a motion to dismiss for lack of personal jurisdiction. The order involves respondent's lawsuit against five appellants and two defendants that are not challenging jurisdiction. Respondent's complaint alleges, among other things, that appellants, all of whom are nonresidents, negligently maintained and operated a tractor-trailer, causing respondent's injuries.

Appellants argue that the district court erred in denying their motion to dismiss for two reasons: (1) they lack sufficient minimum contacts with Minnesota, and (2) the record does not support vicarious personal jurisdiction over any of the appellants. Because the district court did not conduct the required legal analysis and it is appropriate for the district court to do so in the first instance, we reverse and remand for further proceedings consistent with this opinion, including jurisdictional discovery as discussed below.

FACTS

The following summarizes the complaint along with the relevant record submitted on the personal-jurisdiction issue.

On March 28, 2022, respondent Timothy John Walvatne was driving his pickup truck westbound and defendant Urmah Arte was driving a tractor-trailer rig eastbound; both vehicles were on Interstate 94 in Maple Grove. A dual-tire wheel assembly detached from the trailer of Arte's tractor-trailer rig. The complaint alleges that the wheel assembly "stayed together as one unit and bounced across the road, through the median, and into the

westbound lane,” penetrating the pickup truck’s roof, causing Walvatne to lose control of the pickup, and leading to Walvatne’s severe personal injuries.

Along with naming Arte, the complaint names six others: defendant Bluestar Services LLC and appellants Ameritrans Group LLC, Begovic Corporation (Begovic), Premier Group LLC, Muhamed Begovic, and his brother Alaga Begovic.¹ As mentioned, Arte and Bluestar are not challenging personal jurisdiction. Without differentiating between the two defendants and five appellants, the complaint alleges that they “failed to exercise reasonable care” in maintaining and operating the tractor-trailer and “allowed” it “to be driven with an improper wheel assembly.”

The complaint also alleges facts relevant to the personal-jurisdiction issue. As to the driver, the complaint alleges Arte is a Minnesota resident and signed an “independent contractor lease” with Bluestar and/or Ameritrans. According to the complaint, at the time of the accident, Arte “was acting under the direction of” or within the scope of his employment with Bluestar and/or Ameritrans.

According to the complaint, Bluestar owned the trailer involved in the accident and Begovic owned the tractor, which was registered to Bluestar. On the date of the accident, Arte operated the tractor “with the permission and consent, and for the financial benefit” of Begovic, Bluestar and/or Ameritrans. The tractor and trailer “were housed and maintained” by Premier. Finally, the complaint alleges that (1) Muhamed owns Bluestar and Premier, (2) Muhamed and Alaga own Begovic, and (3) Alaga owns Ameritrans.

¹ For clarity, this opinion refers to Muhamed and Alaga by their first names and Begovic Corporation as Begovic.

Before answering Walvatne's complaint, appellants moved to dismiss under Minnesota Rule of Civil Procedure 12.02(b) for lack of personal jurisdiction, submitting exhibits in addition to affidavits from Muhamed and Alaga. Walvatne opposed the motion and alternatively moved for "an Order permitting [Walvatne] to conduct jurisdictional discovery." Walvatne submitted an affidavit from his attorney that attached exhibits. When appellants filed their reply, they also submitted a second affidavit from Muhamed.

Jurisdictional Facts Related to Muhamed, Premier, Begovic, and Bluestar

Muhamed averred that he is a resident of Illinois and was last in Minnesota over 18 years ago "while performing services as a truck driver crossing through the state." He does not own or lease property in Minnesota.

Muhamed is the "sole member" of Bluestar, which was formed in Illinois and has its principal place of business in Roselle, Illinois. Bluestar "conducts for-hire transportation of property in interstate commerce pursuant to operating authority granted to it by the U.S. Department of Transportation." Muhamed averred that "Bluestar does not maintain any offices or business locations in Minnesota," but "as an interstate trucking company [Bluestar] makes deliveries to, from, and through Minnesota."

Muhamed also attested that "Bluestar was operating a semi-tractor-trailer combination through its driver" Arte at the time of the accident. Arte did not perform services for any defendant named in Walvatne's complaint "other than Bluestar," and Bluestar "owned, operated, maintained, repaired, and inspected" the trailer involved in the accident. Bluestar also owned "the tractor that was pulling the semi-trailer from which the wheel assembly became dislodged." And "Bluestar purchased the tractor from Begovic"

in 2021. “No defendant other than Bluestar owned, controlled, operated, maintained, repaired, and inspected this tractor.”

