# UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

# PARK WEST GALLERIES, INC., a Michigan Corporation,

Plaintiff,

۷.

Case No.: 2:08-CV-12247 Hon. Lawrence P. Zatkoff Mag. Virginia M. Morgan

FINE ART REGISTRY, an Internet Site based out of Arizona, BRUCE HOCHMAN, a California resident, and THERESA FRANKS, an Arizona resident,

Defendants.

RODGER D. YOUNG, P22652 JAYE QUADROZZI, P71646 YOUNG & SUSSER, P.C. Attorney for Plaintiff 26200 American Drive, Ste. 305 Southfield, MI 48034 248.353.8620/Fax: 248.353.6559 young@youngpc.com

RALPH C. CHAPA, JR., P40612 JONATHAN H. SCHWARTZ, P70819 KAUFMAN, PAYTON & CHAPA Attorneys for Fine Art Registry & Franks 30833 Northwestern Hwy., Ste. 200 Farmington Hills, MI 48334 248.626.5000/Fax: 248.626.2843 <u>rcchapa@kaufmanlaw.com</u> jhschwartz@kaufmanlaw.com IAN C. SIMPSON, P34454 GARAN LUCOW MILLER, P.C. Attorney for Bruce Hochman 1111 West Long Lake Rd., Ste. 300 Troy, MI 48098-6333 248.641.7600/Fax: 248.641.0222 isimpson@garanlucow.com

# NOTICE OF HEARING

## NOTICE OF COMPLIANCE WITH LOCAL RULE 7.1

# DEFENDANT, BRUCE HOCHMAN'S, MOTION TO DISMISS FOR LACK OF PERSONAL JURISDICTION AND FORUM NON-CONVENIENS

## **BRIEF IN SUPPORT OF MOTION**

**CERTIFICATE OF SERVICE** 

# UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

PARK WEST GALLERIES, INC., a Michigan Corporation,

Plaintiff,

۷.

Case No.: 2:08-CV-12247 Hon. Lawrence P. Zatkoff Mag. Virginia M. Morgan

FINE ART REGISTRY, an Internet Site based out of Arizona, BRUCE HOCHMAN, a California resident, and THERESA FRANKS, an Arizona resident,

Defendants.

RODGER D. YOUNG, P22652 JAYE QUADROZZI, P71646 YOUNG & SUSSER, P.C. Attorney for Plaintiff 26200 American Drive, Ste. 305 Southfield, MI 48034 248.353.8620/Fax: 248.353.6559 young@youngpc.com

RALPH C. CHAPA, JR., P40612 JONATHAN H. SCHWARTZ, P70819 KAUFMAN, PAYTON & CHAPA Attorneys for Fine Art Registry & Franks 30833 Northwestern Hwy., Ste. 200 Farmington Hills, MI 48334 248.626.5000/Fax: 248.626.2843 rcchapa@kaufmanlaw.com jhschwartz@kaufmanlaw.com IAN C. SIMPSON, P34454 GARAN LUCOW MILLER, P.C. Attorney for Bruce Hochman 1111 West Long Lake Rd., Ste. 300 Troy, MI 48098-6333 248.641.7600/Fax: 248.641.0222 isimpson@garanlucow.com

# **NOTICE OF HEARING**

PLEASE TAKE NOTICE that the attached Defendant, Bruce Hochman's, Motion

to Dismiss for Lack of Personal Jurisdiction and Forum Non-Conveniens in the above-

captioned matter will be brought on for hearing before the Court, at a date and time to be

set by the Court.

Date: June 10, 2008

s/lan C. Simpson IAN C. SIMPSON Garan Lucow Miller, P.C. 1111 W. Long Lake Rd., Ste. 300 Troy, MI 48098-6333 248.641.7600 isimpson@garanlucow.com (P34454)

@PFDesktop\::ODMA/PCDOCS/TROY/508559/1

# UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

PARK WEST GALLERIES, INC., a Michigan Corporation,

Plaintiff,

٧.

Case No.: 2:08-CV-12247 Hon. Lawrence P. Zatkoff Mag. Virginia M. Morgan

FINE ART REGISTRY, an Internet Site based out of Arizona, BRUCE HOCHMAN, a California resident, and THERESA FRANKS, an Arizona resident,

Defendants.

