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SUPERIOR COURT OF NEW JERSEY
MORRIS COUNTY
LAW DIVISION, CIVIL PART
DOCKET NO. L-2032-06

FAIRFAX FINANCIAL HOLDINGS LIMITED
AND CRUM & FOSTER HOLDINGS CORP.,

Plaintiffs,

v.

S.A.C. CAPITAL MANAGEMENT, LLC,
ET AL.,

Defendants.

Decided: March 29, 2018

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S.A.C. Capital Associates, LLC, Sigma Capital Management, LLC,
and Steven A. Cohen

FRANK J. DEANGELIS, J.S.C.,

A. Procedural History

The current matter comes before Court by way of a motion for summary judgment for lack of personal jurisdiction over S.A.C. Capital Management, LLC, S.A.C. Capital Advisors, LLC, S.A.C. Capital Associates, LLC, Sigma Capital Management, LLC, and Steven A. Cohen (collectively, the "SAC Defendants"). Plaintiffs Fairfax Financial Holdings Limited ("Fairfax") and Crum & Foster Holdings Corp. ("C&F") (collectively, "Plaintiffs") commenced this action in 2006 alleging racketeering, conspiracy, disparagement and tortious interference with prospective economic advantage claims. After extensive discovery, on May 6, 2011 the SAC Defendants filed for summary judgment on the merits of the case. On June 30, 2011, each of the SAC Defendants except Sigma Capital Management, LLC ("Sigma") filed a motion for summary judgment for lack of personal jurisdiction. Before an opposition was filed to the motion based on jurisdictional grounds, the Court granted summary judgment to the SAC Defendants on the merits as to all counts alleged by Plaintiffs. The SAC Defendants subsequently withdrew their summary judgment motion based on personal jurisdiction. The Court, however, granted a motion to dismiss based on lack of personal jurisdiction, filed by Defendants Third Point and Kynikos. Plaintiffs appealed the decisions issued in the various summary judgment motions from 2006 to 2012. On April 27, 2017, a three-judge panel of the Appellate Division issued a decision that

affirmed in part and reversed in part various trial court rulings and remanded the case for further proceeds in conformity with its opinion. See Fairfax Fin. Holdings Ltd. V. S.A.C. Capital Mgmt., L.L.C., 450 N.J. Super. 1 (App. Div. 2017).¹

On December 7, 2017, the SAC Defendants brought this renewed summary judgment motion based on lack of personal jurisdiction over the SAC Defendants. Sigma has joined in this motion due to a change in New Jersey law since the first motion filed by the SAC Defendants. The SAC Defendants assert that the Court lacks personal jurisdiction over the SAC Defendants because there is no nexus between any of the SAC Defendants and New Jersey and none of the SAC Defendants engaged in any conduct that could establish specific jurisdiction over them.

B. The Parties

Fairfax is a Canadian corporation with its principal place of business in Ontario, Canada. Fairfax is a holding company that, through its subsidiaries, is engaged in property and casualty

¹ The Appellate Court, among other things, upheld this Court's decision to dismiss Third Point and Kynikos based on lack of personal jurisdiction and reversed the dismissal of SAC from the case finding that disputed issues of fact precluded summary judgment. Fairfax Fin. Holdings Ltd. V. S.A.C. Capital Mgmt., L.L.C., 450 N.J. Super. 1 (App. Div. 2017). The Appellate Division held that New Jersey courts lack personal jurisdiction over Kynikos and Third Point, who are not incorporated in New Jersey, do not have their principal place of business in New Jersey and are not registered in New Jersey, because the limited business Kynikos and Third Point conduct in New Jersey is too inconsequential to find minimum contacts with this forum. Id. at 72.

insurance and reinsurance and investment management. Fairfax has no offices or employees in New Jersey, is not registered in New Jersey, and is not authorized to do business in New Jersey. Fairfax trades common shares on the Toronto Stock Exchange and in the past, traded shares on the New York Stock Exchange.

C&F provides specialty and standard commercial lines insurance products through our admitted and surplus lines insurance companies. C&F is organized under the laws of Delaware with its principal place of business in Morristown, New Jersey. C&F operates entirely through its subsidiaries, two of which are incorporated in New Jersey.

