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California federal court rejects personal jurisdiction based on "mere association," further denying jurisdictional discovery

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Takeaway: Plaintiffs in class action litigation usually cast a wide net, seeking to impose liability on the broadest possible range of defendants, including out of state defendants. Accordingly, those non-resident defendants should always evaluate the issue of personal jurisdiction. In *Bhotiwihok v. Fairlife, LLC*, No 2:25-cv-01650-ODW, 2026 WL 237295 (C.D. Cal, Jan. 26, 2026), co-founders of a company accused of false advertising and unfair competition were not only successful in winning the jurisdictional dismissal of the claims against them, they were also successful in avoiding any jurisdictional discovery.

Mike and Sue McCloskey co-founded the Fairlife milk brand. Fairlife is a specialty dairy company that charges premium prices for milk and milk products by touting the level of care it provides to animals. The McCloskeys also work for an entity called the Farmers Assuring Responsible Management program ("FARM"), which establishes animal care standards for the dairy industry and conducts animal welfare audits.

Fairlife advertises that it adheres to industry-leading animal welfare standards, including standards set by FARM. It also touts its general sustainability practices.

According to three representative plaintiffs who purchased Fairlife products in California, however, Fairlife's dairy farm suppliers severely neglect and abuse their animals, in violation of FARM and related standards. Because the plaintiffs allegedly relied on Fairlife's representations about animal care and sustainability, they filed a putative class action against Fairlife, the McCloskeys, and related defendants, alleging that Fairlife's animal care and sustainability representations were false, and asserting claims for false advertising, unfair competition, and violations of California's Consumers Legal Remedies Act ("CLRA"). As for the McCloskeys specifically, plaintiffs alleged they aided and abetted Fairlife's false advertising, unfair competition, and CLRA violations.

The McCloskeys, however, are not residents of the State of California. Accordingly, they moved to dismiss the claims against them, on the ground that the federal district court lacked personal jurisdiction. The district court agreed and dismissed them from the case.

The district court focused its analysis on the issue of specific personal jurisdiction, specifically, the

"purposeful direction" test for claims sounding in tort. Under that test, courts look to "evidence that the defendant has directed his actions at the forum state, even if those actions took place elsewhere." *Id*. at *2 (citation omitted). "Purposeful direction" is shown when 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." *Id*. (citation omitted).

According to the district court, plaintiffs failed to satisfy the test because they failed to allege that the McCloskeys "committed an intentional act." *Id*. at *3. While the plaintiffs alleged that the test was satisfied based on the McCloskey's association with Fairlife and FARM, "mere association does not suffice as an intentional act that could support a finding of purposeful direction." *Id*. Additionally, "courts routinely reject conclusory attempts to impute a corporation's actions on its employees or agents." *Id*. The district court concluded: "without any allegation that the McCloskeys committed any intentional acts directed at California while working at Fairlife, the Court cannot find purposeful direction here." *Id*.

The plaintiffs alternatively sought leave to conduct jurisdictional discovery. Given the lack of any plausible allegation of purposeful direction, however, the district court rejected the request, stating: "Here, Plaintiffs fail to allege a single intentional act by the McCloskeys, let alone one expressly aimed at California. Thus, the Court declines to grant jurisdictional discovery and dismisses the case without leave to amend." *Id*.