In his second affidavit, Muhamed attested to facts about Bluestar in response to Walvatne’s argument that some appellants were subject to vicarious personal jurisdiction. Most of these facts related to financial matters: Bluestar “is solvent and is currently not in arrears for any of its financial obligations”; had “an auto liability insurance policy with policy limits of \$1 million per occurrence” at the time of the accident; and “keeps its own set of books and files its own tax returns separate and apart from the individual tax returns” submitted by Muhamed. Muhamed also averred that neither he nor Alaga had loaned money to or borrowed money from Bluestar. Muhamed receives a salary and distributions from Bluestar, but “Alaga does not receive any money from Bluestar.” Bluestar maintains a business account in a bank different from the one in which Muhamed and Alaga have individual accounts, and Bluestar “follows all corporate formalities,” including filing an annual report with the Illinois Secretary of State. According to Muhamed’s second affidavit, “Bluestar is not required to have meetings or maintain meeting minutes.”

In his first affidavit, Muhamed also averred that he is the “sole member” of Premier, which was formed in Illinois. “Premier does not conduct any business other than owning real estate in Union, Illinois.” Premier “leases [real estate] to Bluestar for truck and trailer parking and operation of Bluestar’s maintenance and repair operation.” Muhamed averred that Premier does not own property in Minnesota and has not conducted business in Minnesota or performed any maintenance or repairs “on Bluestar equipment.”

Jurisdictional Facts Related to Alaga, Begovic, and Ameritrans

In his affidavit, Alaga averred that he is a resident of Illinois and was last in Minnesota over 15 years ago “while performing services as a truck driver crossing through the state.” He does not own or lease property in Minnesota. Alaga has “no ownership interest” in Bluestar but works for Bluestar “as an Operations Manager.”

Alaga attested that he is the “sole shareholder” of Begovic—an Illinois corporation that has its principal place of business in Roselle, Illinois. Begovic “does not have any employees or agents other than [Alaga].” Begovic “does not maintain any offices or business locations in Minnesota, but trucks that it owns may on occasion make deliveries to, from, and through Minnesota.” Alaga averred that Begovic once owned the tractor involved in Walvatne’s accident but sold it to Bluestar in 2021.

Alaga also attested that he is the “sole member” of Ameritrans, which was formed in Illinois and has its principal place of business in Roselle, Illinois. “Ameritrans is licensed and authorized by the U.S. Department of Transportation to haul freight for-hire in interstate commerce.” “Ameritrans does not maintain any offices or business locations in Minnesota” but owns “trucks” that “may on occasion make deliveries to, from, and through Minnesota.” Alaga attested that “Ameritrans did not own, control, operate, maintain, repair, or inspect any of the equipment or vehicles involved” in Walvatne’s accident.

Additional Jurisdictional Facts About Bluestar, Begovic, and Ameritrans

In an affidavit, Walvatne’s attorney attested that attached exhibits were copies of “title and registration history” of tractors and trailers “currently titled and/or registered by” Begovic, “currently titled by [Begovic] and registered by [Bluestar],” and “currently titled

and/or registered by” Bluestar.² The exhibits include the title and registration history for the tractor and the trailer involved in Walvatne’s accident and show that, at the time of the accident, the tractor was titled to Begovic and registered to Bluestar and the trailer was titled to Bluestar with no registrant listed.

Walvatne’s exhibits also include information from the Federal Motor Carrier Safety Administration (FMCSA) website on motor carriers’ licensing and insurance. Begovic’s webpage on the FMCSA website shows its broker authority as “inactive” as of January 23, 2025.³ But Begovic’s “Company Snapshot” webpage from the FMSCA’s Safety and Fitness Electronic Records (SAFER) website shows “Entity Type: Broker” and “USDOT Status: Active” as of January 3, 2025.⁴

Ameritrans’s webpage on the FMCSA website shows its contract-type authority as “active” and its broker-type authority as “inactive” as of January 2, 2025. Ameritrans’s webpage from the website “CarrierSource” shows “MCS-150 Mileage” from 2020 and

² Each document included in the exhibits relates to one vehicle, states the name and address of one or more “title holder” and “registrant” by date, and lists the “vehicle type” as either “truck,” “heavy truck,” or “commercial trailer.”

³ The FMCSA website defines a broker as an “individual, partnership, or corporation that receives payment for arranging the transportation of property A Broker does not assume responsibility for the property and never takes possession of it.” *Types of Operating Authority*, Fed. Motor Carrier Safety Admin. (Apr. 19, 2024), <https://www.fmcsa.dot.gov/registration/types-operating-authority> [<https://perma.cc/Z73N-JTG5>].

⁴ The SAFER system is a service within the FMCSA website. On SAFER, the company snapshot webpage “is a concise electronic record of a company’s identification, size, commodity information, and safety record.” *Company Snapshot*, Fed. Motor Carrier Safety Admin., <https://safer.fmcsa.dot.gov/CompanySnapshot.aspx> [<https://perma.cc/ZNH2-3RES>].