An investment management firm, S.A.C. Capital Advisors, LLC, is a limited liability company organized pursuant to the laws of Delaware with its principal place of business in Stamford, Connecticut. S.A.C. Capital Advisors has never had any members or partners who were or are residents of New Jersey. S.A.C. Capital Advisors provided investment management services to Defendants SAC Associates, among others. During the relevant times, between six and fourteen of S.A.C. Associates' investors were residents of New Jersey, which accounted for approximately 0.39% of the assets in the funds managed by S.A.C. Capital Advisors.

S.A.C. Advisors has never had offices or employee located in New Jersey, never registered to do business in New Jersey, and never had a bank account, mailing address, or real property in New

Jersey. S.A.C. Advisors has never done general solicitation for business, advertising or public marketing in New Jersey, and has never paid any income taxes to the State of New Jersey. S.A.C. Advisors maintained data processing equipment located in a leased facility in Nutley, New Jersey from approximately September 2006 to June 2007.

S.A.C. Capital Management, LLC is also a limited liability company that provides investment management services. S.A.C. Capital Management is organized pursuant to the laws of Delaware with its principal place of business in New York, New York. S.A.C. Capital Management has never had members or partners who are residents of New Jersey, never had offices or employees based in New Jersey, and never registered to do business in New Jersey or had a bank account, telephone number, mailing address or real property in New Jersey. Also, S.A.C. Management has never done general solicitation, advertising or public marketing in New Jersey and never paid income taxes to the State of New Jersey.

S.A.C. Capital Associates is a limited liability company organized under the law of Anguilla, British West Indies, with its principal place of business in Anguilla, British West Indies. S.A.C. Capital Associates is an investment fund, whose assets are managed by independent legal entities such as S.A.C. Advisors and S.A.C. Management, pursuant to investment advisory agreements. S.A.C. Capital Associates does not have any of its own employees

and does not have investors who are residents of New Jersey or offices in the State of New Jersey. It has never had a bank account, telephone number, mailing address, or real property in New Jersey, and has never done general solicitation for business, advertising or public marketing in New Jersey. S.A.C. Management has also never paid any income taxes to the State of New Jersey.

Sigma Capital Management, LLC is a limited liability companies organized under the laws of the State of Delaware, with its principal place of business in New York. Between June 2005 and July 2008, Sigma Capital Management maintained an office in Ridgewood, New Jersey for the convenience of certain employees. Sigma Capital Management was registered to do business in New Jersey during that period of time, in compliance with New Jersey's registration statute and also maintained a registered agent for service of process on the company in New Jersey. During that period, between five and fourteen of Sigma's 44 to 54 employees worked at the Ridgewood office. Sigma provided investment management services to a fund that traded in debt securities and related instruments, but its New Jersey employees never engaged in any trading in the securities of Fairfax or any of its subsidiaries, including C&F.

Steven A. Cohen is the founder and Chief Executive Officer of S.A.C. Advisors and S.A.C. Management. His domicile and principal place of business is in Stamford, Connecticut. Mr. Cohen has never

had offices or residence in the State of New Jersey, has no bank account, telephone number or real property in New Jersey, and has not paid any New Jersey income taxes. Mr. Cohen has stored certain personal property at a commercial storage facility in New Jersey since 2007.

C. Factual Background

In July 2006, Fairfax filed a lawsuit against several entities including the SAC Defendants claiming that the defendants are investment professionals who engaged in a short-selling enterprise conspiracy to drive down the share price of Fairfax and its New Jersey subsidiary C&F. In their initial Complaint, Plaintiffs asserted claims under the New Jersey civil Racketeer Influenced and Corrupt Organization ("RICO") statute, and common law claims for commercial disparagement, tortious interference with contractual relationships and prospective economic advantage, and civil conspiracy.