RODGER D. YOUNG, P22652 JAYE QUADROZZI, P71646 YOUNG & SUSSER, P.C. Attorney for Plaintiff 26200 American Drive, Ste. 305 Southfield, MI 48034 248.353.8620/Fax: 248.353.6559 young@youngpc.com

RALPH C. CHAPA, JR., P40612 JONATHAN H. SCHWARTZ, P70819 KAUFMAN, PAYTON & CHAPA Attorneys for Fine Art Registry & Franks 30833 Northwestern Hwy., Ste. 200 Farmington Hills, MI 48334 248.626.5000/Fax: 248.626.2843 rcchapa@kaufmanlaw.com jhschwartz@kaufmanlaw.com IAN C. SIMPSON, P34454 GARAN LUCOW MILLER, P.C. Attorney for Bruce Hochman 1111 West Long Lake Rd., Ste. 300 Troy, MI 48098-6333 248.641.7600/Fax: 248.641.0222 isimpson@garanlucow.com

# NOTICE OF COMPLIANCE WITH LOCAL RULE 7.1

Pursuant to Local Rule 7.1, the undersigned sought concurrence of Plaintiff's counsel on this Motion, but counsel declined to give such concurrence, necessitating this motion.

Date: June 10, 2008

s/lan C. Simpson IAN C. SIMPSON Garan Lucow Miller, P.C. 1111 W. Long Lake Rd., Ste. 300 Troy, MI 48098-6333 248.641.7600 isimpson@garanlucow.com (P34454)

@PFDesktop\::ODMA/PCDOCS/TROY/508559/1

# UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

PARK WEST GALLERIES, INC., a Michigan Corporation,

Plaintiff,

۷.

Case No.: 2:08-CV-12247 Hon. Lawrence P. Zatkoff Mag. Virginia M. Morgan

FINE ART REGISTRY, an Internet Site based out of Arizona, BRUCE HOCHMAN, a California resident, and THERESA FRANKS, an Arizona resident,

Defendants.

RODGER D. YOUNG, P22652 JAYE QUADROZZI, P71646 YOUNG & SUSSER, P.C. Attorney for Plaintiff 26200 American Drive, Ste. 305 Southfield, MI 48034 248.353.8620/Fax: 248.353.6559 young@youngpc.com

RALPH C. CHAPA, JR., P40612 JONATHAN H. SCHWARTZ, P70819 KAUFMAN, PAYTON & CHAPA Attorneys for Fine Art Registry & Franks 30833 Northwestern Hwy., Ste. 200 Farmington Hills, MI 48334 248.626.5000/Fax: 248.626.2843 <u>rcchapa@kaufmanlaw.com</u> <u>jhschwartz@kaufmanlaw.com</u> IAN C. SIMPSON, P34454 GARAN LUCOW MILLER, P.C. Attorney for Bruce Hochman 1111 West Long Lake Rd., Ste. 300 Troy, MI 48098-6333 248.641.7600/Fax: 248.641.0222 isimpson@garanlucow.com

# DEFENDANT, BRUCE HOCHMAN'S, MOTION TO DISMISS FOR LACK OF <u>PERSONAL JURISDICTION AND FORUM NON-CONVENIENS</u>

NOW COMES the Defendant, BRUCE HOCHMAN, by and through his attorneys,

GARAN LUCOW MILLER, P.C., and in support of his Motion to Dismiss for Lack of

Personal Jurisdiction and Forum Non-Conveniens, brought pursuant to MCR 2.116 and MCR 2.105, states as follows:

1. Defendant, Bruce Hochman, an individual, resides in California.

2. Defendant, Bruce Hochman, has no personal contacts with Michigan and conducts no personal business here. (See **Exhibit A**, Affidavit of Bruce Hochman).

3. Maintaining this suit in Michigan violates both Michigan's Long Arm Statute and the Due Process Clause of the United States Constitution.

4. Additionally, requiring Mr. Hochman to defend this case in Michigan is inconvenient, as he has no ready access to his counsel, and most witnesses are likely to reside in other jurisdictions.

WHEREFORE, Defendant, BRUCE HOCHMAN, respectfully requests that this Court dismiss this action without prejudice for the reason that Michigan has no proper personal jurisdiction, together with all costs and attorneys fees required in compelling Defendant to retain counsel in the state of Michigan.

Date: June 10, 2008

s/lan C. Simpson IAN C. SIMPSON Garan Lucow Miller, P.C. 1111 W. Long Lake Rd., Ste. 300 Troy, MI 48098-6333 248.641.7600 isimpson@garanlucow.com (P34454)

