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

**STATE OF MINNESOTA
IN COURT OF APPEALS
A25-2017**

Pioneer Bank,
Respondent,

vs.

Might Enterprises, Inc., et al.,
Defendants,

The 209 Group, LLC, et al.,
Appellants.

**Filed August 31, 2026
Affirmed in part and remanded
Bratvold, Judge**

Blue Earth County District Court
File No. 07-CV-25-2121

Jennifer G. Lurken, Adam N. Froehlich, Gislason & Hunter LLP, Mankato, Minnesota (for respondent)

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Considered and decided by Bratvold, Presiding Judge; Larkin, Judge; and Reyes, Judge.

NONPRECEDENTIAL OPINION

BRATVOLD, Judge

Respondent bank sued appellants for fraud, wrongful interference with contract, and civil conspiracy, and it brought related claims against other defendants. Appellants seek

review of the district court's decisions (1) denying their motion to dismiss respondent's claims for lack of personal jurisdiction and (2) granting respondent's motion for a temporary injunction (3) without requiring a bond. We conclude that Minnesota courts have personal jurisdiction over appellants in this case. We also conclude that the district court did not abuse its discretion by granting a temporary injunction. Thus, we affirm in part. But because the district court's findings on the bond requirement are insufficient for meaningful appellate review, we remand to the district court for additional findings.

FACTS

The Parties

Respondent Pioneer Bank provided secured loans to defendant Might Enterprises Inc. and obtained a security interest in its assets and in defendant Source W-9's (SW9) assets. Pioneer Bank later filed suit related to these loans and its security interests.

Pioneer Bank is incorporated in Minnesota and chartered in Mapleton; Might Enterprises and SW9 are incorporated in Minnesota and share an office in St. Cloud. Defendant Michael G. Kraemer resides in St. Cloud and is an officer, director, and shareholder of both Might Enterprises and SW9. As explained below, another defendant, SW9-PS, is also involved in relevant transactions; SW9-PS was incorporated in Delaware. SW9-PS's bank statements list the same address as Might Enterprises and SW9's St. Cloud office.¹

¹ Might Enterprises, SW9, and SW9-PS (collectively, defendants or Minnesota defendants) are not parties to this appeal.

This appeal was initiated by two additional defendants in the suit who, Pioneer Bank alleges, received property in which the bank has a security interest through business transactions with the Minnesota defendants—appellant Edward A. Zuraw and appellant The 209 Group LLC (209G). Zuraw is a resident of Florida and is the managing member and registered agent of LightPoint Capital Partners LLC (LightPoint). Zuraw is also the sole member and founder of 209G, a Florida limited liability company.

The Financial Relationships Involving the Parties

The following summarizes the allegations in the verified complaint along with the record evidence relevant to the issues on appeal. Between June 2019 and April 2022, Pioneer Bank provided loans to Might Enterprises through a series of promissory notes totaling about \$1.3 million as of May 2025. Pioneer Bank perfected a security interest in substantially all of Might Enterprises’ assets, including its accounts receivable. Pioneer Bank also perfected a security interest in substantially all of SW9’s assets, including SW9’s accounts receivable and a proprietary software that was purportedly “the core of SW9’s business model.”²

As of 2020, Might Enterprises “began taking out merchant cash advance loans from third parties” (MCA loans). Might Enterprises defaulted on the MCA loans. In response to third-party efforts to collect on the MCA loans, “Might Enterprises by, through, at the direction of, and with the assistance of Kraemer, transferred all or substantially all” of its

² The complaint alleged that Might Enterprises and SW9 executed and delivered a series of security agreements between October 2014 and April 2022. These security agreements were duly perfected by the filing of UCC financing statements with the Minnesota Secretary of State in January 2015 and April 2022.

personal property to SW9 and directed its customers to make payments on Might Enterprises' accounts receivable to SW9's account at a Minnesota bank, then closed Might Enterprises' bank account.

Kraemer opened a new bank account in the name of SW9-PS at the same Minnesota bank. "SW9-PS never had any customers and never generated revenue of its own," but was formed for the sole purpose of avoiding creditors by opening a new bank account. "SW9, by, through, at the direction of, and with the assistance of Kraemer, transferred all or substantially all of SW9 and Might Enterprises' accounts receivable to SW9-PS." Kraemer, Might Enterprises, and SW9 also "directed Might Enterprises and SW9's customers to deposit payments on Might Enterprises' and SW9's accounts receivable into SW9-PS's bank account," then closed SW9's bank account. SW9 had paid a software developer to develop its proprietary software; after Kraemer learned that the developer did not transfer ownership of the software to SW9, Kraemer and the developer "negotiated the transfer of the Software to SW9-PS."

In support of its motion for a temporary injunction, Pioneer Bank submitted a recording of a February 2025 video conference between bank representatives, Kraemer, and Zuraw. During the conference, Kraemer explained that he contacted Zuraw to "figure out how [he] was going to keep this business going" while protecting the accounts from third parties seeking to collect on the MCA loans. Kraemer also stated that, after the developer transferred SW9's software to SW9-PS, Kraemer reached an agreement with Zuraw to transfer the software to 209G in exchange for releasing the debt that defendants owed to LightPoint.

The record evidence shows that, after Kraemer contacted him, Zuraw formed 209G. During the video conference, Kraemer screen-shared a “matrix [he] put together to . . . show [the bank] what’s going on with us.” The matrix provided that 209G was “[f]ormed to put distance from creditors” and to “park software.” Six days after 209G’s formation, Zuraw and Kraemer, both individually and on behalf of 209G and SW9-PS, respectively, entered into an asset purchase agreement (APA) under which “209G purported to acquire ‘all tangible and intangible assets, property and undertaking of every kind and description owned by’ SW9-PS,” with some exceptions, in exchange for \$627,885.12. Some or all of the purchase price under the APA was the forgiveness of debt owed to LightPoint.