Plaintiffs allege that Spyro Contogouris is an operative for short selling hedge funds who gets paid to drive down the price of stocks in which they have large positions and to exchange non-public information on which the hedge funds trade. According to the Plaintiffs, Contogouris was hired by Adam Sender with knowledge and consent of Steven Cohen for the purpose of implementing the short selling enterprise against Fairfax. Sender worked for Exis, a trading company in which SAC was an investor and had an interest

in making a profit from short trading in Fairfax to keep certain large investors like SAC aboard. In a conspiracy with Sender and Raymond Rekuc, a New Jersey based accountant, to take actions to drive Fairfax's stock down, Contogouris allegedly created false MI4 reports about Fairfax and C&F.² Contogouris and Rekuc also allegedly went to the FBI with false or misleading information to initiate an investigation against Fairfax for the purpose of furthering its short-selling enterprise. Contogouris and Rekuc formed ICS Research in New Jersey allegedly for the purposes of disseminating false or misleading reports and analysis about Plaintiffs. These reports included false accusations and claims about C&F and Fairfax and urged defendants and others to short C&F's publicly traded CRUF bonds. See Tavaksblat Cert., Ex. 79-82. Plaintiffs maintain that the investment relationship between Exis and Cohen continued until Fairfax filed its suit, at which time Cohen redeemed all of his fund's investment in Exis and abandoned his short position in Fairfax.

Under R. 4:46-2(c), summary judgment is appropriate "if the pleadings, depositions, answers to interrogatories and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact challenged, and that the

² Plaintiffs also allege that this short selling enterprise has previously been implemented by Contogouris for Exis in similarly shorting Hanover Compressor.

moving party is entitled to a judgment or order as a matter of law." As the Brill Court explained, the "essence" of the inquiry is "whether the evidence presents a sufficient disagreement to require submission to a jury or whether it is so one-sided that one party must prevail as a matter of law." Brill v. The Guardian Life Insurance Co., 142 N.J. 520 (1995) (quoting Anderson v. Liberty Lobby, Inc. 477 U.S. 242, 251-52 (1986)). Moreover, "on a motion for summary judgment the court must grant all the favorable inferences to the non-movant." Brill, 142 N.J. at 536.

Although non-movants obtain the benefit of all favorable inferences, bare conclusions without factual support in affidavits or the mere suggestion of some metaphysical doubt as to the material facts will not overcome motions for summary judgment. R. 4:46-5; see also Brae Asset Fund, L.P. v. Newman, 327 N.J. Super. 129, 134 (App. Div. 1999) (requiring submission of factual support in affidavits to oppose summary judgment motion); Fargas v. Gorham, 276 N.J. Super. 135 (Law Div. 1994) (self-serving assertions alone will not create a question of material fact sufficient to defeat summary judgment motion); Heljon Management Corp. v. Di Leo, 55 N.J. Super. 306, 312 (App. Div. 1959) ("It is not sufficient for the party opposing the motion merely to deny the fact in issue where means are at hand to make possible an affirmative demonstration as to the existence or non-existence of the fact."). A non-moving party "cannot defeat a motion for summary judgment

merely by pointing to any fact in dispute." Brill, 142 N.J. at 529. Therefore, if the opposing party only points to "disputed issues of fact that are 'of an insubstantial nature' the proper disposition is summary judgment." Id.

New Jersey courts may exercise personal jurisdiction over a non-resident defendant "to the uttermost limits permitted by the United States Constitution." Avdel Corp. v. Mecure, 58 N.J. 264, 268 (1971). Looking to the Due Process Clause of the Fourteenth Amendment to the United States Constitution, personal jurisdiction over a non-resident defendant may be exercised so long as the non-resident defendant has certain minimum contacts with the forum state such that maintenance of the suit does not offend "traditional notions of fair place and substantial justice." Int'l Shoe Co. v. Washington, 326 U.S. 310, 316 (1945) (quoting Milliken v. Meyer, 311 U.S. 457, 463 (1940)). Personal jurisdiction may be general or specific depending upon the "quality and quantum of [the] contacts" with the forum state. Citibank, N.A. v. Estate of Simpson, 290 N.J. Super. 519, 526 (App. Div. 1996).