“Fleet Details” showing two leased tractors and two leased trailers.⁵ Bluestar’s “Company Snapshot” webpage from the FMSCA’s SAFER website shows “Entity Type: Carrier” and “USDOT Status: Active” as well as 10,342,000 miles traveled in 2023.

Walvatne also submitted the “Lease Purchase/Independent Contractor Agreement” between Arte and Bluestar, signed by Muhamed, for the tractor involved in the accident; an affidavit of service on Begovic of the summons and complaint, which stated that they were delivered to Muhamed, a “Reg. Agent who identified themselves as Begovic’s corporate officer”; a copy of the “Overview” from the Dun & Bradstreet webpage for Begovic listing Muhamed as a “key principal”; and copies of the “internet webpage[s]” for Bluestar and Ameritrans, which appear to be printouts of the websites’ home, “about us,” and “services” pages.

District Court’s Decision

After a hearing, the district court denied appellants’ motion to dismiss for lack of personal jurisdiction. In its written order and memorandum, the district court appeared to conclude that Minnesota has specific personal jurisdiction over Begovic and appeared to rely on Walvatne’s argument that Begovic held title to the tractor involved in the accident, despite the bill of sale to Bluestar.

As for the remaining four appellants, the district court cited jurisdictional facts offered by Walvatne to determine whether veil-piercing or vicarious personal jurisdiction is appropriate. First, the district court agreed with Walvatne that “the interdependence of

⁵ Walvatne does not provide any other information about the CarrierSource website.

these companies is clear, significant, and warrants further scrutiny” and that “there is sufficient evidence to proceed.” Second, the district court determined that “there are unclear lines of ownership and responsibility between the parties regarding the cause of the accident.” The district court concluded that “distinguishing and dismissing Defendants from this action at this point would be premature” and that Walvatne “has adequately demonstrated the necessity to pierce the corporate veil and retain all Defendants in this action at this time.”

This appeal follows.

DECISION

Personal jurisdiction “refers to a court’s power to exercise control over the parties.” *Rued v. Comm’r of Hum. Servs.*, 13 N.W.3d 42, 46 (Minn. 2024). Appellate courts review personal jurisdiction de novo. *Rilley v. MoneyMutual, LLC*, 884 N.W.2d 321, 326 (Minn. 2016). To overcome a motion to dismiss for lack of personal jurisdiction, the plaintiff must make “a prima facie showing of personal jurisdiction.” *Id.* “The allegations of the complaint, together with any supporting evidence, must be viewed as true for purposes of determining whether [a] plaintiff has made a prima facie showing of personal jurisdiction.” *V.H. v. Est. of Birnbaum*, 543 N.W.2d 649, 653 (Minn. 1996).

If defendants support their motion to dismiss with affidavits that dispute the facts alleged in the complaint, the 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. When it is a close call, appellate courts “resolve any doubt in favor

of retaining jurisdiction.” *Bandemer v. Ford Motor Co.*, 931 N.W.2d 744, 749 (Minn. 2019), *aff’d*, *Ford Motor Co. v. Mont. Eighth Jud. Dist. Ct.*, 592 U.S. 351 (2021).

Appellants are not residents of Minnesota. Minnesota’s long-arm statute governs its exercise of personal jurisdiction over nonresident defendants. Minn. Stat. § 543.19, subd. 1 (2024). The long-arm statute extends as far as the Due Process Clause of the Fourteenth Amendment to the United States Constitution allows. *Rilley*, 884 N.W.2d at 327. Under the Due Process Clause, a state court cannot 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.” *Id.* (quotations omitted). Caselaw recognizes two types of personal jurisdiction—general and specific—which we discuss in turn.

I. General Personal Jurisdiction

A court may exercise general personal jurisdiction over a nonresident defendant when the “defendant’s contacts with the forum state are so substantial and are of such a nature (continuous and systematic) that the state may assert jurisdiction over the defendant even for causes of action unrelated to the defendant’s contacts with the forum state.” *Juelich v. Yamazaki Mazak Optonics Corp.*, 682 N.W.2d 565, 570 n.3 (Minn. 2004).

In their motion to dismiss filed in the district court, appellants argued that Minnesota lacks general personal jurisdiction over each appellant because no appellant “owns or leases property in Minnesota, has offices or locations in Minnesota, or purposefully directs activities toward Minnesota or its residents” and therefore no appellant has “continuous

and systematic contacts” with Minnesota. Walvatne responded that Alaga and Muhamed are subject to general personal jurisdiction.