The APA designated Minnesota law to govern the contract and designated Minnesota as the appropriate forum for contract disputes:

This Agreement and the obligations of the Purchaser, Seller and Guarantor hereunder, *shall be governed by and construed in accordance with the law of the state of Minnesota*, and this Agreement *shall be treated in all respects as a Minnesota contract*. For purposes of any proceeding involving this Agreement or any of the obligations of the undersigned, the undersigned hereby *submit to the non-exclusive jurisdiction of the courts of the State of Minnesota* and of the United States having jurisdiction in the County of Hennepin, State of Minnesota, and agree not to raise and waive any objection to or defense based upon the venue of any such court or based upon forum non conveniens.

(Emphasis added.) Under the APA, “SW9-PS and Kraemer transferred all assets of SW9-PS, including but not limited to, the [proprietary] software, to 209G.” Zuraw averred that, after they executed the APA, Kraemer “became an employee of” 209G.

Kraemer also authorized Zuraw and 209G “to receive SW9 and Might Enterprises’ accounts receivable.” Customers of Might Enterprises and SW9 were directed “to deposit payments on Might Enterprises’ and SW9’s accounts receivable into 209G’s bank account.”

On May 14, 2025, Pioneer Bank notified Might Enterprises and Kraemer of their default on the promissory notes and demanded payment. Pioneer Bank also notified SW9 of its claim and the default, demanding delivery of SW9’s personal property to Pioneer Bank. And Pioneer Bank sent a demand letter to appellants, “seeking the return of all assets taken from Might Enterprises and SW9, including but not limited to, Might Enterprises’ and SW9’s accounts receivable and the software,” along with any personal property “possessed by 209G and/or Zuraw.” According to the complaint, Pioneer Bank’s demands for payment and for security resulted in no payments or returned personal property. Also according to the complaint, 209G continues to receive and accept deposits attributable to Might Enterprises’ and SW9’s accounts receivable.

Pioneer Bank’s Claims

On May 30, 2025, Pioneer Bank filed its complaint against appellants and defendants. The 37-count complaint alleges—among other things—breach of contract against Might Enterprises, avoidance of fraudulent transfers against Might Enterprises, SW9, SW9-PS, and 209G, and fraud against appellants and defendants. The complaint specifically asserts that appellants are liable for fraud, wrongful interference with contract, and civil conspiracy. The complaint seeks damages, the delivery of Might Enterprises’ and

SW9's personal property, a declaratory judgment that the software is subject to the bank's security interest in SW9's personal property, as well as a temporary injunction.

The complaint alleges that appellants "had actual notice" of Pioneer Bank's security interest in Might Enterprises' and SW9's personal property "at the time [209G] received and accepted SW9-PS's assets." The complaint also alleges that appellants had constructive notice of Pioneer Bank's security interest.

Pioneer Bank's Motion for Injunctive Relief

In June 2025, Pioneer Bank moved the district court to grant (1) a temporary restraining order (TRO) to enjoin appellants and defendants "from selling, liquidating, concealing, appropriating, destroying, transferring, or otherwise impairing Pioneer Bank's interest in or ability to recover any and all . . . personal property" of Might Enterprises and SW9; (2) a temporary injunction; and (3) an order waiving the bond requirement under Minnesota Rule of Civil Procedure 65.03. The district court granted an ex parte TRO and did not require Pioneer Bank to post a bond. The district court scheduled a hearing for July 2025 to address the temporary injunction.

Appellants opposed Pioneer Bank's motion for a temporary injunction and moved to dissolve the TRO. Appellants argued, among other things, that (1) the district court lacked personal jurisdiction over appellants; (2) Pioneer Bank was not entitled to injunctive relief because it did not establish irreparable harm; and (3) a bond was necessary under rule 65.03. In an affidavit, Zuraw averred that, because of the TRO, (1) 209G "has been stripped of its right to possess assets that it purchased and [has] lost access to its financial accounts, including access to funds that are entirely unrelated to the APA and the other

defendants”; (2) appellants “are unable to make payroll” or “cover monthly costs”; and (3) without access to their financial accounts, appellants “will go out of business in a matter of days.”

After the motion hearing, the district court filed an order granting the temporary injunction and denying appellants’ motion to dissolve the TRO. The district court ordered:

For the duration of these proceedings and until the Court enters a final judgment on the merits of [Pioneer Bank’s] claims, [defendants and appellants] SHALL NOT sell, liquidate, conceal, appropriate, destroy, transfer, or otherwise impair Pioneer Bank’s interest in or ability to recover any and all personal property of Defendants Might Enterprises, Inc. and [SW9], in which [Pioneer Bank] holds a security interest

The district court determined, “[b]ased on the provided motions and affidavits,” that “security is unnecessary” and did not require Pioneer Bank to post a bond under rule 65.03.

Appellants’ Motion to Dismiss Under Rule 12.02(b)

Appellants separately moved to dismiss the claims against Zuraw and 209G for lack of personal jurisdiction under Minnesota Rule of Civil Procedure 12.02(b). Appellants submitted memoranda and relied on Zuraw’s previously submitted affidavit, which averred that, at the time of the APA, appellants were unaware that defendants “had allegedly transferred various assets between the entities.” Zuraw also attested that appellants “remain unaware of the full details of the alleged transactions” that defendants made with Pioneer Bank.

In November 2025, after a hearing, the district court filed an order denying appellants' motion to dismiss, concluding that appellants' contacts with Minnesota are "sufficient to exercise personal jurisdiction."³ This appeal follows.

DECISION

I. The district court has personal jurisdiction over appellants.

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 whether personal jurisdiction exists 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.* at 326-27.