# **INDEX OF CONTROLLING AUTHORITIES**

# CASES

Aaronson v Lindsay & Hauer Int'l Ltd, 235 Mich App 259, 262; 597 NW2d 227 (1999) 3
Asahi Metal Indus. Co. v. Superior Court of California, 480 U.S. 102, 133, 107 S.Ct. 1026, 94 L.Ed.2d 92 (1987)
Bird v. Parsons, 289 F.3d 865, 873, 875 (6th Cir.2002) 4,5,10
<i>Burger King Corp. v. Rudzewicz</i> , 471 U.S. 462, 474, 475, 477, 105 S.Ct. 2174, 2183, 2184, 2185 L.Ed.2d 528 (1985) 6,7,8,9,11
Comm'r of Ins v Albino, 225 Mich App 547, 559; 572 NW2d 27 (1997) 7
CompuServe, Inc. v. Patterson, 89 F.3d 1257, 1267 (6th Cir.1996) 9,10
Cray v. General Motors Corp, 389 Mich 382, 395; 207 NW2d 393 (1973) 12,13
Dean v. Motel 6 Operating L.P., 134 F.3d 1269, 1272 (6th Cir.1998) 2
Grand Kensington, LLC v. Burger King Corp., 81 F.Supp.2d 834, 837 (E.D.Mich.2000)
<i>Green v Wilson</i> , 455 Mich 342, 349-350; 565 NW2d 813 (1997)
Hanson v. Denckla, 357 U.S. 235, 253, 78 S.Ct. 1228, 2 L.Ed.2d 1283 (1958) 6
Helder v. Hitachi Power Tools, USA Ltd., 764 F.Supp. 93, 96 (E.D.Mich.1991) 12
Helicoperos Nacionales de Colombia, S.A. v. Hall, 466 U.S. 408, 104 S.Ct. 1868, 80 L.Ed.2d 404 (1984)
Intera v. Henderson, 428 F.3d 605, 616 (6th Cir.2005) 6
International Shoe Co. v. Washington, 326 U.S. 310, 316, 66 S.Ct. 154, 90 L.Ed. 95 (1945)
<i>Jeffrey v. Rapid America Corp.</i> , 448 Mich 178,188-189 (1995) 11
<i>LAK, Inc. v. Deer Creek Enterprises</i> , 885 F.2d 1293, 1301 (6th Cir.1989), cert. denied, 494 U.S. 1056, 110 S.Ct. 1525, 108 L.Ed.2d 764 (1990)

<i>McGee v. International Life Ins. Co.</i> , 355 U.S. 220, 78 S.Ct. 199, 2 L.Ed.2d 223 (1957)
Miller v Allied Signal, Inc, 235 Mich App 710, 713; 599 NW2d 110 (1999) 1
Neogen Corp. v. Neo Gen Screening, Inc., 282 F.3d 883, 889 (6th Cir. 2002) 8
Piper Aircraft Co. v. Reyno, 454 U.S. 235, 257, 102 S.Ct. 252, 70 L.Ed.2d 419 (1981)12
<i>Reynolds v. International Amateur Athletic Federation</i> , 23 F.3d 1110, 1119 (6th Cir.), cert. denied, 513 U.S. 962, 115 S.Ct. 423, 130 L.Ed.2d 338 (1994)
Sears Roebuck & Co v Sears, 744 F Supp 1289, 1297 (D Del, 1990) 9
Southern Mach. Co. v. Mohasco Indus., Inc., 401 F.2d 374, 381 (6th Cir.1968) 8
Starbrite Distributing, Inc. v. Excelda Manufacturing Company, 454 Mich. 302, 312-13, 562 NW2d 640 (1997) 10,11
<i>Theunissen v. Matthews</i> , 935 F.2d at 1461, 1462 11
<i>Third National Bank of Nashville v. WEDGE Group, Inc.</i> , 882 F.2d 1087, 1089, 1090 (6th Cir.1989)
<i>Tobin v. Astra Pharm. Prod., Inc.</i> , 993 F.2d 528, 543 (6th Cir.1993) 3
U.K. Acquisition Company v. Karen Lightfoot, (Unpublished, April 11, 2006) 13
Welsh v. Gibbs, 631 F.2d 436, 438 (6th Cir.1980) 3 (quoting <i>Data Disc, Inc. v. Sys. Tech. Assocs.</i> , 557 F.2d 1280, 1285 (9th Cir.1977)
W.H. Froh, Inc. v. Domanski, 252 Mich App 220, 230, 232, 651 NW2d 470 8,11
Wines v Lake Havasu Boat Mfg, Inc, 846 F2d 40, 43 (CA 8, 1988) 10
Witbeck v. Bill Cody's Ranch Inn, 428 Mich. 659, 411 NW2d 439, 671 9
<i>World-Wide Volkswagen Corp., v. Woodson</i> , 444 U.S. 286, 291, 297, 100 S.Ct. 559, 62 L.Ed.2d 490 (1980)
Youn v. Track, Inc., 324 F.3d 409, 417, 418 (6th Cir.2003) 2,5,7

# STATUTES/COURT RULES/OTHER AUTHORITY

MCL 600.711; MSA 27A.711	4
MCL 600.705; MSA 27A.705	4
MCL 600.705(2)	7
28 U.S.C. § 1404	12

# BRIEF IN SUPPORT OF MOTION TO DISMISS

Defendant brings this motion to dismiss the instant case on the basis of lack of personal jurisdiction and, alternatively, forum non conveniens. *Miller v Allied Signal, Inc*, 235 Mich App 710, 713; 599 NW2d 110 (1999).