In their brief filed with this court, appellants contend that the district court upheld general personal jurisdiction over “all Appellants based on Bluestar’s contract with Arte.” Walvatne counters that, “[a]t a minimum, Minnesota has general personal jurisdiction over Ameritrans by virtue of Ameritrans purposefully availing itself of the benefits and protections” of the state. Walvatne also argues that Ameritrans’s activities in Minnesota “would establish general jurisdiction for Alaga” and that Muhamed “affirmatively consented to general jurisdiction in Minnesota by entering into a Lease Purchase/Independent Contractor Agreement” with Arte on behalf of Bluestar. At oral argument before this court, both parties suggested that the district court had concluded that Minnesota had general personal jurisdiction over Muhamed.

First, we do not read the district court’s decision as broadly as do the parties. The district court’s order included a written memorandum discussing Walvatne’s *argument* that *Muhamed* “affirmatively consented to general jurisdiction in Minnesota” by entering into a lease with Arte on behalf of Bluestar. But the district court did not mention general personal jurisdiction in any of its legal conclusions. The district court instead stated that “it would not be inappropriate to attribute vicarious liability for the accident, and therefore personal jurisdiction” to Muhamed, “due to piercing the corporate veil.” We understand the district court’s decision as to Muhamed to rely on vicarious personal jurisdiction, which we discuss below.

In short, the parties' positions as to which appellants are subject to general personal jurisdiction appear to have shifted on appeal. Appellate courts generally decline to consider new theories on appeal. *Sec. Bank of Pine Island v. Holst*, 215 N.W.2d 61, 62 (Minn. 1974) (declining to consider an appellant's theory because "a party cannot for the first time on appeal shift his position" (quotation omitted)). Given that the district court did not rely on Minnesota's general personal jurisdiction over any appellant to deny appellants' motion to dismiss, we decline to address the issue. *Hoyt Inv. Co. v. Bloomington Com. & Trade Ctr. Assocs.*, 418 N.W.2d 173, 175 (Minn. 1988) ("[A]n undecided question is not usually amenable to appellate review."). Because we are remanding this case for other reasons, we acknowledge that the district court may decide to revisit general personal jurisdiction over any appellant on remand.

II. Specific Personal Jurisdiction

A court may exercise specific personal jurisdiction over a nonresident defendant "if the defendant 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." *Bandemer*, 931 N.W.2d at 749-50 (quotations 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. Minnesota courts use five factors to assess whether exercising personal jurisdiction 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.” *Rilley*, 884 N.W.2d at 328 (quotation omitted).

The district court’s memorandum recites the five-factor test but includes no findings or discussion of any of the factors for any of the five appellants. The district court reasoned that “no evidence” suggests that Arte “was driving the truck in Minnesota for any reason other than at the direction of, and within the scope of his employment with, Defendants.” While the district court did not clarify which of the defendants it deemed to be Arte’s employer, it appears that the district court was referring to Bluestar, the owner of the trailer, and possibly Begovic, the owner of the tractor. Bluestar is not challenging personal jurisdiction. As to Begovic, the district court concluded that “it is reasonable to impose specific personal jurisdiction on [Begovic], stemming from its alleged ownership” of the tractor involved in the accident. But the district court did not find that Begovic was Arte’s employer. And the district court does not discuss appellants’ evidence that Arte “never performed services for any other defendant in this case other than Bluestar.”

Appellants ask us to reverse the district court’s decision as to Begovic, arguing that “merely owning a vehicle involved in an accident while in the possession and control of another is insufficient, without more, to confer specific jurisdiction over the vehicle owner.”⁶ Appellants add that Walvatne alleged no facts “from which it could reasonably

⁶ In district court and on appeal, appellants rely on *Grandstaff v. Hiner Equip., L.L.C.*, a federal district court decision in which the court determined that “[m]erely retaining title to a trailer that was drawn through [the forum state] solely at the direction of a third party, without more, is insufficient to establish personal jurisdiction under notions of fair play and substantial justice.” 56 F. Supp. 3d 1003, 1012 (S.D. Iowa 2014). The district court here distinguished the nonresident defendant in *Grandstaff* from Begovic, reasoning that

be inferred that Begovic . . . hired, trained, compensated, directed, dispatched, supervised, managed, or controlled Arte.”

As mentioned, the district court concluded that Minnesota has specific personal jurisdiction over Begovic but did not apply the five-factor test with reference to Begovic. Because the district court did not conduct the required legal analysis and it is appropriate for the district court to do so in the first instance, we reverse and remand the specific-personal-jurisdiction issue as to Begovic. *Cf. Shamrock Dev. v. Smith*, 754 N.W.2d 377, 385 (Minn. 2008) (reversing and remanding an appellant’s motion to dismiss for lack of personal jurisdiction based on service of process where “the district court did not make the necessary factual findings”).

