

Poetry Corporation, Plaintiff,
v.
Conway Stores, Inc.; CW Operating, LLC; Metro Buying Group, LLC; and Does 1-10 inclusive,
Defendants.

No. CV 14-01787 RSWL (JPRx).

United States District Court, C.D. California.

August 21, 2014.

**ORDER RE: DEFENDANTS' MOTION TO DISMISS COMPLAINT PURSUANT
TO FEDERAL RULE OF CIVIL PROCEDURE 12(b)(2) [61]**

RONALD S.W. LEW, Senior District Judge.

Currently before the Court is Defendants Conway Stores Inc. ("Conway"), CW Operating, LLC ("CWO"), and Metro Buying Group, LLC's ("Metro") (collectively, "Defendants") Motion to Dismiss Complaint Pursuant to Fed. R. Civ. P. 12(b)(2) [61]. The Court, having reviewed all papers submitted pertaining to this Motion, NOW FINDS AND RULES AS FOLLOWS: The Court DENIES Defendants' Motion.

I. BACKGROUND

A. Factual Background

Plaintiff Poetry Corporation ("Plaintiff") is a California corporation in the business of selling wholesale garments, with its principal place of business in the County of Los Angeles, California. Compl. ¶ 1. Defendant Conway is a New York corporation with its principal place of business in the state of New York. Id. at ¶ 2. Defendant CWO is a New York limited liability company with its principal place of business in New York. Id. at ¶ 3. Defendant CWO did business under the fictitious business name, "CW Price, LLC" in California. Id. Defendant Metro is a New York limited liability company with its principal place of business in the state of New York. Id. at ¶ 4. Defendants CWO and Metro are affiliated and/or have a parent-subsidiary relationship. Id. at ¶ 5. Defendants CWO and Metro are affiliates and/or subsidiaries of Defendant Conway. Id.

Plaintiff alleges that on or about July 1, 2013, Plaintiff entered into a series of contracts with Defendants to sell and deliver garments to Defendants. Id. at ¶ 16. Plaintiff alleges that, while it performed all conditions, covenants, obligations, and promises under the contracts, it has not been paid for the sum owed. Id. at ¶¶ 17-18. As a result of Defendants' breach, Plaintiff asserts four causes of action against Defendants: (1) breach of contract, (2) open book account, (3) account stated, and (4) unjust enrichment — constructive trust. Plaintiff asserts that it is entitled to recover the principal sum of \$336,656.40, plus interest. Id. at ¶¶ 19-28. Plaintiff also requests an order from the Court declaring that all unpaid goods remaining in the possession, custody, and control of Defendants are held by the Defendants in constructive trust for the benefit of Plaintiff. Id. at ¶ 28. Plaintiff also requests an order that Defendants reconvey said goods to Plaintiff. Id.

B. Procedural Background

Plaintiff filed its Complaint on March 11, 2014 [1]. On April 26, 2014, Plaintiff filed a Request for Clerk to Enter Default against Defendants [24, 25, 26]. The Court entered default as to all Defendants on May 5, 2014 [29]. On May 20, 2014, Defendants filed a Motion to Dismiss for Lack of Jurisdiction [34], which the Court struck because default had already been entered against Defendants [35].

On June 3, 2014, Defendants filed a Motion to Vacate Entry of Default [39], which the Court granted [57]. Defendants filed the instant Motion to Dismiss Complaint Pursuant to Fed. R. Civ. P. 12(b)(2) on July 18, 2014 [61]. Plaintiff filed an

Opposition on July 29, 2014 [65] and Defendants filed their Reply on August 4, 2014 [67]. This matter was set for hearing on August 19, 2014 and was taken under submission on August 15, 2014 [68].