## I.

#### BACKGROUND

Defendant, Bruce Hochman, is a California citizen. Co-Defendant, Fine Art Registry, LLC, is an Arizona based web site, operating a web site dedicated to the education of artists, dealers, experts, and purchasers of fine art and collectibles. Co-Defendant, Theresa Franks, is an Arizona resident.

Mr. Hochman is one of this country's most knowledgeable experts on authentic Salvador Dali works. He was an important force in a resurgence in Salvador Dali popularity in the late 1980's and 1990's after interest had greatly waned after a CBS news *60 Minutes* documentary exposed a worldwide flood of Dali forgeries. Mr. Hochman worked hard to revive the public's faith in Salvador Dali's works, and worked with the late Albert Field, a longtime Dali friend and his personally-appointed archivist, in that effort. For years, Albert Field worked to create a definitive catalog of Salvador Dali's graphic works to end speculation about which works were authentic and which were not. Mr. Hochman worked with Mr. Field in that endeavor, and in the 1996 Albert Fields exhaustive master catalog, *The Official Catalog of the Graphic Works of Salvador Dali*, which was published by The Salvador Dali Archives. The Albert Field catalog is now a definitive source of information on Dali's art. The same year, 1996, Bruce Hochman was inducted into the Salvador Dali

Museum's prestigious "Order of Salvador." He now directs the operations of The Salvador Dali Gallery, Inc., a Nevada corporation doing business in San Juan Capistrano, California.

Bruce Hochman has no knowledge of ever being contacted by any Park West Gallery customers in the state of Michigan. He has never lived in or traveled to Michigan. Mr. Hochman has no employees or agents in Michigan, and does not personally advertise here. His involvement in this case relates to certain past appraisals he has done, and an interview on Salvador Dali art works given by telephone in California, and which was published on Co-Defendant, Fine Art Registry's, Arizona based web site on or about November 6, 2007. The opinions Mr. Hochman expressed during his interview, and when appraising the authenticity of works of art, are given in good faith and are based upon his many years of learning and expertise in the background and history of Salvador Dali and his art. His opinions and statements have always reflected the truth as best he knows it.

#### II.

#### **STANDARD OF REVIEW**

"The party seeking to assert personal jurisdiction bears the burden of demonstrating that such jurisdiction exists." *Youn v. Track, Inc.*, 324 F.3d 409, 417 (6th Cir.2003). When ruling on a jurisdictional motion to dismiss, the court considers the pleadings and affidavits in a light most favorable to the plaintiff. *Dean v. Motel 6 Operating L.P.*, 134 F.3d 1269, 1272 (6th Cir.1998). The plaintiff must make a *prima facie* showing of jurisdiction. Id. If the written submissions raise disputed issues of fact that would defeat jurisdiction or seem to require determinations of credibility, the court has the discretion to order an evidentiary

hearing. Id. The court may also order discovery broad enough to allow the parties to prepare for the evidentiary hearing. Id. At the evidentiary hearing, the plaintiff must establish jurisdiction by a preponderance of the evidence. Id.

III.

#### LEGAL ARGUMENT

As noted, Defendant, Bruce Hochman, resides in San Juan Capistrano, California. He conducts does no personal business and has no significant contacts in Michigan. He has never purposefully availed himself of either Michigan commerce or leisure. Therefore, this case should be dismissed as to him for lack of personal jurisdiction under Federal Rule of Civil Procedure 12(b) (2).

"The burden of establishing jurisdiction is on the plaintiff." *Tobin v. Astra Pharm. Prod., Inc.*, 993 F.2d 528, 543 (6th Cir.1993). Plaintiff must "demonstrate facts which support a finding of jurisdiction in order to avoid a motion to dismiss." *Welsh v. Gibbs*, 631 F.2d 436, 438 (6th Cir.1980) (quoting *Data Disc, Inc. v. Sys. Tech. Assocs.*, 557 F.2d 1280, 1285 (9th Cir.1977)).