To determine whether a plaintiff has made a prima facie showing of personal jurisdiction, appellate courts view "all the factual allegations in the complaint and supporting affidavits as true." *Id.* But if a defendant's motion to dismiss is supported by affidavits that deny 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." *Id.* at 334-35. If the plaintiff supports their allegations with affidavits or other evidence, that evidence is taken as true. *Juelich v. Yamazaki Mazak Optonics Corp.*,

³ Appellants' motion also sought relief under Minnesota Rule of Civil Procedure 12.02(e), contending that the original complaint failed to state a claim upon which relief could be granted. The district court agreed in part, determining that eight counts in Pioneer Bank's complaint failed to state a claim upon which relief could be granted—including Pioneer Bank's claims against appellants. The district court gave Pioneer Bank leave to amend the complaint, and Pioneer Bank filed its amended complaint in December 2025. The district court's rule 12.02(e) ruling is not at issue on appeal.

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.”). Conflicting evidence is resolved “in favor of the party asserting jurisdiction.” *Gopher Mats, LLC v. Kalesnikoff Lumber Co.*, 16 N.W.3d 807, 819 (Minn. App. 2025), *rev. denied* (Minn. May 13, 2025). And 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.*, 141 S. Ct. 1017 (2021).

Minnesota’s long-arm statute governs its exercise of personal jurisdiction over a nonresident defendant. Minn. Stat. § 543.19, subd. 1 (2024). The long-arm statute extends Minnesota’s jurisdiction 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).

Minnesota has 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).⁴ Minnesota courts analyze five

⁴ A district 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.”

factors to determine whether exercising personal jurisdiction over a nonresident defendant is consistent with due process: “(1) the quantity of [the defendant’s] 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 first three factors “determine whether minimum contacts exist and the last two factors determine whether jurisdiction is reasonable according to traditional notions of fair play and substantial justice.” *Id.* (quotation omitted).

The district court concluded that all five factors supported Minnesota’s exercise of personal jurisdiction over appellants. The district court determined that appellants “engaged in numerous contacts with Minnesota,” that appellants “could reasonably expect” to be haled into a Minnesota court based on the nature and quality of these contacts, and that appellants’ business dealings with defendants “directly relate to” Pioneer Bank’s claims. The district court also determined that Minnesota has a strong interest “in protecting its companies from fraudulent transactions committed by its residents and foreign residents” and that “Minnesota is the most convenient jurisdiction.” We consider each of the five personal-jurisdiction factors in turn.

Juelich, 682 N.W.2d at 570 n.3. The district court determined that it had specific personal jurisdiction over appellants. On appeal, Pioneer Bank does not argue that the district court had general personal jurisdiction over appellants.

1. Quantity of Appellants' Contacts with Minnesota

“It is a defendant’s contacts with the forum state that are of interest in determining if personal jurisdiction exists, not its contacts with a resident.” *Husky Constr. Inc. v. Gestion G. Thibault Inc.*, 983 N.W.2d 101, 108 (Minn. App. 2022) (quotation omitted) (concluding that a single purchase resulting from a nonresident defendant’s advertisement on the website of a trade magazine was insufficient to support personal jurisdiction), *rev. denied* (Minn. Mar. 14, 2023). And “it is essential in each case that there be some act by which the defendant purposefully avails itself of the privilege of conducting activities within the forum State, thus invoking the benefits and protections of its laws.” *Hanson v. Denckla*, 357 U.S. 235, 253 (1958). “Merely entering into a contract with a forum resident does not provide the requisite contacts between a (nonresident) defendant and the forum state.” *Husky*, 983 N.W.2d at 108 (quotation omitted).

No threshold number of contacts is necessary to exercise personal jurisdiction over a nonresident defendant, and a “single, isolated transaction between a nonresident defendant and a resident plaintiff can be a sufficient contact to justify exercising personal jurisdiction.” *Marquette Nat’l Bank of Minneapolis v. Norris*, 270 N.W.2d 290, 295 (Minn. 1978). This court has upheld a district court’s exercise of personal jurisdiction over a nonresident defendant based on a relatively small number of telephone or electronic contacts about a business transaction. *See, e.g., Trident Enters. Int’l, Inc. v. Kemp & George, Inc.*, 502 N.W.2d 411, 415-16 (Minn. App. 1993) (concluding that fewer than ten telephone, mail, and fax contacts that induced a Minnesota company to enter into a contract were enough to establish personal jurisdiction); *Viking Eng’g & Dev., Inc. v. R.S.B. Enters.*,

Inc., 608 N.W.2d 166, 168, 170 (Minn. App. 2000) (concluding that faxes, letters, and 24 phone calls, as well as the signing of a purchase agreement and acceptance of a check, were sufficient to establish personal jurisdiction), *rev. denied* (Minn. May 23, 2000).

Appellants argue that the complaint’s “general allegation” that 209G engaged in business in Minnesota “is insufficient to confer jurisdiction” because (1) appellants submitted an affidavit denying jurisdictional facts alleged in the complaint and Pioneer Bank did not rebut the affidavit with specific evidence and (2) 209G “could not have reasonably anticipated” being haled into a Minnesota court based on its single business transaction with SW9-PS, a Delaware corporation. Appellants also argue that Zuraw “did not purchase anything from any [Minnesota] defendant or enter into any contract with [Pioneer Bank]” and, therefore, “he has no contacts with Minnesota.” Appellants maintain that, even if Pioneer Bank establishes personal jurisdiction over 209G, that jurisdiction “cannot be imputed to Zuraw.” *See* Minn. Stat. § 322C.0104, subd. 1 (2024) (“A limited liability company is an entity distinct from its members.”). Pioneer Bank counters that appellants “ignore the more specific allegations in the complaint” and Pioneer Bank’s evidence showing appellants’ contacts with Minnesota.