II. LEGAL STANDARD

A. Motion to Dismiss Pursuant to Fed. R. Civ. P. 12(b)(2)

Pursuant to Federal Rule of Civil Procedure 12(b)(2), a district court cannot proceed against a defendant over which it lacks personal jurisdiction unless that defendant has waived the requirement. See Ins. Corp. of Ireland, Ltd. v. Compagnie des Bauxites de Guinee, 456 U.S. 694, 702-03 (1982). Because no applicable federal statute governs jurisdiction in this case, California personal jurisdiction law applies. See Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1320 (9th Cir. 1998). The exercise of personal jurisdiction over a nonresident defendant requires the presence of two factors: (1) California's laws must provide a basis for exercising personal jurisdiction, and (2) the assertion of personal jurisdiction must comport with due process. Hirsch v. Blue Cross, Blue Shield of Kansas City, 800 F.2d 1474, 1477 (9th Cir. 1986). California's long arm statute permits the exercise of personal jurisdiction to the fullest extent permitted by due process. See Cal. Civ. Proc. Code § 410.10; Panavision, 141 F.3d at 1320. "Because California's long-arm jurisdictional statute is coextensive with federal due process requirements, the jurisdictional analyses under state law and federal due process are the same." Schwarzenegger v. Fred Martin Motor Co., 374 F.3d 797, 800-01 (9th Cir. 2004). Thus, only a due process analysis is required here.

Due process requires that a defendant have "certain minimum contacts with [the forum state] such that the maintenance of the suit does not offend traditional notions of fair play and substantial justice." Int'l Shoe Co. v. Washington, 326 U.S. 310, 316 (1945) (internal quotation marks omitted). The plaintiff bears the burden of proving that each defendant has sufficient minimum contacts with the forum state that warrant the court's exercise of personal jurisdiction. Harris Rutsky & Co. Ins. Servs., Inc. v. Bell & Clements Ltd., 328 F.3d 1122, 1130 (9th Cir. 2003) ("Personal jurisdiction over each defendant must be analyzed separately."); Rio Props., Inc. v. Rio Int'l Interlink, 284 F.3d 1007, 1019 (9th Cir. 2002). Depending on the nature and scope of the defendant's contacts with the forum, jurisdiction may be general or specific to a cause of action. Roth v. Garcia Marquez, 942 F.2d 617, 620 (9th Cir. 1991).

When a defendant's contacts with the forum state are "substantial" or "continuous and systematic," general jurisdiction may be exercised over that defendant for any cause of action, even if it is unrelated to the defendant's activities within the forum state. Schwarzenegger, 374 F.3d at 801-02; Data Disc, Inc. v. Sys. Tech. Assocs., 557 F.2d 1280, 1287 (9th Cir. 1977). In cases where a defendant's contacts are insufficient to support an exercise of general jurisdiction, more limited specific jurisdiction may be found where a cause of action arises out of or is related to the defendant's activities in the forum state. Burger King Corp. v. Rudzewicz, 471 U.S. 462, 472-73 (1985); Ballard v. Savage, 65 F.3d 1495, 1498 (9th Cir. 1995). "Specific jurisdiction may be exercised with a lesser showing of minimum contacts than is required for the exercise of general jurisdiction." ACORN v. Household Int'l, Inc., 211 F. Supp. 2d 1160, 1164 (C.D. Cal. 2002). The Ninth Circuit uses a three-part test to determine whether there is specific jurisdiction over a defendant: (1) the defendant either purposefully directed its activities at the forum or purposefully availed itself of the privilege of conducting activities in the forum; (2) the plaintiff's claim arises out of or results from the defendant's forum-related activities; and (3) the court's exercise of personal jurisdiction over the defendant is reasonable. Boschetto v. Hansing, 539 F.3d 1011, 1016 (9th Cir. 2008).

As to the first prong, the Ninth Circuit generally uses a purposeful direction analysis when an action sounds in tort, whereas it uses a purposeful availment analysis when an action sounds in contract. Wash. Shoe Co. v. A-Z Sporting Goods Inc., 704 F.3d 668, 672-73, n.2 (9th Cir. 2012).

