

SUMMARY STATEMENT

Brockett Co. v. Crain

Case No. 47138

In an appeal arising out of Ada County, the Idaho Supreme Court reversed a district court order setting aside a default judgment entered against Scott Crain and Texoma MFG, LLC, an Oklahoma based company (“Crain,” “Texoma,” or collectively “Respondents”).

In 2015, Brockett Co. entered into a brokerage relationship with Respondents for the purchase and resale of twenty-seven storage tanks. After an initial transaction where Brockett Co. purchased five storage tanks from Texoma and resold them, Brockett Co. spent over a year searching for a buyer for the remaining twenty-two storage tanks. When Brockett Co. found a Texas buyer, Crain agreed to allow the buyer to inspect the tanks. After the inspection, Crain caused Texoma to sell the tanks directly to the Texas buyer, cutting Brockett Co. out of the transaction. Brockett Co. subsequently filed an action against Respondents in Idaho, alleging breach of contract, unjust enrichment, intentional interference with a prospective economic advantage, and fraudulent misrepresentation. Respondents failed to appear and the district court entered a default judgment against them. Respondents subsequently made a special appearance and filed a motion requesting the default judgment be set aside for lack of personal jurisdiction. The district court heard arguments from both sides at a hearing before entering a written decision and order setting aside the default judgment on the basis that it lacked personal jurisdiction over Respondents. Shortly thereafter, the district court entered a corresponding judgment dismissing Brockett Co.’s claims.

On appeal, Brockett Co. argued that the district court erred in setting aside the default judgment for lack of personal jurisdiction because there were sufficient facts in the record to support the district court’s exercise of personal jurisdiction over Respondents. The Idaho Supreme Court agreed, concluding that the district court erred in determining that it lacked personal jurisdiction over Respondents because it failed to properly construe conflicting evidence in a light favorable to Brockett Co. as the non-moving party. Having established the proper lens through which the evidence should have been considered, the Court reasoned that the district court could exercise personal jurisdiction over Respondents pursuant to Idaho’s long-arm statute, and that the exercise of personal jurisdiction over Respondents comported with the requirements of due process. Accordingly, the Court reversed the district court’s order setting aside the default judgment, vacated the district court’s judgment dismissing Brockett Co.’s claims, and remanded with instructions to reinstate the default judgment against Respondents.

This summary constitutes no part of the opinion of the Court, but has been prepared by court staff for the convenience of the public.