Because it may be helpful on remand, we briefly discuss appellants’ second basis for urging reversal of the district court’s conclusion that Begovic is subject to specific personal jurisdiction in Minnesota. Appellants contend that “this cause of action does not arise from Begovic’s owning the tractor or its operation in Minnesota. This cause of action arises from a wheel assembly becoming dislodged from a Bluestar-owned trailer.”

Begovic’s ownership of a tractor operated in Minnesota is a contact with the state that may be considered under the five-factor test. Whether the tractor caused the accident

the defendant in *Grandstaff* leased the truck to a third party, who drove it at the time of the accident that led to the lawsuit. In contrast, according to the district court, Walvatne’s “cause of action originates from a truck being driven in Minnesota specifically due to Defendants’ . . . business.” While the district court does not specify to which defendant it refers, we understand the finding in context to refer to Begovic. It is unclear, however, how the district court’s analysis fits into the five-factor test that governs specific personal jurisdiction. Because we are remanding this case, the district court may choose to clarify its analysis on this point.

may affect *how* the district court analyzes this contact under the second and third factors—“the nature and quality of those contacts” and “the connection of the cause of action with these contacts.” *Rilley*, 884 N.W.2d at 328 (quotation omitted). But it does not dictate *whether* the district court considers this contact in the personal-jurisdiction analysis. *See Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 476 (1985) (stating that “territorial presence frequently will enhance a potential defendant’s affiliation with a State and reinforce the foreseeability of suit there”).

For the reasons stated, we reverse and remand for the district court to apply to Begovic the five-factor test for specific personal jurisdiction as explained in *Rilley*.

III. Vicarious Personal Jurisdiction

The district court agreed with Walvatne’s assertion that “the interdependence of these companies [Bluestar, Premier, Ameritrans, and Begovic] is clear, significant and warrants further scrutiny.” The district court concluded that Walvatne “has adequately demonstrated the necessity to pierce the corporate veil and retain all [appellants] in this action This asserts personal jurisdiction over the moving [appellants].”⁷

Appellants argue that the district court “here failed to individually assess each Appellant’s contacts with the forum or explain how each Appellant has, based on [their]

⁷ The district court’s reference to piercing the corporate veil is unclear. “Piercing the corporate veil is an equitable remedy that may be applied in order to avoid an injustice,” and a “court may pierce the corporate veil to hold a party liable for the acts of a corporate entity if . . . the party is the alter ego of the entity.” *Equity Tr. Co. Custodian v. Cole*, 766 N.W.2d 334, 339 (Minn. App. 2009); *see* Minn. Stat. § 322C.0304, subd. 3 (2024) (“[T]he case law that states the conditions and circumstances under which the corporate veil of a corporation may be pierced under Minnesota law also applies to limited liability companies.”).

own separate conduct, subjected themselves” to personal jurisdiction in Minnesota. Walvatne urges us to affirm the district court, arguing that vicarious personal jurisdiction applies to Muhamed, Alaga, Begovic, Premier, and Ameritrans based on alter-ego relationships among appellants and Bluestar.

Alter-ego relationships have been used to determine vicarious personal jurisdiction over nonresident defendants. “A nonresident corporation may be subject to [vicarious personal] 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.” *Gopher Mats, LLC v. Kalesnikoff Lumber Co.*, 16 N.W.3d 807, 823 (Minn. App. 2025), *rev. denied* (Minn. May 13, 2025); *see JL Schwieters Constr., Inc. v. Goldridge Constr., Inc.*, 788 N.W.2d 529, 536-37 (Minn. App. 2010) (using the term “vicarious personal jurisdiction” to describe jurisdiction over a parent company based on the Minnesota contacts of a “completely controlled” subsidiary LLC), *rev. denied* (Minn. Dec. 14, 2010).

A district court may consider any defendant’s alter-ego relationship with another defendant as a “threshold matter” before applying the five-factor test outlined in *Rilley*. *Gopher Mats*, 16 N.W.3d at 823-24. If defendants are alter egos, courts “analyze the Minnesota contacts of both [defendants] together.” *Id.* at 824. We acknowledge that the due-process requirements outlined above “must be met as to each defendant over whom a state court exercises jurisdiction” and that “aggregating their forum contacts” to evaluate personal jurisdiction is otherwise “plainly unconstitutional.” *Rush v. Savchuk*, 444 U.S. 320, 331-32 (1980). Therefore, Walvatne’s *prima facie* case for vicarious personal

jurisdiction must separately establish the alter-ego relationship between defendants before their contacts can be considered together in a jurisdictional analysis.