"When a district court acts on a defendant's motion to dismiss under Rule 12(b)(2) without holding an evidentiary hearing, the plaintiff need make only a prima facie showing of jurisdictional facts to withstand the motion to dismiss." Ballard, 65 F.3d at 1498. In order to make a prima facie showing, the plaintiff must produce admissible evidence, which, if believed, would be sufficient to establish the Court's personal jurisdiction. Enriquez v. Interstate Grp., LLC, No. 11-CV-05155 YGR, 2012 WL 3800801, at *3 (N.D. Cal. Aug. 31, 2012). Accordingly, a district court is to take uncontroverted allegations in the complaint as true. AT&T Co. v. Compagnie Bruxelles Lambert, 94 F.3d 586, 588 (9th Cir. 1996). However, "mere allegations of the complaint, when contradicted by affidavits, are [not] enough to confer personal jurisdiction of a nonresident defendant. In such a case, facts, not mere allegations, must be the touchstone." Taylor v. Portland Paramount Corp., 383 F.2d 634, 639 (9th Cir. 1967). See also Chem Lab Prods., Inc. v. Stepanek, 554 F.2d 371, 372 (9th Cir. 1977); Cummings v. W. Trial

Lawyers Ass'n, 133 F. Supp. 2d 1144, 1154 (D. Ariz. 2001). Parties may go beyond the pleadings and support their positions with discovery materials, affidavits, or declarations. Am. Inst. of Intradermal Cosmetics, Inc. v. Soc'y of Permanent Cosmetic Prof's, No. CV 12-06887 GAF JCGX, 2013 WL 1685558, at *4 (C.D. Cal. Apr. 16, 2013). "[C]onflicts between the facts contained in the parties' affidavits must be resolved in [the plaintiff's] favor for purposes of deciding whether a prima facie case for personal jurisdiction exists." AT&T, 94 F.3d at 588. "At the same time, however, the plaintiff must submit *admissible* evidence in support of its prima facie case." *Id.* (emphasis added).

III. ANALYSIS

A. Request for Judicial Notice

As a preliminary matter, Defendants request that the Court take judicial notice of a memorandum issued by Judge Dale S. Fischer in *Urban Textile, Inc. v. Conway Stores, Inc., et al.*, Case No. CV 14-2438 DSF (AJWx). Defs.' Request for Judicial Notice ("RJN"), Ex. 1.

Plaintiff also requests that the Court take judicial notice of: (1) the docket and Answer of Conway Stores, Inc. in *Gold Value Int'l v. Conway Stores*, Case No. CV-14-00986-PA-SS; (2) the docket of *Unicolors v. Conway Stores*, Case No. CV-07-03763-ABC-RC; (3) the docket and Answer of Conway Stores, Inc. in *Meridian Textiles v. Conway Stores*, Case No. CV 13-04535-RGK-PJW; and (4) the Opinion of the Tax Court of New Jersey in *Morris Cohen v. Director of Taxation Division*, Case No. 000385-2009. Pl.'s RJN, Exs. 1-4.

Because the documents are not subject to reasonable dispute and are capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned (see Lee v. City of L.A., 250 F.3d 668, 689 (9th Cir. 2001)), the Court GRANTS the Parties' respective Requests for Judicial Notice.

B. General Jurisdiction

"A defendant whose contacts with a state are 'substantial' or 'continuous and systematic' can be haled into court in that state in any action, even if the action is unrelated to those contacts." Bancroft & Masters, Inc. v. Augusta Nat'l, Inc., 223 F.3d 1082, 1086 (9th Cir. 2000) (citing Helicopteros Nacionales de Colombia, S.A. v. Hall, 466 U.S. 408, 415 (1984)). "This is known as general jurisdiction." *Id.* "The standard for general jurisdiction 'is an exacting standard, as it should be, because a finding of general jurisdiction permits a defendant to be haled into court in the forum state to answer for any of its activities anywhere in the world.'" Mavrix Photo, Inc. v. Brand Techs., Inc., 647 F.3d 1218, 1224 (9th Cir. 2011) (quoting Schwarzenegger, 374 F.3d at 801).

"To determine if a defendant's activities within the forum are 'continuous and systematic' or 'substantial,' the court must examine all of its activities impacting the state." Barantsevich v. VTB Bank, 954 F. Supp. 2d 972, 983 (C.D. Cal. 2013). "Factors to be taken into consideration are whether the defendant makes sales, solicits or engages in business in the state, serves the state's markets, designates an agent for service of process, holds a license, or is incorporated there." Bancroft, 223 F.3d at 1086 (citing Hirsch, 800 F.2d at 1478).