A federal court's exercise of jurisdiction over litigants in a diversity of citizenship case must be both: (1) authorized by one of Michigan's long-arm jurisdictional statutes; and (2) consistent with the requirements of the Due Process Clause of the Fourteenth Amendment." *Aaronson v Lindsay & Hauer Int'l Ltd*, 235 Mich App 259, 262; 597 NW2d 227 (1999); see also *Green v Wilson*, 455 Mich 342, 349-350; 565 NW2d 813 (1997).

3

# 1. Michigan's Long Arm Statute:

To comply with the statutory requirements as to an individual defendant, the plaintiff must establish that personal jurisdiction is authorized by either the general jurisdiction statute, MCL 600.711; MSA 27A.711, or the limited/specific jurisdiction statute, MCL 600.705; MSA 27A.705.

# A. General Jurisdiction for Individuals Under M.C.L. § 600.701

Michigan's general jurisdiction "long arm" statute for individuals, M.C.L. § 600.701,

provides as follows:

The existence of any of the following relationships between an individual and the state shall constitute a sufficient basis of jurisdiction to enable the courts of record of this state to exercise general personal jurisdiction over the individual or his representative and to enable such courts to render personal judgments against the individual or representative.

(1) Presence in the state at the time when process is served.

(2) Domicile in the state at the time when process is served.

(3) Consent, to the extent authorized by the consent and subject to the limitations provided in section 745.

A court may claim either "general" or "specific" jurisdiction over a nonresident defendant. *Bird v. Parsons*, 289 F.3d 865, 873 (6th Cir.2002). General jurisdiction exists when a defendant's "contacts with the forum state are of such a continuous and systematic nature that the state may exercise personal jurisdiction over the defendant even if the action is unrelated to the defendant's contacts with the state." Id.; *Third Nat'l Bank of Nashville v. WEDGE Group, Inc.*, 882 F.2d 1087, 1089 (6th Cir.1989).

General jurisdiction is proper only when a defendant's contacts with the forum state are continuous and systematic, permitting the court to exercise personal jurisdiction over the defendant even if the action is unrelated to the defendant's contacts with the state. *Helicoperos Nacionales de Colombia, S.A. v. Hall*, 466 U.S. 408, 104 S.Ct. 1868, 80 L.Ed.2d 404 (1984); Youn v. Track, Inc., 324 F.3d 409, 418 (6th Cir.2003); *Bird v. Parsons*, 289 F.3d 865, 873 (6th Cir.2002).

Mr. Hochman was not present in Michigan when he was served; has never had a domicile in Michigan; and has never consented to jurisdiction in Michigan. He is a shareholder in, and the gallery director of, The Salvador Dali Gallery, Inc., a Nevada corporation doing business in San Juan Capistrano, California. He does no personal business in Michigan, and has never sought to do so. Plaintiff cannot contend that a finding of general jurisdiction is proper in this case. Rather, Plaintiff appears to claim that "specific" jurisdiction exists. Therefore, the court must analyze the presence of limited or specific individual jurisdiction under M.C.L. § 600.705.

# B. Limited or Specific Individual Jurisdiction Under M.C.L. § 600.705

Michigan's "long-arm" statute extends "limited" jurisdiction over non-resident individuals under M.C.L. § 600.705. M.C.L. § 600.705 provides as follows:

The existence of any of the following relationships between an individual or his agent and the state shall constitute a sufficient basis of jurisdiction to enable a court of record of this state to exercise limited personal jurisdiction over the individual and to enable the court to render personal judgments against the individual or his representative arising out of an act which creates any of the following relationships:

(1) The transaction of any business within the state.

(2) The doing or causing an act to be done, or consequences to occur, in the state resulting in an action for tort.

(3) The ownership, use, or possession of real or tangible personal property situated within the state.

(4) Contracting to insure a person, property, or risk located within this state at the time of contracting.

(5) Entering into a contract for services to be rendered or for materials to be furnished in the state by the defendant.

(6) Acting as a director, manager, trustee, or other officer of a corporation incorporated under the laws of, or having its principal place of business within this state.

(7) Maintaining a domicile in this state while subject to a marital or family relationship which is the basis of the claim for divorce, alimony, separate maintenance, property settlement, child support, or child custody.

Specific, or limited, personal jurisdiction is only proper where the claims arise from

or are related to the defendant's contacts with the state. Intera v. Henderson, 428 F.3d

605, 616 (6th Cir.2005). To establish specific jurisdiction, "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, 78 S.Ct. 1228, 2 L.Ed.2d 1283 (1958).

To find limited personal jurisdiction, Mr. Hochman's conduct and connection with the forum

must be such that he "should reasonably anticipate being haled into court there." *Burger* 

*King Corp.*, 471 U.S. at 474.

It is submitted that Mr. Hochman fulfills <u>none</u> of the required criteria listed above.