The Minnesota Supreme Court has not addressed Minnesota's exercise of personal jurisdiction over a defendant based on alter-ego relationships. But this court has relied on persuasive federal caselaw to articulate the factors relevant to determining vicarious personal jurisdiction. *See JL Schwieters*, 788 N.W.2d at 535-36 (analyzing vicarious personal jurisdiction and applying factors discussed in *Lakota Girl Scout Council, Inc. v. Havey Fund-Raising Mgmt., Inc.*, 519 F.2d 634 (8th Cir. 1975), and *Scott v. Mego Int'l, Inc.*, 519 F. Supp. 1118 (D. Minn. 1981)); *Gopher Mats*, 16 N.W.3d at 823-24 (applying *Scott* in a vicarious-personal-jurisdiction analysis).

For example, this court has cited and applied *Lakota Girl Scout Council*, in which the Eighth Circuit held that a nonresident defendant who is the dominant shareholder of a corporate defendant may be subject to personal jurisdiction in the forum if the facts show that the nonresident defendant is the alter ego of the corporate defendant. 519 F.2d at 637-38 (“[I]f the corporation is Havey’s alter ego, its contacts are his and due process is satisfied.”). The Eighth Circuit approved the district court’s application of six factors to assess an alter-ego relationship:

- (1) the corporation is undercapitalized,
- (2) without separate books,
- (3) its finances are not kept separate from individual finances, individual obligations are paid by the corporation,
- (4) the corporation is used to promote fraud or illegality,
- (5) corporate formalities are not followed or
- (6) the corporation is merely a sham.

Id. at 638.

This court has also cited and applied *Scott*, a federal district court decision that upheld personal jurisdiction over a nonresident parent corporation based on its subsidiary's contacts with Minnesota. *Scott*, 519 F. Supp. at 1126. *Scott* articulated factors much like those used in *Lakota Girl Scout Council* to determine whether the parent and its subsidiary had an alter-ego relationship:

(1) the parent conducted business through “wholly owned,” “closely interrelated” subsidiaries; (2) the parent and subsidiary maintained offices in the same location; (3) both 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 business.

Id.

Both the *Lakota Girl Scout Council* and *Scott* factors may be relevant to determine vicarious personal jurisdiction over a nonresident defendant depending on the circumstances, including whether one defendant is an individual or both defendants are business entities. *See JL Schwieters*, 788 N.W.2d at 535-36 (citing the factors discussed in *Lakota Girl Scout Council* and *Scott* in analyzing vicarious jurisdiction over a nonresident LLC). All factors need not be satisfied to determine that an alter-ego relationship exists. *See Gopher Mats*, 16 N.W.3d at 824 (concluding that two defendants were “sufficiently interrelated affiliated entities to constitute a single entity for purposes of the jurisdictional analysis” based on three of the eight factors from *Scott*). Neither list is exhaustive, and the

existence of an alter-ego relationship is a fact determination. *See, e.g., id.* (conducting a fact-specific analysis to conclude that an alter-ego relationship existed between two defendants).

To analyze vicarious personal jurisdiction, a district court first considers whether any defendants are “sufficiently interrelated” such that they may be alter egos or “constitute a single entity.” *Id.* Next, the district court applies the five-factor test to each defendant, treating alter egos as a single defendant and “analyz[ing] the Minnesota contacts of both [alter-ego defendants] together.” *Id.* at 824-27.

This court’s analysis in *Gopher Mats* offers a helpful illustration, as it reversed a district court’s order dismissing two nonresident defendants for lack of personal jurisdiction. *Id.* at 827-28. This court concluded that the two nonresident defendant entities were “sufficiently interrelated to be alter egos of one another” and analyzed their Minnesota contacts together, relying on these facts: (1) the chief operating officer was the same for both entities and “never distinguished his role” and “made no differentiation in his management duties or daily operations with respect to these entities”; (2) one of the two entities accepted payments owed to the other “without objection or correction”; and (3) the two entities “share the same registered address and the same three principal officers.” *Id.* at 824-27 & n.1.

Similarly, in *JL Schwieters*, this court determined that a nonresident defendant LLP was subject to personal jurisdiction based on its alter-ego relationship with its subsidiary LLC that was doing business in Minnesota. 788 N.W.2d at 532, 535-36. In concluding that the two entities were alter egos, this court cited these facts: (1) the LLP “was the sole owner

of [the subsidiary] LLC”; (2) the companies shared a single business address; (3) the LLP “guaranteed the debt that secured [the subsidiary LLC’s] mortgage”; and (4) the LLP appeared to have “exerted substantial control” over the subsidiary LLC. *Id.* at 536.

