

Two individuals, both domiciled in State A, created an unincorporated nonprofit organization and promised investors that their monetary contributions would be donated to charities focused on ending world hunger. The contributions were instead used to purchase several properties in State B. The individuals have never physically traveled to and have no other connections with State B, as the properties are approximately 100 miles away from State A.

The federal government filed a civil forfeiture action in a federal district court in State B to seize the properties located there. After being properly served with notice and the complaint, the individuals filed a motion to dismiss for lack of personal jurisdiction.

Should the court grant the motion to dismiss?

- A. No, because a court where the property is being seized always has jurisdiction over the civil forfeiture action.
- B. No, because the action is related to the properties located in State B.
- C. Yes, because it would be unfair to hale the individuals to court in State B.
- D. Yes, because the individuals lack minimum contacts with State B.

Explanation:

Personal jurisdiction refers to a court's authority over the parties or property in the action before it. There are three types of actions that can be asserted: in rem, quasi in rem, and in personam (see above image). Regardless of the type of action, a federal court's exercise of personal jurisdiction **must comport with due process**. This constitutional requirement is satisfied when:

- the plaintiff's claim arises from or is closely related to the defendant's minimum contacts with the forum state *and*
- the exercise of jurisdiction complies with notions of fair play and substantial justice.

Civil forfeiture is an **in rem action** initiated by the government to seize property used in illegal activity. For in rem actions, **minimum contacts almost always exist** since these actions relate to property located in the forum state (**Choice D**). Therefore, the federal court has personal jurisdiction over the individuals' properties in State B and should deny their motion to dismiss.

(Choice A) A court where the property is being seized may not have jurisdiction over the civil forfeiture action in the rare instance that the exercise of jurisdiction does not comply with fair play and substantial justice. This issue typically arises if the seized property was fraudulently brought to the forum state (not seen here).

(Choice C) In civil forfeiture and other in rem actions, the property itself is the defendant. As a result, minimum contacts for personal jurisdiction depend on the location of the property and its relation to the action. Jurisdiction does not depend on the individuals' domicile or their minimum contacts with the forum state (eg, whether it would be unfair to hale them to court in the state).

Educational objective:

A court almost always has personal jurisdiction in an in rem action (eg, civil forfeiture action). Minimum contacts exist because an in rem action relates to property in the forum state. And exercising jurisdiction complies with fair play and substantial justice so long as the plaintiff did not fraudulently bring the property into the forum state.

References

- Shaffer v. Heitner, 433 U.S. 186, 207–08 (1977) (stating that a court generally has personal jurisdiction when property in the forum state is the source of the underlying controversy between the plaintiff and the defendant).
- Restatement (Second) of Judgments §§ 5–6 (Am. Law Inst. 1982) (explaining in personam, in rem, and quasi in rem actions).

Types of action for personal jurisdiction