He did not purposefully avail himself of the privilege of conducting activities within the

Michigan in any way. The only possible basis would be contained in the very broad

provisions of MCL 600.705(2), "The doing or causing an act to be done, or consequences to occur, in the state resulting in an action for tort." Yet, Mr. Hochman never published the allegedly actionable interview, let alone purposefully doing so in Michigan. He did no more than consent to give a telephone interview in California which was later published by the co-Defendant, Fine Art Registry on its Arizona based web site.

It is submitted that none of the above statutory provisions apply to Bruce Hochman personally to make jurisdiction proper under Michigan's long arm statute in this case.

#### C. Due Process.

Under the facts before this court, maintaining this case in Michigan would violate Bruce Hochman's due process rights. Due process is satisfied only where the defendant has "sufficient minimum contacts" with the forum state "such that the maintenance of the suit does not offend 'traditional notions of fair play and substantial justice.' " *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 475, 105 S.Ct. 2174, 85 L.Ed.2d 528 (1985); Youn v. *Track, Inc.*, 324 F.3d 409, 417 (6th Cir.2002); *Int'l Shoe Co. v. Washington*, 326 U.S. 310, 316, 66 S.Ct. 154, 90 L.Ed. 95 (1945).

The proper constitutional inquiry involves a determination of whether Mr. Hochman "purposefully established 'minimum contacts,' or a nexus, with Michigan so as to require him to defend himself in Michigan without offending traditional notions of 'fair play and substantial justice.'" *Comm'r of Ins v Albino*, 225 Mich App 547, 559; 572 NW2d 27 (1997). Minimum contacts exist when "the defendant's conduct and connection with the forum state are such that he should reasonably anticipate being haled into court there." *World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 297, 100 S.Ct. 559, 62 L.Ed.2d 490 (1980). The defendant must "purposefully avail himself of the privilege of conducting activities within the forum state, thus invoking the benefits and protections of its laws." *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 475, 105 S.Ct. 2174, 85 L.Ed.2d 528 (1985).

The Sixth Circuit uses a three-part test in addressing the due process requirements for specific jurisdiction which was developed in *Southern Mach. Co. v. Mohasco Indus., Inc.*, 401 F.2d 374, 381 (6th Cir.1968). First, the defendant must purposefully avail himself of the privilege of acting in the forum state or causing a consequence in the forum state. Second, the cause of action must arise from the defendant's activities there. Finally, the acts of the defendant or consequences caused by the defendant must have a substantial enough connection with the forum state to make the exercise of jurisdiction over the defendant reasonable.

## 1. Purposeful Availment

The first part of the *Intera/Mohasco* test requires Mr. Hochman to have reached beyond his own state of California to purposefully avail himself of the privilege of "exploiting the other state's business opportunities." *W.H. Froh, Inc. v. Domanski, supra*, 252 Mich App at 230, 651 NW2d 470. "Purposeful availment" is the "constitutional touchstone" of personal jurisdiction. *Neogen Corp. v. Neo Gen Screening, Inc.*, 282 F.3d 883, at 889 (6th Cir. 2002).

As the Sixth Circuit explained in *Third National Bank in Nashville v. WEDGE Group, Inc.*, 882 F.2d 1087 (6th Cir.1989), the "purposeful availment" requirement:

> ensures that a defendant will not be haled into a jurisdiction as a result of "random," "fortuitous," or "attenuated" contacts, or of the "unilateral activity of another party or a third person." Jurisdiction is proper, however, where the contacts proximately

result from actions by the defendant himself that create a "substantial connection" with the forum State.

882 F.2d at 1090 quoting Burger King, 471 U.S. at 475, 105 S.Ct. at 2183-84.

In assessing a defendant's contacts with the forum state, " '[i]t is the 'quality' of [the] contacts,' and not their number or status, that determines whether they amount to purposeful availment." *Reynolds v. International Amateur Athletic Federation*, 23 F.3d 1110, 1119 (6th Cir.), cert. denied, 513 U.S. 962, 115 S.Ct. 423, 130 L.Ed.2d 338 (1994); *LAK, Inc. v. Deer Creek Enterprises*, 885 F.2d 1293, 1301 (6th Cir.1989), cert. denied, 494 U.S. 1056, 110 S.Ct. 1525, 108 L.Ed.2d 764 (1990).