A. General Jurisdiction.

The Supreme Court recently reaffirmed that "[t]he primary focus of our jurisdictional inquiry is the defendant's relationship to the forum state." Bristol-Myers Squibb Co. v. Superior Ct. of Cal., 137 S. Ct. 1773, 1779 (2017). For this Court to exercise general jurisdiction over the defendant, this foreign

defendant's action must have contacts with New Jersey that are "so continuous and systematic as to render [it] essentially at home" in New Jersey. See Goodyear Dunlop Tires Operations v. Brown, 131 S. Ct. 2846, 2851 (2011) (internal quotations omitted). As announced by the Supreme Court in Daimler AG v. Bauman, 134 S. Ct. 746 (2014), a corporation would be "at home" in its place of incorporation, principle place of business, or in an "exceptional case" a state where the corporation "engages in a substantial, continuous, and systematic course of business." 134 S. Ct. at 760, 761 n. 19. "General jurisdiction...calls for an appraisal of a corporation's activities in their entirety, nationwide and worldwide. A corporation that operates in many places can scarcely be deemed at home in all of them." Id. at 762 n. 20.

Here all of the SAC Defendants are incorporated outside of New Jersey. None of the Defendants have or have ever had a principal place of business in New Jersey. None of the Defendants, except Sigma maintain offices in New Jersey, solicit, advertise or directly conduct business in New Jersey. Plaintiffs have not pointed to any continuous and systematic affiliation between the Defendants and this forum, thus there is no basis for general jurisdiction for any of the SAC Defendants in New Jersey.

Unlike other SAC Defendants, however, Sigma has some contacts with New Jersey. Sigma maintained an office in New Jersey between 2005 and 2008 and was registered to do business in New Jersey

during that period of time, in compliance with New Jersey's registration statute and also maintained a registered agent for service of process on the company in New Jersey. However, simply operating a business location within one state for a national corporation is insufficient basis, in and of itself, for the exercise of general jurisdiction. See Daimler AG, 134 S. Ct. at 762 n. 20. Defendant's maintenance of a satellite office in New Jersey is largely irrelevant considering that the allegedly defamatory statements and coverage of plaintiffs were not made out of that office. There is no evidence that Contogouris, who was the perpetrator of the alleged defamatory statements and the nucleus of Defendants' conspiratorial enterprise ever operated out of Sigma. Notwithstanding Contogouris's relationship with Sigma, Sigma is a Delaware corporation with its principal place of business in New York. Sigma has never done any general advertising or public marketing or solicitation of business in New Jersey and has never had any members or partners who are residents of New Jersey. A lone satellite office in New Jersey does not render a corporation "at home" in that state. "Otherwise, 'at home' would be synonymous with 'doing business' tests framed before specific jurisdiction evolved in the United States." Id.; see also BNSF Ry. Co. v. Tyrrell, 137 U.S. 1549, 1559 (2017) (holding that interstate railroad with 2000 miles of track and 2000 employees in Montana was not subject to general personal jurisdiction in that

forum and therefore could not be sued in that state except on "claims related to the business it does in Montana").

B. Consent as a Basis for Jurisdiction

Defendant registered its business with the State of New Jersey when it opened its New Jersey office. The state required defendant to register in order to open its New Jersey office. Courts are split as to whether a foreign corporation's registration to conduct business within a state is sufficient to confer jurisdiction after Daimler AG v. Bauman. See Bors v. Johnson & Johnson, 208 F.Supp.3d 648, 654 (E.D. Pa. 2016). Prior to the decision in Daimler, New Jersey case law instructed that by registering in the forum state, the foreign corporation "purposefully avail[ed] itself of the privilege of conducting activities within the forum state, thus invoking the benefits and protections of its laws." Bane v. Netlink, Inc., 925 F.2d 637, 640 (3d Cir. 1991); see also Allied-Signal, Inc. v. Purex Inds., Inc., 242 N.J. Super. 362, 366 (App. Div. 1990). Post-Daimler, some courts have found that by registering to do business in a state, a corporation implicitly consents to jurisdiction in that state. See e.g., Beach v. Citigroup Alternative Invs. LLC, 2014 U.S. Dist. LEXIS 30032 (S.D.N.Y. Mar. 7, 2014); Acorda Therapeutics, Inc. v. Mylan Pharmaceuticals Inc., 2015 U.S. Dist. LEXIS 4056, 2015 WL 186833, at *12 (D. Del. Jan. 14, 2015). Those courts found that jurisdiction is then conferred onto a registered corporation