In contrast, this court in *Curtis v. Altria Group, Inc.*, reversed the district court’s decision that Altria, a nonresident holding company, was subject to personal jurisdiction in Minnesota based on its “extensive control” over the tobacco company Philip Morris. 792 N.W.2d 836, 843 n.3, 845-48 (Minn. App. 2010), *rev’d on other grounds*, 813 N.W.2d 891 (Minn. 2012). This court reasoned that “[t]he only evidence that [plaintiffs] have cited of Altria’s control over Philip Morris is” testimony from Altria’s CEO in a past proceeding that “he has the power to make a decision about what Philip Morris will say regarding smoking and health.” *Id.* at 847-48. This court described such evidence as “ordinary supervision of a subsidiary by a parent corporation,” which “is not sufficient to extend personal jurisdiction over the subsidiary to the parent.” *Id.* at 847.

The district court’s order deciding that Minnesota has vicarious personal jurisdiction over Muhamed, Alaga, Begovic, Premier, and Ameritrans does not address the factors set out in relevant caselaw. The district court instead relies on a veil-piercing theory to “assert[] personal jurisdiction over the moving Defendants.”⁸ The veil-piercing factors are similar

⁸ The district court cites *Victoria Elevator Co. of Minneapolis v. Meriden Grain Co.*, 283 N.W.2d 509, 512 (Minn. 1979). As applied in *Victoria Elevator*, veil-piercing establishes liability, not personal jurisdiction. 283 N.W.2d at 512-13. But because veil-piercing and vicarious personal jurisdiction involve determining alter-ego relationships, the *Victoria Elevator* test may be persuasive by analogy. We stress, however, that veil-piercing tests are merely persuasive in a jurisdictional analysis and should be applied only when they help determine, under the facts of the case, whether there is an alter-ego relationship between two parties.

to the vicarious-personal-jurisdiction factors. And, when the district court’s memorandum is considered in its full context, we understand it to conclude that Minnesota has vicarious personal jurisdiction over Muhamed, Alaga, Begovic, Premier, and Ameritrans.

But the district court’s order does not state which factors supported its decision as to any of the appellants, nor does it discuss the jurisdictional evidence about either Muhamed or Alaga. Walvatne urges us nonetheless to affirm the district court’s decision, and we discuss his arguments in turn.

First, Walvatne argues that the record allows this court to conclude that Bluestar is Muhamed’s alter ego, but we are not persuaded. This court is not a fact-finder, and the district court did not make this finding. *See Kucera v. Kucera*, 146 N.W.2d 181, 183 (Minn. 1966) (“It is not within the province of [appellate courts] to determine issues of fact on appeal.”). Muhamed attested that Bluestar “keeps its own set of books,” “files its own tax returns,” and “follows all corporate formalities.” Therefore, Walvatne must provide some evidence of Bluestar’s failure to follow corporate formalities and maintain corporate records, which he has not. *See Riley*, 884 N.W.2d at 334-35 (requiring a plaintiff to produce specific evidence to support jurisdiction when the defendant’s motion to dismiss is supported by affidavits). Below, we discuss Walvatne’s motion for additional jurisdictional discovery.⁹

⁹ We specifically reject Walvatne’s argument that the absence of “other officers and directors” is a relevant factor because Bluestar is a single-member LLC without other officers. And Walvatne’s claim that Bluestar is a façade for Muhamed’s personal dealings is not tied to any evidence and is therefore not sufficient to establish a *prima facie* case given that appellants have submitted contrary evidence.

Second, Walvatne argues that the record allows this court to conclude that Ameritrans is Alaga's alter ego. We reject that argument for the reasons already discussed in the preceding paragraph. Even assuming that Alaga and Ameritrans are alter egos, Alaga would not be subject to vicarious personal jurisdiction unless further evidence on remand establishes that Minnesota has personal jurisdiction over Ameritrans under the five-factor test set out in *Rilley*.

Third, we reject Walvatne's implicit argument that we should defer to the district court's legal conclusion that Begovic, Ameritrans, and Premier are subject to vicarious personal jurisdiction in Minnesota. Our review of personal jurisdiction is *de novo*. *Id.* at 326. The district court's memorandum did not state findings as to which veil-piercing factors were established as to Begovic, Ameritrans, or Premier. Instead, the district court summarized facts about business activities and relationships, such as, "Ameritrans has not reported any mileage since 2020," which "raises several questions about how Ameritrans is conducting business or making a profit." The district court found that the record shows "instances of transferring ownership of the trucks between [Begovic] and [Bluestar]" and noted that Begovic and Premier share a corporate address that "is also the address from which both . . . Ameritrans and Bluestar's trucks are dispatched." Finally, the district court found that evidence shows that "one of the trailers currently titled to . . . Bluestar was previously titled to . . . Premier, contradicting . . . Muhamed's claim that Premier only dealt with real estate." The district court concluded, "Based on these examples and others . . . there is sufficient evidence to proceed with . . . piercing the corporate veil."