We therefore consider the record evidence submitted by Pioneer Bank. Pioneer Bank submitted its security agreements, its UCC financing statements perfecting its security interests, along with appellants’ and defendants’ bank statements and the APA. Pioneer Bank also submitted a recording of a February 2025 video conference between bank representatives, Kraemer, and Zuraw. During the conference, Kraemer explained that he contacted Zuraw to “figure out how [he] was going to keep this business going” while

protecting the accounts from third parties seeking to collect on the MCA loans. Kraemer admitted that SW9-PS had no business and that “it was just a shell of a company to form a bank account.” Kraemer also stated that, after the developer transferred SW9’s software to SW9-PS, Kraemer reached an agreement with Zuraw to transfer the software to 209G in exchange for releasing the debt that defendants owed to LightPoint. Kraemer said that Zuraw agreed he could redirect SW9’s accounts receivable to 209G’s bank account so the third-party creditors “won’t be able to get to it.”

During the video conference, Zuraw confirmed that he met Kraemer during the COVID pandemic. Zuraw also stated that he was “aware of” Pioneer Bank because Kraemer “told” him about it.

Taking them as true, as we must for this appeal, Pioneer Bank’s allegations and record evidence show that appellants’ business relationship with Kraemer and SW9-PS was a series of transactions involving many contacts with Minnesota businesses and property. *Cf. Husky*, 983 N.W.2d at 108. Zuraw is a member of LightPoint, which was a creditor for Minnesota defendants’ debt that Kraemer personally guaranteed. In exchange for the release of this debt, Zuraw formed 209G and participated in an ongoing, mutually beneficial business relationship with Kraemer—a Minnesota resident—to execute the purchase of personal property owned by Might Enterprises and SW9—two Minnesota corporations. In the APA, appellants agreed to treat their agreement “in all respects as a Minnesota contract.” Kraemer and Zuraw also agreed to redirect the accounts receivable of the two Minnesota corporations from SW9-PS’s Minnesota bank account to 209G’s bank account in Florida. Both the transferred personal property and the redirected accounts

receivable were subject to the security interest of Pioneer Bank—a Minnesota banking corporation. Although SW9-PS is a Delaware corporation, Kraemer admitted that SW9-PS had no business and “was just a shell of a company” that owned a Minnesota bank account to receive personal property from the Minnesota corporations. And after the APA was signed, Minnesota resident Kraemer became an employee of 290G.

We conclude that the quantity of appellants’ contacts with the forum state favors the district court’s exercise of personal jurisdiction.

2. Nature and Quality of Appellants’ Contacts with Minnesota

In reviewing the nature and quality of a nonresident defendant’s contacts, appellate courts consider whether the defendant “had ‘fair warning’ of being sued in the forum state.” *Gopher Mats, LLC*, 16 N.W.3d at 820 (quotation omitted). “A party has fair warning of being sued in Minnesota if they purposefully directed their actions to the residents of the state.” *Id.* (quotations omitted). This happens when nonresident defendants “purposefully reach out beyond their State and into another by, for example, entering a contractual relationship that envisioned continuing and wide-reaching contacts in the forum State.” *Id.* (quotations omitted).

Appellants argue that the complaint does not allege that they “had contacts with Minnesota, rather than a person who resides in Minnesota”—i.e., Kraemer. Appellants reiterate that “SW9-PS is a Delaware corporation” and argue that “the fact that a nonresident entered into a contract and transacted business with a Delaware company with a Minnesota address is insufficient, by itself, to subject the nonresident to personal jurisdiction.” Appellants acknowledge that “the forum selection clause of the APA names

Minnesota as the exclusive venue for claims brought pursuant to the APA” but maintain that this action “is not such a claim.” Appellants add that Pioneer Bank “is not a party to the APA and has no rights under it.”

Pioneer Bank counters that appellants “certainly had contact with a Minnesota resident, Kraemer,” but that is not all. Pioneer Bank emphasizes that appellants’ business contacts “involved Minnesota residents, Minnesota companies, Minnesota banks, and Minnesota assets, along with ‘a Minnesota contract.’” Pioneer Bank also argues that appellants purposefully availed themselves of the benefits and protections of Minnesota when they designated “Minnesota as the forum for disputes arising from the APA” and that “this action relates to the APA and arises, in part, out of the transaction described” in the APA.

As discussed above, Pioneer Bank submitted evidence that Zuraw had an ongoing creditor relationship with Kraemer—a Minnesota resident. Appellants entered into the APA with Kraemer and SW9-PS—a Delaware corporation created for the purpose of establishing a bank account in Minnesota. And under the APA, appellants agreed to be governed by Minnesota law in a Minnesota forum to resolve disputes related to the APA; thus, appellants had a “fair warning” that they could be sued in Minnesota. *Gopher Mats*, 16 N.W.3d at 820. We agree with Pioneer Bank that, if its allegations and evidence are taken as true, then the APA forms the basis for Pioneer Bank’s claims that appellants conspired with Kraemer to avoid creditors and specifically to avoid defendants’ obligations to Pioneer Bank.

Because these business contacts show appellants' purposeful availment of the forum state's "benefits and protections," *Juelich*, 682 N.W.2d at 574, the quality of appellants' contacts with Minnesota favors the district court's exercise of personal jurisdiction.

3. Connection Between the Causes of Action and Appellants' Contacts with Minnesota

A plaintiff's claims "must arise out of or relate to the defendant's contacts" with Minnesota. *Ford Motor Co.*, 141 S. Ct. at 1020-21 (quotation omitted). When analyzing this factor, courts "focus on the relationship between the defendant, the forum, and the litigation." *Gopher Mats*, 16 N.W.3d at 822.

Appellants appear to argue that Pioneer Bank's claims are unrelated to appellants' contacts with Minnesota because (1) Pioneer Bank "is not a party to the APA" and (2) the "claims against appellants are also not made under the APA." Appellants argue that the amended complaint "has only the thinnest allegations, made on information and belief," that appellants knew "the transaction was designed to transfer assets over which [Pioneer Bank] had a security interest." Pioneer Bank counters that each of appellants' contacts with Minnesota "is part of or forms the basis of" its claims against appellants and, therefore, the factor favors a finding of personal jurisdiction.