"[D]etermining whether a corporate defendant's contacts in a particular case are substantial and continuous turns on the 'economic reality of the defendants' activities rather than a mechanical checklist.'" Tuazon v. R.J. Reynolds Tobacco Co., 433 F.3d 1163, 1173 (9th Cir. 2006) (citing Gates Learjet Corp. v. Jensen, 743 F.2d 1325, 1331 (9th Cir. 1984)).

Plaintiff argues that the Court has general jurisdiction over Defendants because (1) Defendants have attended several trade shows in Los Angeles in the past several years, (2) Defendants have subjected themselves to jurisdiction in California courts in other actions, and (3) Defendants were purportedly purchased by National Stores, Inc., a California entity. Opp'n 12:10-14:7.

The Court finds that such is insufficient to make a finding of general jurisdiction over Defendants.^[1] First, the fact that Defendants have attended several trade shows in Los Angeles is not a contact that would be considered systematic and continuous. See *The Hillman Group, Inc. v. Hy-Ko Products Co.*, No. CV 07-2446-PHX-JAT, 2008 WL 3583253, at *5 (D. Ariz. Aug. 13, 2008). Further, Plaintiff fails to provide any argument or case authority supporting how Defendants' failure to

contest personal jurisdiction in other cases or National Stores, Inc.'s purported purchase of Defendants^[2] support a finding of general jurisdiction in this Action. Indeed, Defendants' principal places of business are in New York (Compl. ¶¶ 2-4), and they do not have a physical address, telephone number, or facsimile listing in California (Cohen Decl. ¶ 13). Plaintiff does not allege that Defendants are incorporated in California or have any agent for service of process, offices, stores, bank accounts, personal or real property, or telephone listings in California.

Given the stringent standard for general jurisdiction and Plaintiff's lack of support to make such a finding, the Court finds that Plaintiff has failed to meet its burden in showing that Defendants' contacts "approximate physical presence" in the forum. See Bancroft, 223 F.3d at 1086. The Court thus finds that it lacks general jurisdiction over Defendants.

C. Specific Jurisdiction

Specific jurisdiction is proper only when (1) the defendant has performed some act by which he purposefully avails himself of the privilege of conducting activities in the forum, thereby invoking the benefits and protections of its laws; (2) the claim arises out of, or results from, the defendant's forum-related activities; and (3) the exercise of jurisdiction is "reasonable." Terracom v. Valley Nat'l Bank, 49 F.3d 555, 560 (9th Cir. 1995) (citing Shute v. Carnival Cruise Lines, 897 F.2d 377, 381 (9th Cir. 1990)).

The plaintiff bears the burden of satisfying the first two prongs of the test. Schwarzenegger, 374 F.3d at 802 (citing Sher v. Johnson, 911 F.2d 1357, 1361 (9th Cir. 1990)). If the plaintiff fails to satisfy either of these prongs, personal jurisdiction is not established in the forum state. *Id.* If the plaintiff succeeds in satisfying both of the first two prongs, the burden then shifts to the defendant to "present a compelling case" that the exercise of jurisdiction would not be reasonable. *Id.*

1. Purposeful Availment

Considering the first prong of the Ninth Circuit's specific jurisdiction test (Boschetto, 539 F.3d at 1016), the Court must determine whether a purposeful direction or purposeful availment analysis of Defendants' conduct is appropriate. See Wash. Shoe Co., 704 F.3d at 672-73. The Ninth Circuit noted that although the phrase "purposeful availment" was historically used in shorthand fashion to include both "purposeful availment" and "purposeful direction," "availment and direction are, in fact, two distinct concepts." Schwarzenegger, 374 F.3d at 802. "A purposeful availment analysis is most often used in suits sounding in contract. A purposeful direction analysis, on the other hand, is most often used in suits sounding in tort." *Id.* (internal citations omitted); Wash. Shoe Co., 704 F.3d at 672.