regardless of the contacts with the forum state for purposes of the dichotomy between "general" and "specific" jurisdiction. Ibid. The District of New Jersey also held in favor of exercising consent-by-registration jurisdiction in Senju Pharm. Co., Ltd. V. Metrics, 96 F. Supp. 3d 428 (D.N.J. 2015). Other courts, however, found it at odds with Daimler to find that mere compliance with corporate registration statutes is sufficient to confer jurisdiction. See Genuine Parts Co. v. Cepec, 137 A.3d 123 (Del. 2016) (noting that "the majority of federal courts" have held that "consent by registration...[is not] a constitutional basis for general jurisdiction after Daimler....") (collecting decisions); see e.g., Display Works, LLC v. Bartley, 182 F. Supp. 3d 166, 179 (D.N.J. 2016); AstraZeneca AB v. Mylan Pharms., 72 F.Supp.3d 549, 556-557 (D. Del. 2014).

The New Jersey Appellate Division addressed this issue in Dutch Run-Mays Draft, LLC v. Wolf Block, LLP, 450 N.J. Super. 590 (App. Div. 2017). Dutch Run-Mays rejected the application of prior precedent that permitted the exercise of general jurisdiction "solely based on the fiction of implied consent by a foreign corporation's compliance with New Jersey's business registration statute." Id. at 608-09. The Dutch Run-Mays court examined prior post-Daimler decisions and the states' registration statutes and concluded that New Jersey's registration statute did not confer general jurisdiction onto a registered corporation because unlike

certain other states' business registration statutes that contain language directly addressing consent to jurisdiction, the New Jersey statute requiring a foreign corporation to obtain a certificate of authority to transact business in New Jersey and to maintain a registered agent, does not expressly direct consent to general jurisdiction. Id. at 605-06.

The Court cannot find Sigma at home in New Jersey pursuant to Daimler AG v. Bauman. Furthermore, the Court similarly cannot exercise personal jurisdiction over Sigma based on its registration with the State of New Jersey pursuant to Dutch Run-Mays. Thus, unless the Court can find specific jurisdiction over the SAC Defendants, jurisdiction in the present forum is inappropriate for this action.

C. Specific Jurisdiction.

Specific jurisdiction is "conduct-linked" jurisdiction that arises out of or relates to a defendant's conduct within the forum state. Daimler AG v. Bauman, 571 S.Ct. 746, 751, 754 (2014) (citing Goodyear Dunlop Tires Operations, S.A. v. Brown, 131 S.Ct. 2846, 2651, 2853 (2011)); Helicopteros Nacionales de Colombia, S.A. v. Hall, 466 U.S. 408, 414 n. 8 (1984)). For specific jurisdiction, the lawsuit must arise out of or relate to the defendant's contacts with the forum. Bristol-Myers Squibb Co. v. Superior Court of Cal., San Francisco Cnty., 137 S. Ct. 1773, 1785 (2017) (internal citations omitted). "In other words, there must

be an affiliation between the forum and the underlying controversy, principally, an activity or an occurrence that takes place in the forum state and that is therefore subject to the state's regulation." Id. at 1776 (internal citations omitted). Specific jurisdiction "is confined to adjudication of issues deriving from, or connected with, the very controversy that establishes jurisdiction." Id.

Here, plaintiffs have not pointed to any specific conduct by the SAC Defendants that took place in New Jersey. While Defendant Sigma maintained an office in New Jersey for a number of years, none of the activity in the New Jersey office related to the statements made regarding Fairfax and C&F. Plaintiffs allege that the actions of Spyro Contogouris in New Jersey are imputed onto the SAC Defendants because they knowingly and intentionally participated in an enterprise and conspiracy that was intended to, and did, cause harm in New Jersey to C&F and Fairfax. Plaintiffs assert that Defendants knew where C&F was located, knew that its operations were centered in Morristown and that they knew that Spyro Contogouris created publications with false and misleading information about Fairfax and specifically C&F knowing that C&F would be impacted by his actions.