The district court's summary of the evidence fails to identify the relevant contacts between Arte or Bluestar and any appellant *separately*. See *Rush*, 444 U.S. at 331-32. For example, the district court points out that Begovic and Bluestar transferred vehicles between them. We are aware of no caselaw establishing that evidence of sales between an LLC and a corporation, without more, demonstrates an alter-ego relationship.

We recognize that the district court credited Walvatne's allegations, first stated in his memorandum in opposition to appellants' motion to dismiss, that Begovic's attempted sale of the tractor involved in Walvatne's accident showed "numerous shortcomings in following proper procedure for formalizing the alleged sale." Walvatne reiterates this argument on appeal. But neither the district court's memorandum nor Walvatne identifies record evidence that this transfer (or any other transfer of vehicles) between Begovic and Bluestar reveals a lack of formalities and therefore establishes an alter-ego relationship.¹⁰

Even assuming that the sale of the tractor demonstrated a lack of formalities between Begovic and Bluestar, a single transfer of a vehicle would not establish that Begovic and Bluestar are alter egos. Cf. *Gopher Mats*, 16 N.W.3d at 824 (reasoning that "routine" and "unexplained" bank transfers between two entities showed an alter-ego relationship). This leaves only Begovic' and Bluestar's shared address as evidence suggesting an alter-ego relationship. While the shared address is relevant, it is not sufficient. Cf. *id.* (relying on a shared address and two additional factors to show an alter-ego relationship); see also *Curtis*, 792 N.W.2d at 847-48 (finding a single, "ordinary" aspect of a business relationship

¹⁰ In his brief to this court, Walvatne cites to "Docs 31-37," which include all his affidavit exhibits. None of the exhibits, however, appear to relate to this allegation.

insufficient to show an alter-ego relationship between two defendants). Thus, we cannot determine whether the record supports the district court's conclusion that all appellants are subject to vicarious personal jurisdiction.

Because the district court did not conduct the required legal analysis of vicarious personal jurisdiction as to each appellant and it is appropriate for the district court to do so in the first instance, we reverse and remand for further findings. *Cf. Shamrock*, 754 N.W.2d at 385. On remand, the district court should separately analyze the appellants' relationships under the factors recognized in *JL Schwieters* and *Gopher Mats*, determining whether any defendants are alter egos for purposes of vicarious personal jurisdiction. Next, the district court should analyze each appellant's contacts with Minnesota under the five-factor jurisdictional test described in *Rilley*. The district court may treat alter-ego defendants as a single entity and consider their contacts together under the five-factor test. Bluestar did not challenge personal jurisdiction. As a result, an appellant's alter-ego relationship with Bluestar could support personal jurisdiction, making the five-factor analysis unnecessary.

IV. Jurisdictional Discovery

On appeal, Walvatne requests that, if we do not affirm the district court's order, we remand so that he "may conduct jurisdictional discovery." Appellants reply that Walvatne "waived his right to jurisdictional discovery by inviting the district court to rule on Appellants' Motion to Dismiss without ordering jurisdictional discovery" and that Walvatne "cannot now ask the Court to remand for jurisdictional discovery."

The district court did not address Walvatne's motion for jurisdictional discovery. Appellants ask us to decline to consider the issue on appeal, relying on *Northwest Airlines*,

Inc. v. Friday, in which this court declined to remand for jurisdictional discovery because the district court “did not consider or decide” the issue. 617 N.W.2d 590, 595 (Minn. App. 2000). We are not persuaded for two reasons. First, the request for jurisdictional discovery in *Northwest Airlines* was “only raised . . . in a footnote.” *Id.* Walvatne filed a motion. Second, in *Northwest Airlines*, the district court granted the defendant’s motion to dismiss for lack of personal jurisdiction. *Id.* at 592. Here, the district court denied the motion to dismiss, and it therefore implicitly concluded that jurisdictional discovery was unnecessary.

Still, we also decline to decide whether Walvatne waived jurisdictional discovery during the hearing on appellants’ motion. Because we are otherwise remanding this case, the district court may consider Walvatne’s motion for jurisdictional discovery on remand and determine whether Walvatne waived his request.

In sum, because the district court failed to conduct the required legal analysis for specific or vicarious personal jurisdiction and it is appropriate for the district court to do so in the first instance, we reverse and remand appellants’ motion to dismiss for lack of personal jurisdiction as well as Walvatne’s motion for jurisdictional discovery. The district court may reopen the record and revisit general personal jurisdiction in its discretion. In particular, we remand (1) whether Begovic is subject to specific personal jurisdiction in Minnesota and (2) whether Ameritrans, Premier, Muhamed, and Alaga are subject to vicarious personal jurisdiction in Minnesota. In the alternative, the district court may determine whether Begovic is subject to vicarious personal jurisdiction in Minnesota.

Reversed and remanded.