

Isolated Transaction Insufficient to Establish Ga. Jurisdiction; Appellate Panel Rules in Fatal Plane Crash Case

"The plaintiffs are contending that we should confer personal jurisdiction over a foreign company that merely mailed invoices to and communicated electronically with Georgia citizens," Georgia Court of

Appeals Presiding Judge Stephen Dillard said.

The Georgia Court of Appeals found that an out-of-state aircraft manufacturer accused of performing a faulty repair on a plane that crashed and killed two people could not be sued in Georgia because the company's contacts with the state were insufficient to establish jurisdiction.

A three-judge appellate panel issued an [opinion](#) on Feb. 19 in the case *Cascade Aircraft Management v. Velazco*. The ruling, authored by Presiding Judge Stephen Dillard, reversed a trial court's decision denying a motion to dismiss the lawsuit brought on behalf of Antenor and Kathleen Velazco, who died in the fatal 2021 crash.

Although the plaintiffs, who are Antenor and Kathleen's surviving children, argued the Peach State had jurisdiction over the wrongful death suit, the panel found that Cascade did not initiate any business with the Velazcos in Georgia and therefore the state did not have jurisdiction based on recent Georgia Supreme Court case law.

"[T]his case clearly involves a single, isolated transaction with Georgia residents for a site-specific out-of-state service, which did not place a product in the stream of commerce to Georgia or to any other state," Dillard said. "Put simply, we decline to hold that the trial court has personal jurisdiction over [Cascade] merely because it accepted the Velazcos' unsolicited business involving a single, site-specific service that took place solely in Idaho, billed them for that service, and provided updates on that service using the internet."

The Velazcos' surviving children sued Cascade in November 2022 for negligence and breach of contract in the State Court of Henry County, Georgia. The plaintiffs specifically claimed Cascade failed to use safety wire to secure flap control rod attachment bolts on the wing.

In June 2021, the Velazco parents were flying in the plane when the attachment bolt on the left wing became disengaged, causing only the right flap to deploy during landing.

The plane went into a sharp roll to the left and descended quickly, killing them both upon crashing, the opinion said.

According to the opinion, Kathleen Velazco had sought out the expertise of Cascade, which is incorporated in Pennsylvania and does business solely in Idaho, about repeated "squawks" coming from the plane. Cascade General Manager Mark Jean assured her that the company would provide an estimate for the repairs, the opinion said.

By the time Velazcos, who were Georgia residents, flew back to Idaho to retrieve the plane, Cascade had sent the Velazcos invoices for the repairs, which reportedly totaled more than \$86,000. However, the repairs allegedly were not completed upon her arrival to Idaho, although the plane was flown back to Georgia in June 2019 safely.

After Cascade filed a special appearance answer to the complaint, the plaintiffs filed a response and asserted the trial court had personal jurisdiction under Georgia's Long Arm Statute. The law governs jurisdiction over "nonresident defendants" such as Cascade, with the Velazcos asserting that the manufacturer transacted business in Georgia and was thus under the state's jurisdiction.

After Cascade challenged jurisdiction, the Henry County court found that Cascade should have known the plane would be operated in Georgia based on its invoices sent to the couple's residence, and should have "reasonably anticipated being haled into a Georgia court."

On appeal from the trial court, Cascade argued it did not initiate its contact with the Velazcos and that it did not purposely conduct a transaction in Georgia.

Dillard agreed, citing the Court of Appeals' ruling in *Intercontinental Servs. of Delaware LLC v. Kent*, which applied limits to the previously unlimited authority to exercise personal jurisdiction over nonresidents who do business in the state.

Dillard said it was undisputed that Cascade had no offices, property, registered agents, or advertising in Georgia while having its sole place of business in Idaho, and having no members of its company residing in the state.

The judge concluded that enforcing personal jurisdiction over nonresidents who accepted business from Georgians seeking their help would put them in a difficult position.

"The plaintiffs are contending that we should confer personal jurisdiction over a foreign company that merely mailed invoices to and communicated electronically with Georgia citizens who, unsolicited, actively sought out and hired that company for its specialized, on-site services," Dillard said. "If we accepted this argument, then nearly every foreign entity in the country would be forced to choose between turning down Georgia business that it did not actively seek out or consenting to personal jurisdiction. This, we will not do."

Appellate Judges Trenton Brown and Wade Padgett concurred.

Attorneys Rebecca Harris of Franklin Law and Jeffrey R. Harris of Harris Lowry Manton in Atlanta represented the Velazcos, while Edward C. Bresee of Mozley, Finlayson & Loggins in Atlanta represented Cascade Aircraft Manufacturing. None of the attorneys responded immediately for comment.