The Appellate Division, however, rejected this theory of specific jurisdiction based on civil conspiracy involving virtually identical facts. Fairfax, 450 N.J. Super. at 72-83. In

its analysis of whether New Jersey had specific jurisdiction over Kynikos and Third Point defendants based on a civil conspiracy theory, the Appellate Division also considered Contogouris's dissemination and publication of MI4 reports and Contogouris's use of ICS, a New Jersey company, to prepare and disseminate the allegedly false reports. Id. at 18-24. However, the Appellate Division found that there is no basis for specific jurisdiction under these facts because the effect of the conspiracy culminated in New York and Canada, not New Jersey. Id. at 77-78. The Appellate Division concluded that "[i]mportantly, there is no basis for an inference that [Third Point and Kynikos] were aware of any particular actions taken by their alleged co-conspirators in New Jersey." Id. at 78. With respect to the SAC Defendants, accepting Plaintiffs theory of the facts as true, the SAC Defendants' goal in endorsing Contogouris's conduct was to drive down Fairfax's stock price in order to profit from its short-selling enterprise of Fairfax's stock. Plaintiffs have not demonstrated that Contogouris's conduct affected C&F's value of securities.

Moreover, even if the SAC Defendants condoned Contogouris's conduct in driving down the value of Fairfax's stock, Plaintiffs did not demonstrate that SAC Defendants were aware of the particular actions taken by Contogouris in New Jersey. As the Appellate Division pointed out, the mere communication between co-conspirators is insufficient to demonstrate the out-of-state co-

conspirators' awareness of specific conduct directed toward New Jersey. Id. at 78-79. Plaintiffs similarly argued that defendants specifically targeted C&F or knew that C&F would be affected by their co-conspirator's actions in the Appellate Division. However, the court found that "Kynikos and Third Point's respective trading activities [...] belie plaintiffs' allegation that they specifically targeted C&F.... Third Point extensively traded securities related to Fairfax and many Fairfax's subsidiaries, but trades specific to C&F amounted to only three percent of those transactions." Id. at 79-80. Plaintiffs have not shown that SAC's trading of C&F's securities were any more significant than Third Point's. Therefore, this Court finds that SAC Defendants' contacts with New Jersey are akin to those of the Third Point Defendants, which were found to be insufficient to establish a basis for specific jurisdiction.

This Court similarly cannot find that Contogouris's contacts with New Jersey can be imputed to the SAC Defendants. While the Appellate Division acknowledged Plaintiffs' arguments with respect to specific jurisdiction based on both co-conspirator and agency theories of liabilities, and that certain jurisdictions have found jurisdiction based on co-conspirator and agency theories of liability, the Appellate Division noted that "even those jurisdictions recognize that the theory might, at times, 'subvert the due process principles that govern personal jurisdiction.'" "

Id. at 76 (quoting Newsome v. Gallcher, 722 F.3d 1257, 1265 (10th Cir. 2013)). The Appellate Division rejected Plaintiff's blanket rule to assert jurisdiction over parties based on the conduct of others and instead held that the Court cannot assert personal jurisdiction over defendants based solely on acts of other defendants unless the defendant knew or should have known that the co-defendants were taking actions in New Jersey. Id. at 78.

Accordingly, Plaintiffs' argument on the basis of agency does not obviate settled case law requiring knowledge of specific actions by its co-conspirators. As the Appellate Division observed, "[w]ith respect to intentional torts, as alleged here, the question is whether an intentional act was 'calculated to create an actionable even in a forum state.'" Fairfax, 450 N.J. Super. at 74 (quoting Blakey v. Continental Airlines, 164 N.J. 38 (2000)). "[A] defendant's relationship with a . . . third party, standing alone, is an insufficient basis for jurisdiction." Bristol-Myers Squibb Co. v. Superior Court of Calif., San Francisco Cty., 137 U.S. 1773, 1781 (2017) (ellipsis in original) (quoting Walden v. Fiore, 134 U.S. 1115, 1123 (2014)). However, this Court recognizes that agency relationships "may be relevant" to the issue of specific jurisdiction, and "a corporation can purposefully avail itself of a forum by directing its agents or distributors to take action there." Daimler, 134 S. Ct. at 759 n.13. Even if Contogouris was an agent of the SAC Defendants,

specific jurisdiction still mandates the SAC Defendants to direct Contogouris to take actions in New Jersey.