Here, Plaintiff has asserted claims for breach of contract, open book account, account stated, and unjust enrichment. Plaintiff relies on a series of contracts, consisting of purchase orders, between the Parties as the basis for its claims. See Compl. ¶¶ 16-19, 21, 24-25, 27. Furthermore, Plaintiff's claims for open book account, account stated, and unjust enrichment all stem from Defendants' purported failure to pay the \$336,656.40 that was due under the Parties' contracts. Because Plaintiff's claims arise out of Defendants' purported failure to pay Plaintiff for the sum owed under a series of contracts, the Court finds that this Action sounds primarily in contract. As such, the first prong is analyzed under the "purposeful availment" standard. See Repwest Ins. Co. v. Praetorian Ins. Co., 890 F. Supp. 2d 1168, 1188 (D. Ariz 2012) ("In cases arising out of contractual relationships, including those involving related tort claims, the Ninth Circuit applies the 'purposeful availment' test).

On balance, the Court finds that Defendants purposefully availed themselves of the privilege of conducting activities in California. The purposeful availment analysis considers "prior negotiations and contemplated future consequences, along with the terms of the contract and the parties' actual course of dealing" to determine whether the defendant "purposefully established minimum contacts within the forum." Amini Innovation Corp. v. JS Imports, Inc., 497 F. Supp. 2d 1093, 1103 (C.D. Cal. 2007) (citing Burger King, 471 U.S. at 479). Here, Plaintiff presents evidence that Defendants' representatives have physically traveled to California to conduct business and consummate transactions with Plaintiff over the past several years. In particular, Plaintiff provides a declaration from Shannon Chon, its Chief Financial Officer ("CFO"), in which she details the way the Parties conducted business over the past ten years. Chon Decl. ¶ 7. According to Ms. Chon, Defendants' representatives traveled to Plaintiff's premises in Los Angeles, California on a monthly basis to review merchandise, negotiate transactions, and place orders for purchase of garments.^[3] *Id.* On almost every occasion, these representatives would hand fill and sign purchase orders at the Los Angeles, California location. *Id.* Plaintiff specifically

identifies these representatives as: (1) Mary Ryan (a buyer for Defendants), (2) Barbara Weiner (a buyer for Defendants), (3) Morris Cohen (a principal and officer of Defendants), (4) Suzanne Swain (a buyer for Defendants), and (5) Mary Harmon (Defendants' merchandise manager). *Id.* After receiving the purchase orders, Plaintiff would ship the orders to Defendants from Los Angeles, California. *Id.* at ¶ 8.

Defendants here did more than sign a single, short-term contract with Plaintiff; rather, the Parties' relationship lasted at least ten years. Chon Decl. ¶ 3. During that time period, Defendants engaged in affirmative conduct in the forum by sending over their representatives to California, where they personally selected different garments and signed purchase orders for the same. See Hirsch, 800 F.2d at 1478 ("The purposeful availment analysis turns upon whether the defendant's contacts are attributable to 'actions by the defendant himself,' or conversely to the 'unilateral activity of another party.'"). By engaging in such affirmative conduct, Defendants clearly promoted the transaction of business within California. See Ballard, 65 F.3d at 1498-99 (holding that the purposeful availment requirement is satisfied if the defendant has taken deliberate action with the forum state or created continuing obligations to forum residents); See Data Disc, Inc. v. Sys. Tech. Assocs., Inc., 557 F.2d 1280, 1287-88 (9th Cir. 1977) ("By participating in the contract negotiations in [the forum state], [Defendant] purposefully availed itself of the privilege of carrying out activities in that state."). Thus, in looking at the Parties' course of dealing, the Court finds that Defendants engaged in affirmative conduct sufficient to satisfy the purposeful availment requirement.