Although a single contract with a resident of the forum state may constitute "purposeful availment" under *McGee v. International Life Ins. Co.*, 355 U.S. 220, 78 S.Ct. 199, 2 L.Ed.2d 223 (1957) and *CompuServe, Inc. v. Patterson*, 89 F.3d 1257 (6th Cir.1996), both cases involved purposeful and intentional conduct to do business in the forum state. By contrast, Bruce Hochman's contacts with Michigan, if any, were "random," "fortuitous," and "attenuated" and the result of Co-Defendant publishing an interview that he gave in California on its Arizona web site. No contacts with Michigan were the result of any deliberate actions taken by Mr. Hochman himself. Such contacts do not satisfy the "purposeful availment" requirement.

Mr. Hochman does ot personally advertise in any national publications but even if he did, that would not constitute a minimum contact with the state absent evidence that such advertisements generated sufficient personal business in the state. *Witbeck v. Bill Cody's Ranch Inn*, 428 Mich. 659, 411 NW2d 439, at 671; *Sears Roebuck & Co v Sears*, 744 F Supp 1289, 1297 (D Del, 1990); *Wines v Lake Havasu Boat Mfg, Inc*, 846 F2d 40,43 (CA 8, 1988). That is not the case here.

Mr. Hochman does author the Annual Print Price Guide to the Graphic Works of Salvador Dali, which is mentioned on The Salvador Dali Gallery, Inc. web site, but he does not maintain his own web site. Mr. Hochman does no personal business in Michigan. The corporation he works for does not target Michigan, and has no known sales to Michigan customers. Any appraisals he has done for the corporation are truly random and fortuitous. Thus, he carries on no continuous and systematic business in Michigan. He certainly did not expect to be hailed into Michigan by giving an interview on Co-Defendant's Arizona web site.

## 2. Arising From Defendant's Activities

Under the second prong of the *Mohasco* test, the cause of action must arise from the defendant's activities within the forum state. "If a defendant's contacts with the forum state are related to the operative facts of the controversy, then an action will be deemed to have arisen from those contacts." *Bird v. Parsons*, 289 F.3d at 875 (quoting *Compuserve, Inc. v. Patterson, supra*, 89 F.3d at 1267).

Again, the Court is referred to the previous discussion and the facts showing no activities conducted by Mr. Hochman in Michigan.

#### 3. Substantial Connection

The final *Mohasco* factor is whether the defendant's activities are so substantially connected with Michigan that the exercise of personal jurisdiction over the defendant is reasonable. *Starbrite Distributing, Inc. v. Excelda Manufacturing Company*, 454 Mich. 302,

312-13, 562 NW2d 640 (1997). The Sixth Circuit has held that an inference arises that the third prong of the *Mohasco* test is satisfied if the first and second prongs are met. *Theunissen v. Matthews*, 935 F.2d at 1461. To overcome this, the defendant must present a "compelling case that the presence of some other considerations render personal jurisdiction unreasonable." *Starbrite*, 454 Mich. at 313, 562 N.W.2d 640 (quoting *Burger King*, 471 U.S. at 477). The Court then is to balance the "burden on the defendant, the interests of the forum state, and the plaintiff's interest in obtaining relief." *Theunissen*, 935 F.2d at 1462; *Asahi Metal Indus. Co. v. Superior Court of California*, 480 U.S. 102, 133, 107 S.Ct. 1026, 94 L.Ed.2d 92 (1987).

Again, the first two prongs under the *Mohasco* analysis are <u>not</u> met as to Bruce Hochman. He lives and works for The Salvador Dali Gallery, Inc. in San Juan Capistrano in southern California. He does not travel to Michigan and does not purposefully seek Michigan business. He has no real or continuous contacts in Michigan. He does not reside in Michigan. He does not own real estate in Michigan. He does not maintain a bank account in Michigan. He has no licenses issued by the State of Michigan.

Plaintiff bears the burden of establishing that overall considerations of fairness are met in this case and that the court exercising limited personal jurisdiction comports with fair play and substantial justice. *Jeffrey v. Rapid America Corp.*, 448 Mich 178, at 188-189 (1995), *W H Froh, Inc. V. Domanski*, 252 Mich App 220, 232; 651 NW2d 470 (2002). The United States Supreme Court, in *World-Wide Volkswagen Corp v Woodson*, 444 US 286, 291; 100 S Ct 559; 62 L Ed 2d 490 (1980) noted that the requirement of minimum contacts "protects the defendant against the burdens of litigating in a distant or inconvenient forum."

Bruce Hochman will not be able to effectively defend or participate in the progress of this action, and the cost of presenting witnesses to defend this case, and prosecuting his meritorious defenses will be much greater in Michigan. Under the circumstances, the courts would hold that traditional notions of fair play and substantial justice would be offended by forcing him to defend a lawsuit in Michigan. *International Shoe Co. v. Washington*, 326 U.S. 310, 316, 66 S.Ct. 154, 90 L.Ed. 95 (1945).