Pioneer Bank alleges an ongoing business relationship between Zuraw and Kraemer through which Kraemer—a Minnesota resident—transferred personal property to 209G and directed accounts receivable to 209G's bank account in Florida. Pioneer Bank—a Minnesota corporation—had a security interest in the transferred assets. When taken as true, the statements made during the video conference show that Zuraw knew Kraemer was

trying to avoid creditors when they entered into the APA. Zuraw formed 209G to “distance” the defendants’ assets from creditors, and at some point, Kraemer “told” Zuraw about Pioneer Bank. Although Pioneer Bank was not a party to the APA, these business dealings between Zuraw and Kraemer form the basis for Pioneer Bank’s fraud, wrongful-interference-with-contract, and civil-conspiracy claims against appellants. Thus, the claims in the amended complaint relate to appellants’ contacts with Minnesota and favor the district court’s exercise of personal jurisdiction.

In sum, the first three factors in the personal-jurisdiction analysis show that appellants had the requisite minimum contacts with Minnesota.

4. Minnesota’s Interest in Providing a Forum

Minnesota’s interest in providing a forum is a “secondary factor.” *Gopher Mats*, 16 N.W.3d at 822. Minnesota has “an interest in providing a forum for its residents who have allegedly been wronged.” *Dent-Air, Inc. v. Beech Mountain Air Serv., Inc.*, 332 N.W.2d 904, 908 (Minn. 1983); *see also Bandemer*, 931 N.W.2d at 755 (stating that Minnesota has “a vital interest in protecting” the rights of its residents). In their brief, appellants concede that “Minnesota may have an interest in providing a forum” for Pioneer Bank. Pioneer Bank alleges that appellants conspired with a Minnesota resident, two Minnesota corporations, and a Delaware corporation with an address and personal property in Minnesota to defraud a Minnesota banking corporation. Because Minnesota has an interest in enforcing its laws and resolving disputes involving its residents, this factor favors the district court’s exercise of personal jurisdiction.

5. Convenience of the Parties

“Like Minnesota’s interest in providing a forum, the convenience of the parties is a secondary consideration in determining the existence of specific personal jurisdiction.” *Husky*, 983 N.W.2d at 113. There is a strong presumption in favor of the plaintiff’s choice of forum. *Bergquist v. Medtronic, Inc.*, 379 N.W.2d 508, 511 (Minn. 1986).

Appellants argue that Minnesota is an inconvenient forum because (1) appellants are in Florida and (2) Pioneer Bank is a “business” and “certainly has the capacity to conduct litigation outside of its home forum when necessary.” Pioneer Bank responds that Minnesota is the most convenient forum because the “majority of the evidence and witnesses, related to Minnesota companies, residents, banks, their property, and their transactions, are likely to be located in Minnesota.”

Pioneer Bank, Kraemer, Might Enterprises, SW9, and SW9-PS are all located in Minnesota. Most of the witnesses and other evidence appear to be in Minnesota. We acknowledge that Zuraw may need to travel if this dispute is litigated in Minnesota. The inconvenience to appellants of Minnesota as a forum does not outweigh the convenience that this forum provides to Pioneer Bank and the other defendants. *See Juelich*, 682 N.W.2d at 575-76 (considering the “convenience of the parties and witnesses” in traveling to a foreign forum). Thus, this factor favors the district court’s exercise of personal jurisdiction.

In conclusion, when accepting Pioneer Bank’s allegations and supporting evidence as true, Pioneer Bank established a *prima facie* case favoring a Minnesota court’s exercise of personal jurisdiction over the nonresident appellants. Therefore, we conclude that the district court did not err by denying appellants’ motion to dismiss.

II. The district court did not abuse its discretion by granting Pioneer Bank's motion for a temporary injunction.

Appellants also challenge the district court's decision to grant Pioneer Bank's motion for a temporary injunction. We review a district court's order granting a temporary injunction for abuse of discretion. *DSCC v. Simon*, 950 N.W.2d 280, 286 (Minn. 2020). "A district court abuses its discretion by making findings of fact that are unsupported by the evidence, misapplying the law, or delivering a decision that is against logic and the facts on record." *Woolsey v. Woolsey*, 975 N.W.2d 502, 506 (Minn. 2022) (quotation omitted). "On review, we consider the facts in the light most favorable to the prevailing party." *Metro. Sports Facilities Comm'n v. Minn. Twins P'ship*, 638 N.W.2d 214, 220 (Minn. App. 2002), *rev. denied* (Minn. Feb. 4, 2002).

"A temporary injunction is an extraordinary equitable remedy" that preserves the status quo before a district court can resolve the case on its merits. *Miller v. Foley*, 317 N.W.2d 710, 712 (Minn. 1982). Because a temporary injunction is granted before trial, "a showing of irreparable harm is required to prevent undue hardship to the party against whom the injunction is issued, whose liability has not yet been determined." *DSCC*, 950 N.W.2d at 286 (quotation omitted).⁵ The five *Dahlberg* factors guide a court's decision on a motion for a temporary injunction:

(1) The nature and background of the relationship between the parties preexisting the dispute giving rise to the request for relief.

⁵ Because we determine that irreparable harm exists and application of the *Dahlberg* factors favors injunctive relief, we do not decide whether irreparable-harm requirement stands apart from the factors. *See id.* ("We consider five factors in reviewing the district court's irreparable harm determination.").

(2) The harm to be suffered by plaintiff if the temporary restraint is denied as compared to that inflicted on defendant if the injunction issues pending trial.

(3) The likelihood that one party or the other will prevail on the merits when the fact situation is viewed in light of established precedents fixing the limits of equitable relief.

(4) The aspects of the fact situation, if any, which permit or require consideration of public policy expressed in the statutes, State and Federal.

(5) The administrative burdens involved in judicial supervision and enforcement of the temporary decree.

Dahlberg Bros. v. Ford Motor Co., 137 N.W.2d 314, 321-22 (Minn. 1965).