As discussed by the Court above, the record does not support a finding that the SAC Defendants directed Contogouris to take specific action in New Jersey, which the SAC Defendants intended any effects of its operation to take place in New Jersey or that injury actually occurred in New Jersey. Nor does Cohen's relationship with Contogouris change this analysis. Steven Cohen's ability to speak with Contogouris while Contogouris was in New Jersey does not demonstrate that Cohen instructed Contogouris to direct any particular conduct toward New Jersey or that Cohen intended his actions to affect the New Jersey forum. See Fairfax, 450 N.J. at 79 citing Baanyan Software Servs., Inc. v. Kuncha, 433 N.J. Super. 466, 477 (App. Div. 2013), State, Department of Treasury v. Qwest Communications International, Inc., 387 N.J. Super. 487, 500 (App. Div. 2006) (finding that information-sharing communications of parties located outside of the forum with entities and individuals located in New Jersey are, at best, peripheral to the conspiracy alleged "and do not form grounds for exercising personal jurisdiction.") Plaintiffs have not set forth evidence that conversations between Contogouris and Cohen were objectively actionable in substance to allow an inference of Cohen's intent to cause injury in New Jersey.

Furthermore, Blakey v. Continental Airlines, 164 N.J. 38 (2000) is particularly instructive. There, a female pilot who worked for Continental Airlines, sued her employer, alleging workplace discrimination. Blakey, 164 N.J. at 48. A number of Continental male pilots, in response to Blakey's suit, published on an on-line computer bulletin board used by Continental pilots a series of messages about her that she viewed as harassing, false and defamatory. Id. Some of the names defendant pilots live or primarily worked in Colorado, Texas or California. Id. at 63, n.12. These defendant pilots asserted that they had no contacts with New Jersey other than Continental having headquarters in Newark, and thus that New Jersey could not properly assert personal jurisdiction over them. Id. at 47. The New Jersey Supreme Court made clear that the question of personal jurisdiction in this context would be resolved by an evaluation of "whether the harassment was expected or intended to cause injury in New Jersey." Id. at 67. Here, there is no evidence that the SAC Defendants expected or intended to cause injury in New Jersey when they were conspiring to drive down the share price of a Canadian company. The Blakey court placed great emphasis on New Jersey's being the "center of gravity" of the dispute at issue. Blakey, 164 N.J. at 70. In the matter at bar, the center of gravity is not New Jersey where one of Fairfax's subsidiaries is located, but New York where Fairfax's stock was traded and whose markets the dissemination of

Defendants' publications was meant to affect. Due process to assert personal jurisdiction requires that there be a direct "connection between the forum and the specific claims," Bristol-Myers, 137 U.S. at 1780, and here, Plaintiffs fail to make that connection. Therefore, the Court finds no basis for specific jurisdiction.³

Because Plaintiffs have not pointed to any continuous and systematic contacts between the SAC Defendants and New Jersey making the SAC Defendants at home in New Jersey and have not demonstrated knowledge on behalf of the SAC Defendants that their alleged conspiracy would cause injury in New Jersey, the Court finds no basis for personal jurisdiction in this forum. Accordingly, the SAC Defendants' motion to dismiss for lack of personal jurisdiction is GRANTED.

³ Plaintiffs also argue that SAC's destruction of evidence and failure to preserve relevant materials raises a genuine issues of material fact and urges the Court to dismiss SAC's motion in its entirety because the record before the Court is incomplete and dismissal of SAC's motion due to spoliation would deter others from similar conduct. The issue of spoliation, however, was brought before and ruled on by Judge Hansbury who found that there was no spoliation of evidence. The Appellate Division did not disturb Judge Hansbury's ruling. Therefore, Plaintiffs' arguments with respect to spoliation, although acknowledged by this Court, do not change the Court's decision with respect to jurisdiction.