# C. Forum Non-Conveniens.

Defendant, Bruce Hochman, also requests that venue be transferred to a United States District Court in California or Arizona on *forum non conveniens* grounds under 28 U.S.C. § 1404. Michigan is not a convenient forum as few of the [other] parties are here nor, apparently, are any of the witnesses or other evidence necessary for trial" of this suit.

The principle of *forum non conveniens* establishes the right of a court to resist imposing its jurisdiction even where it could be properly invoked. *Cray v. General Motors Corp*, 389 Mich 382, 395; 207 NW2d 393 (1973). Transfers of venue under *forum non-conveniens* are guided by the public and private interests at stake. *Piper Aircraft Co. v. Reyno*, 454 U.S. 235, 257, 102 S.Ct. 252, 70 L.Ed.2d 419 (1981). *Helder v. Hitachi Power Tools, USA Ltd.*, 764 F.Supp. 93, 96 (E.D.Mich.1991). Relevant factors include:

- 1. the convenience of the parties;
- 2. the convenience of the witnesses;
- 3. the relative ease of access to sources of proof;
- 4. the availability of process to compel attendance of unwilling witnesses;
- 5. the cost of obtaining willing witnesses;
- 6. the practical problems associated with trying the case most expeditiously and inexpensively; and
- 7. the interest of justice.

In *Cray v. General Motors Corp*, 389 Mich 382, 395; 207 NW2d 393 (1973), the Court noted that other factors to be considered in deciding whether to dismiss on the basis of *forum non conveniens* include the possibility that the forum(s) chosen may have been, in part, to "harass." A recent unpublished decision of the Michigan Court of Appeals in *U.K. Acquisition Company v. Karen Lightfoot*, (Unpublished, April 11, 2006) is persuasive and on point. (See **Exhibit B**). In that case, the defendant resided in England. The Plaintiff, just as here, brought two suits, on in Michigan and one in Florida. The court noted that it was simply unfair to exercise jurisdiction in Michigan where the burden on the defense would be substantial. The court stated:

**Factors relevant to this inquiry include "the burden on the defendant,** the forum state's interest in adjudicating the dispute, the plaintiff's interest in obtaining convenient and effective relief, the interstate judicial system's interest in obtaining the most efficient resolution of controversies, and the shared interest of the several states in furthering fundamental substantive social policies."

In the case at bar, the burden on defendant in being required to defend a lawsuit in Michigan is substantial. Defendant resides in England and has no family, property, business relationships, or any other interest in Michigan. Moreover, defendant will presumably be required to travel to Florida in connection with the breach of contract lawsuit that—by plaintiff's choice—is pending there.

In this case, all three Defendants are located in contiguous states in the southwest,

Arizona and California. Plaintiff alleges being "the worlds largest private art gallery" and does business around the country and is incorporated in different states. Therefore, it can

readily afford to prosecute this action in a southwest jurisdiction as readily as anywhere

else. It has already, on its own accord, instituted yet another action against these

Defendants in Dade County, Florida! That action speaks clearly of its ability to prosecute this case anywhere and everywhere. Documents can probably more easily be dealt with closer to where the Defendants reside. See *Grand Kensington, LLC v. Burger King Corp.*, 81 F.Supp.2d 834, 837 (E.D.Mich.2000). It is submitted that the interests of justice militate in favor of a transfer of this action to a federal forum in the southwest.

# III.

# CONCLUSION

Where Defendant, BRUCE HOCHMAN, has no residence, or other contacts with the State of Michigan, conducts no business here, and has no minimum contacts sufficient to satisfy the Due Process Clause of the constitution of the United States of American, or Michigan's "long arm" statute, it is respectfully prayed that this Court dismiss this action as to him, and award costs and attorney fees so wrongfully incurred in its defense.

Date: June 10, 2008

s/lan C. Simpson IAN C. SIMPSON Garan Lucow Miller, P.C. 1111 W. Long Lake Rd., Ste. 300 Troy, MI 48098-6333 248.641.7600 isimpson@garanlucow.com (P34454)

@PFDesktop\::ODMA/PCDOCS/TROY/508559/1

# **CERTIFICATE OF SERVICE**

The undersigned certifies that the foregoing instrument was filed with the U.S. District Court through the ECF filing system and that all parties to the above cause were served via the ECF filing system on June 10, 2008.

Date: June 10, 2008

s/lan C. Simpson IAN C. SIMPSON Garan Lucow Miller, P.C. 1111 W. Long Lake Rd., Ste. 300 Troy, MI 48098-6333 248.641.7600 isimpson@garanlucow.com (P34454)

@PFDesktop\::ODMA/PCDOCS/TROY/508559/1