The district court considered and weighed each *Dahlberg* factor and granted the temporary injunction. The district court determined that Pioneer Bank “showed irreparable harm in the absence of injunctive relief” and that the first and second factors favored a temporary injunction. The district court concluded that the third *Dahlberg* factor was neutral because the “likelihood of success on the merits favors neither party.” The district court also concluded that the fourth and fifth factors favored injunctive relief because the “public interest favors protecting creditors from fraudulent conveyances” and “[n]o great administrative burden will be incurred to supervise and enforce the temporary injunction.”

Appellants do not challenge factors three, four, and five on appeal. But appellants disagree with the district court’s determinations that Pioneer Bank will incur irreparable harm and that factors one and two favored injunctive relief. We address appellants’ arguments in turn.

A. Irreparable Harm to Pioneer Bank

To obtain a temporary injunction, the movant must establish that their rights would be “irreparably injured before a trial on the merits is held.” *Miller*, 317 N.W.2d at 712; *see also Morse v. City of Waterville*, 458 N.W.2d 728, 729 (Minn. App. 1990) (“The failure to show irreparable harm is, by itself, a sufficient ground upon which to deny a preliminary injunction.”), *rev. denied* (Minn. Sept. 28, 1990). “Irreparable injury can be actual or threatened.” *St. Jude Med., Inc. v. Carter*, 913 N.W.2d 678, 684 (Minn. 2018) (quotation omitted). In some circumstances, irreparable harm may be inferred. *Thermorama, Inc. v. Buckwold*, 125 N.W.2d 844, 845 (Minn. 1964) (inferring irreparable harm from a former employee’s potential solicitation of customers in violation of contract). And irreparable harm “is not always susceptible of precise proof.” *Metro. Sports Facilities Comm’n*, 638 N.W.2d at 222.

Pioneer Bank sought a temporary injunction based on the likely impairment of its “interest in or ability to recover the personal property” that is in appellants’ possession, including SW9’s software and the redirected accounts receivable. Appellants argue that the district court abused its discretion in granting the injunction because Pioneer Bank’s asserted harm is “speculative, non-imminent, and purely economic.”

Purely Economic

Generally, irreparable injury “must be of such a nature that money damages alone would not provide adequate relief.” *Haley v. Forcelle*, 669 N.W.2d 48, 56 (Minn. App. 2003), *rev. denied* (Minn. Nov. 25, 2003). For example, this court has rejected the possible depletion of cash reserves and resulting inability to satisfy a judgment as an irreparable

injury. *U.S. Bank Nat'l Ass'n v. Angeion Corp.*, 615 N.W.2d 425, 435 (Minn. App. 2000), *rev. denied* (Minn. Oct. 25, 2000). But the “fact that the payment of monies is involved does not automatically preclude a finding of irreparable harm.” *Morse*, 458 N.W.2d at 729. The district court concluded that, “while the complaint and [Pioneer Bank’s] affidavit make clear a monetary interest is at issue for the Bank, . . . to ignore the instance of alleged fraud would penalize the Bank.”

Appellants do not address the district court’s discussion of fraud. Instead, appellants argue that Pioneer Bank’s asserted harm is not irreparable because “this action is about money” and money damages “would be an adequate remedy at law.” Appellants imply that Pioneer Bank is seeking an injunction to ensure that appellants and defendants can satisfy any future judgments against them.

Pioneer Bank responds that, if appellants can transfer the disputed assets “so as to hide them or put them out of [Pioneer Bank’s] reach,” its security interest in those assets and “the benefit of its bargain with Might Enterprises and SW9” would “be impaired.” Pioneer Bank also argues that this harm is “distinct” from “the concept that there simply will not be funds to satisfy a judgment.” Pioneer Bank maintains that “[m]oney alone cannot restore” its security interest in the disputed assets, including the software and accounts receivable. And finally, Pioneer Bank urges that accepting appellants’ argument would render Minnesota courts “powerless to stop ongoing fraudulent transfers during the pendency of a case.”

This court’s decision in *Griffin Companies v. First National Bank of St. Paul* is instructive. 374 N.W.2d 768 (Minn. App. 1985). There, Griffin entered into an agreement

to purchase an apartment building from Heritage, a limited partnership. *Id.* at 769. “Under the agreement, Griffin was required to procure an irrevocable letter of credit in the amount of \$50,000 payable to Heritage as earnest money.” *Id.* Griffin obtained the letter of credit from the First National Bank of St. Paul. *Id.* The purchase agreement provided that the letter of credit would “serve as liquidated damages in the event of a default by Griffin.” *Id.* When the closing failed to occur, Heritage demanded payment under the letter of credit. *Id.* To support its demand, Heritage submitted a certificate “stating that the amount was due from Griffin pursuant to the agreement.” *Id.*

Heritage and Griffin disputed who breached the underlying purchase agreement. *Id.* at 769-70. In the subsequent lawsuit, Griffin sought a temporary injunction to prevent liquidation of the letter of credit, claiming that “Heritage knew it was not entitled to payment under the letter, and that consequently its certification that the funds were due was fraudulent.” *Id.* at 770. The district court granted the temporary injunction, and this court affirmed. *Id.* at 769, 772. We recognized “that irreparable harm is not compensable by money damages,” but acknowledged that ongoing fraud is an irreparable harm distinct from a defendant’s failure to pay. *Id.* at 770-71 (concluding that an “injunction is an equitable remedy and to ignore fraud in this instance and permit payment of the letter of credit would favor the wrongdoer and penalize Griffin”).

Like *Griffin*, this case involves a financial dispute and allegations of ongoing fraud. Fraud is not mere economic loss. While money damages may remedy the loss of some of defendants’ accounts receivable, money damages may not remedy Pioneer Bank’s security interest in personal property—the software. *See Metro. Sports Facilities Comm’n*,

638 N.W.2d at 223 (“When there is difficulty and uncertainty in determining damages, it may be far better to prevent injury through a temporary injunction than to attempt to compensate the injured party after the injury has occurred.”). Given the allegations of ongoing fraud, which is not a purely economic harm, we conclude that the district court acted within its discretion by finding irreparable harm.