In an attempt to show that they did not purposefully avail themselves of the forum state, Defendants allege that they did not "expressly aim at California" or cause "harm that [they] knew was likely to be suffered in the State." Mot. 10:3-8. In support thereof, Defendants analogize this case to *Love v. Sanctuary Records Group, Ltd.*, 611 F.3d 601, 609 (9th Cir. 2010), in which the Ninth Circuit utilized the "purposeful direction" or "effects test" and held that it had no personal jurisdiction over the defendant. *Id.* 10:11-18. However, Defendants appear to have confused the Ninth Circuit's "purposeful availment" analysis for contract cases with its "purposeful direction" analysis for tort cases. The purposeful direction analysis is derived from the "effects" test articulated in Calder v. Jones, 456 U.S. 783 (1984); See Wash Shoe Co., 704 F.3d at 673. The effects test requires a plaintiff to show that a defendant "(1) committed an intentional act, (2) expressly aimed at the forum state, (3) causing harm that the defendant knows is likely to be suffered in the forum state." Wash. Shoe Co., 704 F.3d at 673 (quoting Mavrix Photo, 647 F.3d at 1228). In contrast, as discussed above, the purposeful availment analysis considers prior negotiations and contemplated future consequences, the terms of the contract, and the Parties' actual course of dealing to determine whether the defendant purposefully established minimum contacts within the forum. Amini Innovation Corp., 497 F. Supp. 2d at 1103 (citing Burger King, 471 U.S. at 479). As Defendants erroneously apply the "purposeful direction" test to the instant Action, which sounds primarily in contract, the Court disregards Defendants' arguments on this point.

Defendants also argue that Judge Dale Fischer's opinion in *Urban Textile Inc. v. Conway Stores, Inc.*, Case No. CV 14-2438 DSF (AJWx) (the "Urban Textile" Action) in which Judge Fischer granted Defendant Conway's motion to dismiss for lack of personal jurisdiction, is controlling here. Mot. 2:21-28. However, the Court finds Defendants' argument unavailing. First, the Urban Textile Action involved vastly different facts — the crux of plaintiff's case was a claim of copyright infringement as to textile designs utilized on garments sold by Defendant Conway. Moreover, in reaching her decision, Judge Fischer stated that "[t]he only contact Urban Textile points to in support of jurisdiction over Conway is that Conway was purchased by National — a California corporation." Defs.' RJN at 6. Judge Fischer noted that the copyright infringement action in no way related to or arose out of National's purchase of Conway. In contrast, here, Plaintiff provides evidence that the Parties had a ten year relationship and that Defendants' representatives frequently traveled to California to negotiate transactions for the purchase of goods from Plaintiff. And, as discussed more fully below, Plaintiff's claims here arise directly from Defendants' contacts with the forum. Because Plaintiff has pointed out Defendants' numerous contacts with California, the Urban Textile Action is inapposite to this Action.

In light of the above, the Court finds that Defendants have purposefully availed themselves of the privilege of conducting activities in California.

2. Plaintiff's Claims Arise out of or Result from Defendants' Forum-related Activities

The second factor addresses whether the claim arises out of or results from Defendants' forum related activities. The Ninth Circuit uses the "but for" test to assess this factor. Ballard, 65 F.3d at 1500. The question is thus: but for Defendants' contacts with California, would Plaintiff's claims against Defendants have arisen?

Here, the Court finds that the claims in this Action arise out of or relate to Defendants' forum related activities. The crux of Plaintiff's Complaint is that the Parties entered into a series of contracts, consisting of purchase orders, wherein Plaintiff sold garments to Defendants and Defendants breached said contracts by failing to pay for the sum owed. Compl. ¶¶ 16-18. Plaintiff is suing on the same purchase orders Defendants filled out and signed in California. But for Defendants' affirmative conduct in traveling to California to sign the purchase orders, Plaintiff's claims against Defendants would not have arisen. In other words, Plaintiff's claims arise out of the contracts which were at least partially negotiated in California. See *BCS & Assocs. Business Consulting Servs., Inc. v. Essentia Health*, No. CV09-00814-PHX-MHM, 2010 WL 1253186, at *4 (D. Ariz. Mar. 25, 2010) (holding that but for the defendant's action in entering into a contract with the plaintiff, the plaintiff would not have suffered the harm alleged). As such, the Court finds that Plaintiff's claims arise out of or result from Defendants' forum-related activities.

