

Civil Procedure

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Room 206

Mondays, Wednesdays, & Fridays, 1:30 – 3:15 pm

Personal Jurisdiction

Problem 1

Pat Peevey, a resident of Virginia, filed a lawsuit against Acorn Law School, located in North Carolina, and one of its faculty members, Jim Dixon. Peevey asserts a claim against Acorn for breach of contract, and against Dixon for intentional infliction of emotional distress, and seeks in excess of \$250,000 in damages from each defendant.

In the complaint, Peevey alleges that, after reading an article about Acorn Law School in the Danville (Va.) Register & Bee, she wrote to the school and expressed interest. Acorn responded by mailing a catalog and application form to Peevey's home in Virginia. She completed the application and mailed it back to Acorn. A few months later, she received an acceptance letter from the school. She sent a \$500 deposit and enrolled as a law student in the fall.

In her second year at Acorn, Peevey took a course on "Painfully Complex Litigation" taught by Professor Dixon (a North Carolina resident). Although Peevey believed she had mastered the material, she received a failing grade and, as a result, was dismissed from Acorn for unsatisfactory academic performance. After attempting unsuccessfully to have the grade changed through the law school's appeals process, Peevey returned to Virginia and filed her lawsuit in the U.S. District Court for the Northern District of Virginia.

Peevey alleges that she regularly disagreed with Professor Dixon in class and that Dixon gave her a failing grade in retaliation for her disagreement. She asserts that Dixon intentionally caused her emotional damage, by openly mocking her in front of the class, and that Acorn's refusal to reverse the failing grade amounted to a breach of contract.

Acorn and Dixon each moved to dismiss the complaint for lack of personal jurisdiction in

Virginia. Acorn's only place of business is in North Carolina, and it has never maintained any office, mailing address, or telephone listing in Virginia. The school occasionally sends recruiters to Virginia to inform pre-law advisors and undergraduate students about the school. Dixon has never lived or owned any property in Virginia, and has never had any business dealings there, but he rents a cabin there each year during Acorn's spring break and makes occasional personal visits to the state at other times.

How should the court rule on each defendant's motion to dismiss?

Problem 2

Easycredit Mortgage Co., a Delaware corporation headquartered in Pennsylvania, brought a lawsuit in Pennsylvania court against Sprawlin Development Partnership, a business partnership organized under the laws of North Carolina and doing business exclusively in that state. Easycredit alleges that Sprawlin owes \$250,000 pursuant to a loan agreement between the two entities. Sprawlin sought the loan agreement to secure the funding necessary to develop a residential development in Greensboro, North Carolina. The agreement had been negotiated and signed on behalf of Easycredit by its regional account representative in North Carolina.

Under the agreement, Sprawlin was required to request funds from Easycredit as needed during the construction project. Those requests were made by telephone to Easycredit's Pennsylvania headquarters. After the project was completed, Sprawlin sent interest payments to Easycredit in Pennsylvania. The loan agreement also required Sprawlin to send progress and operating reports on the project to Easycredit in Pennsylvania. The agreement contained a provision specifying that Pennsylvania law would govern any disputes arising out of the agreement, but did not specify where any such disputes should be brought.

Sprawlin moved to dismiss the complaint for lack of personal jurisdiction in Pennsylvania. How should the court rule?

Problem 3

Doug lives in North Carolina. After he became seriously ill, his physician recommended that he visit a medical clinic in Mississippi. Before leaving North Carolina to visit the clinic, Doug signed an agreement to pay for all services received. After he spend five days at the Clinic, the Clinic sent him a bill for \$100,000. When Doug failed to pay, the Clinic sued him for breach of contract in Mississippi state court. Doug was personally served with process in North Carolina pursuant to Mississippi's long-arm statute.

- a) May the court statutorily exercise personal jurisdiction over Doug if the Mississippi long-arm statute is identical (i) New York's, (ii) Rhode Island's, (iii) North Carolina's?
- b) Would the exercise of personal jurisdiction over Doug under the Mississippi statute be permissible under the U.S. Constitution?

Problem 4

Dan operates a gas station near U.S. Interstate 40 in Greensboro, north Carolina. The station is frequented by locals and by interstate travelers using I-40. last summer, Dan changed

a tire on an automobile bearing Missitucky license plates. The car belonged to Vivian, who was driving through Greensboro on her way home from vacation in the Outer Banks. A few days later, after Vivian reached Missitucky, her car swerved out of control and his an embankment. Vivian sued Dan in Missitucky state court, alleging that the accident resulted in his negligence in changing the tire. Dan was served with process in North Carolina pursuant to Missitucky's long-arm statute.

- a) May the court statutorily exercise personal jurisdiction over Dan if the Missitucky long-arm statute is identical (i) New York's, (ii) Rhode Island's, (iii) North Carolina's?
- b) Would the exercise of personal jurisdiction over Dan under the Missitucky statute be permissible under the U.S. Constitution?

Problem 5

HCI is a District of Columbia company that conducts training programs around the country to help servers and sellers of alcohol prevent alcohol abuse. Mariner, a Texas company, owns hotels in five states but has none in D.C. Mariner contacted HCI to arrange for training sessions for its employees. A contract between the parties was negotiated by telephone and by mail over a period of eight months. it was signed in Texas. Pursuant to the contract, HCI conducted four two-day workshops for Mariner, none of them in D.C. HCI issued certificates to people successfully completing the workshops, which allowed them to provide similar training for other mariner employees. HCI sent Mariner materials for these additional sessions, graded the participants' exams, and corresponded with Mariner about the training. When Mariner failed to pay for these services, HCI sued Mariner for breach of contract in a D.C. federal court. Mariner moved to dismiss for lack of jurisdiction. Assuming that mariner falls within D.C.'s long-arm statute, may Mariner constitutionally be subject to personal jurisdiction in D.C.? (See *Health Communications, Inc. v. Mariner Corp.*, 860 F.2d 460 (D.C. Cir. 1988)).