Speculative and Not Imminent

To obtain injunctive relief, the movant must also show that the threatened injury is “real and substantial” and that the injury “is *likely*, not just possible.” *St. Jude Med.*, 913 N.W.2d at 684-85 (quotation omitted). A temporary injunction “will not be granted unless it clearly appears that there is an immediate prospect that plaintiff will otherwise suffer an irreparable injury.” *Indep. Sch. Dist. No. 35 v. Engelstad*, 144 N.W.2d 245, 248 (Minn. 1966).

The district court found that “an imminent harm is present based on the actions of” appellants and defendants. The district court found that the “frequent transfer of assets from one account to another to shelter assets from creditors presents a great threat” to Pioneer Bank. The district court rejected appellants’ contention that “nothing suggests they would transfer the assets,” citing “the Kraemer agreements.”

Appellants argue that Pioneer Bank “failed to allege any facts about either [209G] or Zuraw that would support a claim of actual, imminent, or likely harm.” Appellants urge that Pioneer Bank’s evidence addresses only the *defendants’* “alleged conduct and intentions and is silent as to those of appellants.” Appellants argue that Pioneer Bank became “aware of” the threatened harm in February 2025; therefore, the “four-month delay

in coming to court to seek injunctive relief” suggests that “the harm is neither great nor imminent.”

Pioneer Bank argues that it has submitted evidence of “a pattern of asset transfers designed to hide assets from creditors just as creditors got close.” Pioneer Bank acknowledges that appellants have “not yet continued” Kraemer’s pattern of transferring the disputed assets to new entities. But Pioneer Bank maintains that, because appellants were “intimately involved in” Kraemer’s scheme to avoid creditors, appellants “were likely to engage in the same or similar conduct.” Pioneer Bank also argues that its four-month delay in seeking injunctive relief was “short” and “does not defeat” its claim of irreparable harm.

During the video conference between Kraemer, Zuraw, and representatives from Pioneer Bank, Kraemer admitted that he sought help from Zuraw to “protect” Might Enterprises’ and SW9’s assets from creditors. Kraemer displayed a matrix that stated 209G was formed to avoid creditors and to “park software.” Appellants entered into the APA with Kraemer, which resulted in the transfer of secured assets from SW9-PS to 209G. Kraemer also stated that Zuraw allowed him to direct Might Enterprises’ and SW9’s accounts receivable to 209G’s bank account to avoid creditors. And Zuraw admitted that Kraemer told him about Pioneer Bank. Viewing this evidence in the light most favorable to Pioneer Bank, appellants knowingly received Pioneer Bank’s secured assets as part of Kraemer’s scheme to shield assets from his creditors. These facts support the district court’s inference that appellants would likely engage in similar fraudulent transfers to

avoid Pioneer Bank as a creditor. *See Thermorama*, 125 N.W.2d at 845 (stating that a finding of the threat of irreparable harm may rest on inferences).

We are not persuaded that Pioneer Bank’s four-month delay in seeking injunctive relief precludes a finding of irreparable harm. Federal cases addressing preliminary injunctions have stated that a movant’s “long delay after learning of the threatened harm may indicate that the harm is neither great nor imminent.” *Minn. Vikings Football Stadium, LLC, v. Wells Fargo Bank, Nat’l Ass’n*, 157 F. Supp. 3d 834, 840 (D. Minn. 2016). But the federal caselaw typically involved longer delays in seeking injunctive relief. *See id.* (stating that a 16-month delay undermines the movant’s claim of irreparable harm); *Novus Franchising, Inc. v. Dawson*, 725 F.3d 885, 895 (8th Cir. 2013) (stating that a 17-month delay “vitiates much of the force of” the movant’s allegations of irreparable harm (quotation omitted)); *Hubbard Feeds, Inc. v. Animal Feed Supplement, Inc.*, 182 F.3d 598, 602-03 (8th Cir. 1999) (stating that an unexplained nine-year delay “belies any claim of irreparable injury pending trial”). Pioneer Bank’s four-month delay in seeking injunctive relief does not undermine the district court’s exercise of discretion on this factor.

We conclude that the district court did not abuse its discretion by determining that Pioneer Bank was likely to suffer irreparable harm in the absence of a temporary injunction.

B. Nature of the Parties’ Relationship

Under factor one, courts consider the “nature and background of the relationship between the parties preexisting the dispute giving rise to the request for relief.” *Dahlberg*, 137 N.W.2d at 321. This factor is concerned with preserving “the status quo until adjudication of the case on the merits.” *Pac. Equip. & Irrigation, Inc. v. Toro Co.*,

519 N.W.2d 911, 915 (Minn. App. 1994), *rev. denied* (Minn. Sept. 16, 1994). The status quo is the “last actual, peaceable, noncontested status which preceded the pending controversy.” *Bellows v. Ericson*, 46 N.W.2d 654, 659 n.9 (Minn. 1951).

The district court found that this factor favored injunctive relief. The district court emphasized that Pioneer Bank had a security interest in personal property, including software, that was transferred to 209G under the APA. The district court also acknowledged Pioneer Bank’s allegations that “customers of Might Enterprises and SW9 deposit payments on Might Enterprises’ and SW9’s accounts receivable into [209G’s] bank account.” The district court concluded that a “temporary injunction to prevent continued transfers of the assets will maintain the status quo until the claims can be heard on the merits.”

Appellants argue that “the temporary injunction upended the status quo, rather than preserving it.” Appellants contend that they had “no previous relationship” with Pioneer Bank and urge that, “other than being a party to the APA,” they “are entirely unrelated to the other defendants and their transactions with” Pioneer Bank. According to appellants, the temporary injunction has “stripped” 209G of “its right to possess assets that it purchased” and that 209G “has lost access to its financial accounts—including access to funds that are entirely unrelated to the APA and the other defendants.” Pioneer Bank counters that the temporary injunction “maintains the status quo” because it preserves disputed assets—which appellants possessed before the injunction—and simply enjoins the disposal of those assets or their transfer to other entities, preserving Pioneer Bank’s “pre-existing security interest.”