3. The Court's Exercise of Personal Jurisdiction Over Defendants is Reasonable

Because Plaintiff establishes prongs one and two of the specific jurisdiction test, Defendant "must come forward with a compelling case that the exercise of jurisdiction would not be reasonable." Boschetto, 539 F.3d at 1016 (internal quotation marks omitted). The Ninth Circuit has set forth seven factors to be considered in determining whether the exercise of jurisdiction over a nonresident defendant is reasonable: (1) the extent to which the defendant purposefully interjected itself into the affairs of the forum state; (2) the burden on the defendant; (3) conflicts of law between the forum and the defendant's home jurisdiction; (4) the forum's interest in adjudicating the dispute; (5) the most efficient judicial resolution of the dispute; (6) the plaintiff's interest in convenient and effective relief; and (7) the existence of an alternative forum. Roth, 942 F.2d at 623.

The Court notes that Defendants' only attempt to address the third prong appears in their Reply, in which they make unsubstantiated allegations that (1) most of the witnesses in this Action live on the East Coast, and (2) all of Defendants' records are located in New York.^[4] See Reply 5:4-17. Defendants largely ignore the other factors in weighing reasonableness.

In fact, as Plaintiff correctly points out, many of the factors weigh in favor of a finding that the exercise of personal jurisdiction over Defendants is reasonable. As for the first factor, the Court has already concluded that Defendants purposefully availed themselves of the privilege of conducting activities in California. See Roth, 942 F.2d at 623 (citing Sinatra v. Nat'l Enquirer, Inc., 854 F.2d 1191, 1199 (9th Cir. 1988)). Moreover, California has an interest in providing a means for its citizens to enforce contracts that its citizens form with citizens of other states. See *Churchill Media LLC v. Moon Broad. Prosser, LLC*, No. 08-6330-TC, 2009 WL 2424080, at *4 (D. Or. Aug. 5, 2009). And, if California is not a proper forum, Plaintiff would be forced to litigate its claims in New York or in another forum, presenting an obvious inconvenience. See Harris Rutsky, 328 F.3d at 1133.

In light of the above, the Court finds that Defendants have failed to meet their burden of presenting a compelling case that the exercise of jurisdiction would not be reasonable.

Based on the foregoing reasons, the Court finds that it can exercise specific jurisdiction over Defendants and DENIES Defendants' Motion to Dismiss.

IV. CONCLUSION

Based on the foregoing analysis, the Court DENIES Defendants' Motion to Dismiss Complaint Pursuant to Fed. R. Civ. P. 12(b)(2).

IT IS SO ORDERED.

[1] The Court recognizes that personal jurisdiction over each Defendant must be analyzed separately. Harris Rutsky, 328 F.3d at 1130. Here, however, Defendants have admitted that, while they constitute three separate legal entities, they are all owned and/or managed by the same parties, and that they previously shared the same offices and are operating their businesses in conjunction with one another. Defs.' Notice of Mot. As Defendants admit that they are all intertwined and are one and the same, the Court's analysis of personal jurisdiction applies equally to each Defendant. See *id.*, see also Defs.' Mot. 2:27-3:4.

[2] Defendants also appear to dispute that Defendants were ever purchased by National Stores, Inc. See Reply 2:7-10.

[3] Contrary to Plaintiff's claims, Defendants assert that they bought the goods in question from their New York office (and not from California) and refers the Court to the purchase orders attached to the Complaint. Mot. 1:26-2:1. However, the Court disregards Defendants' claims. First, as discussed above, "conflicts between the facts contained in the parties' affidavits must be resolved in [the plaintiff's] favor for purposes of deciding whether a prima facie case for personal jurisdiction exists." AT&T, 94 F.3d at 588. Moreover, Defendants do not cite to any part of any declaration or other evidence that the goods in question were ordered by them from their New York office.

[4] With respect to Defendants' contention that all of its records are located in New York, that consideration is no longer weighed heavily given modern advances in communication and transportation. See Harris Rutsky, 328 F.3d at 1133.

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