We agree with Pioneer Bank. Appellants maintain that 209G “possessed the purchased assets with no plans or intentions of relinquishing possession via a sale or transfer” before the temporary injunction, citing Zuraw’s affidavit. The temporary injunction provides that, during these proceedings, appellants “SHALL NOT sell, liquidate, conceal, appropriate, destroy, transfer, or otherwise impair Pioneer Bank’s interest in or ability to recover any and all personal property of Defendants Might Enterprises, Inc. and [SW9], in which [Pioneer Bank] holds a security interest.” Because 209G possessed the disputed assets without an intent to transfer before this suit, the temporary injunction does not upend the “last actual, peaceable, noncontested status which preceded the pending controversy.” *Bellows*, 46 N.W.2d at 659 n.9. Thus, the district court did not abuse its discretion by concluding that factor one favors granting injunctive relief.

C. Balance of Harms

Under factor two, courts consider the “harm to be suffered by plaintiff if the temporary restraint is denied as compared to that inflicted on defendant if the injunction issues pending trial.” *Dahlberg*, 137 N.W.2d at 321. In balancing the harms, the movant “must show irreparable harm to trigger an injunction” while the nonmoving party “need only show substantial harm to bar it.” *Pac. Equip.*, 519 N.W.2d at 915.

The district court determined that Pioneer Bank showed irreparable harm, as discussed above. The district court also found that appellants and defendants would not suffer substantial harm if a temporary injunction were ordered. The district court acknowledged that Zuraw averred 209G “will go out of business within days without access to the bank accounts.” But the district court found that “the credibility of the claim

is suspect and balancing the harm of [Pioneer Bank] compared to [appellants and defendants] favors the injunction.”

Appellants contend that the temporary injunction has “frozen [209G’s] financial accounts, leaving it without the ability to conduct business in the ordinary course or to pay monthly operating expenses.” Appellants argue that “the temporary injunction could cause [209G] to go out of business” and that this “harm is more than substantial, it is irreparable.”⁶ In essence, appellants urge that any harm suffered by Pioneer Bank “would be minimal” compared to “the total shutdown of [209G’s] bank accounts.” Pioneer Bank counters that this court should defer to the district court’s credibility finding that appellants’ claim “is suspect.”

Appellate courts defer to the district court’s credibility determinations because the district court is in the best position to “weigh the evidence” and “judge the credibility of the witnesses.” *In re Civ. Commitment of Kenney*, 963 N.W.2d 214, 223 (Minn. 2021) (quotations omitted). “A factfinder is not required to accept even uncontradicted testimony if improbable or if surrounding facts and circumstances afford reasonable grounds for doubting its credibility.” *Id.* at 224 (quotation omitted). In weighing the competing harms, the district court discredited Zuraw’s assertion that 209G will go out of business as a result

⁶ In their reply brief, appellants argue for the first time that the district court “applied the wrong legal standard in assessing the harm to appellants.” Specifically, appellants argue that the district court analyzed whether a temporary injunction would cause “irreparable harm” to appellants, rather than “substantial harm.” Generally, issues not raised or argued in an appellant’s principal brief cannot be raised in a reply brief. *Moorhead Econ. Dev. Auth. v. Anda*, 789 N.W.2d 860, 887 (Minn. 2010). Therefore, we decline to consider this argument.

of the temporary injunction. We do not second-guess the district court's credibility determinations on appeal. Thus, the district court did not abuse its discretion by determining that this factor favors injunctive relief.

In conclusion, the district court did not abuse its discretion in determining that (1) Pioneer Bank showed irreparable harm absent a temporary injunction; (2) the nature of the relationship between Pioneer Bank and appellants favors injunctive relief; and (3) the balance of harms favors injunctive relief. Because Pioneer Bank showed irreparable harm, four *Dahlberg* factors favor injunctive relief, and one factor is neutral, we conclude that the district court did not abuse its discretion by granting Pioneer Bank's request for a temporary injunction.

III. The district court's findings are insufficient to facilitate meaningful appellate review of the waived bond requirement.

Generally, a district court may not issue a temporary injunction without requiring the movant to give security "in such sum as the court deems proper, for the payment of such costs and damages as may be incurred or suffered by any party who is found to have been wrongfully enjoined or restrained." Minn. R. Civ. P. 65.03(a). But "the amount of security required on a temporary injunction is within the trial court's discretion and *may be waived entirely* if appropriate." *Bio-Line, Inc. v. Wilfley*, 366 N.W.2d 662, 665 (Minn. App. 1985) (emphasis added), *rev. denied* (Minn. June 27, 1985). To facilitate appellate review, a district court should state its reasons for waiving the bond requirement. *See Bio-Line, Inc. v. Burman*, 404 N.W.2d 318, 322 (Minn. App. 1987) (concluding that the district court abused its discretion by disbursing funds claimed by both parties without a

trial or findings and by either failing to address the security requirement or waiving the requirement without stating its reasons for doing so). Appellate courts review the decision to waive a bond requirement for abuse of discretion. *Id.* at 321-22.

Appellants argue that the district court's order is inadequate because it "provided no analysis to explain what bond would be appropriate or why it would waive the bond requirement." Pioneer Bank counters that the district court "properly exercised its discretion to waive the bond, based upon its determination that the record does not demonstrate that a bond is necessary."

The district court waived the bond requirement after finding that "a security is unnecessary." The district court, however, did not state its reasons for finding that security was unnecessary. Because we cannot meaningfully review the district court's decision to waive the bond requirement, we remand to the district court for additional findings on the bond requirement. In its discretion, the district court may reopen the record.

Affirmed in part and remanded.