CORPORATIONS—PERSONAL JURISDICTION OVER FOREIGN CORPORATIONS—IN TRANSITORY ACTIONS, ARISING OUTSIDE THE STATE, CALIFORNIA MAY EXERCISE PERSONAL JURISDICTION OVER A NEVADA CORPORATION WHICH IS THE ALTER EGO OF A CALIFORNIA CORPORATION. *Brunzell Construction Co. v. Harrah's Club* (Cal. App. 1964).

Brunzell Construction Company, a Nevada contractor, brought an action in the Superior Court of Los Angeles County against Harrah's Club, a Nevada corporation, and others, alleging: fraud and misrepresentation, breach of a construction contract, tortious interference with a contract, refusal to make payments for materials, and breach of express warranty; and seeking determination of liability on a surety bond. The causes of action arose from a contract which provided for the construction of a gambling casino in Reno, Nevada. Brunzell Construction Company and Harrah's Club had executed the contract in Nevada. The only relationship which the transaction had with California was that the documents were prepared in Los Angeles by architects and engineers, all of whom were doing business in and were residents of Los Angeles County and who had been joined in the action as defendants.

William F. Harrah, a resident of Nevada, was the sole stockholder of both Harrah's Club, a Nevada corporation, and Harrah's South Shore Corporation, a California corporation. The officers and the boards of directors of each corporation were identical. Harrah's South Shore Corporation was in no way connected with the transaction in question. The Superior Court of Los Angeles set aside service of summons on Harrah's Club which had been served upon the California Secretary of State in accordance with California Code of Civil Procedure § 411. On appeal the District Court of Appeal, Second District, reversed. The Nevada corporation was subject to the jurisdiction of the California court because there was sufficient business activity on the part of Harrah's Club and Harrah's South Shore Corporation[1] to bring the Nevada corporation within the scope of California Code of Civil Code Procedure § 411. The court held in the alternative that there was sufficient business activity on the part of Harrah's Club alone to make it amenable to California jurisdiction. *Brunzell Construction Co. v. Harrah's Club*, 225 Cal. App. 2d 734, 37 Cal. Rptr. 659 (1964).

[1] The various business activities in, and contacts with, California of Harrah's Club and Harrah's South Shore Corporation are described in detail in 225 Cal. App. 2d at 737-41, 37 Cal. Rptr. at 661-63. The court held that these activities established the fact that Harrah's South Shore Corporation was a business conduit for Harrah's Club in California.

California Code of Civil Procedure § 411 provides in part:

> The summons must be served by delivering a copy thereof as follows:
>
> . . . .
>
> 2. If the suit is against a foreign corporation, or nonresident joint stock company or association, doing business in this State; in the manner provided by Sections 6500 to 6504, inclusive, of the Corporations Code.

The pertinent sections of the Corporations Code authorize service of process upon a foreign corporation by service upon: the president or other designated officers of the corporation within the State, or any natural person designated by the corporation as its agent for purposes of service of process, or at the office of a corporate agency designated by the corporation to receive service of process. If such person or corporate agent cannot be found, or if no agent has been designated, then a court may make an order that service be made by personal delivery to the Secretary of State.[2]

The United States Supreme Court in *International Shoe Co. v. Washington*[3] stated the 'due process' test, applicable to the imposition of personal jurisdiction upon a foreign corporation, in terms of necessity for finding sufficient contacts between the defendant and the forum state to make it reasonable and just, according to traditional concepts of fairness, for the forum state to assume jurisdiction.[4] Although the 'due process' test, as set forth by the Supreme Court, was not necessarily a compelling guide for the California courts in defining the phrase, 'doing business,' it is apparent that the California courts have chosen to follow that test.[5] As a result, the California courts are no longer concerned with a factual inquiry into whether or not a foreign corporation is quantitatively doing business in this state. The courts now attempt to find sufficient 'minimum contacts' so that under the particular circumstances of each case it would not be unfair to assume personal jurisdiction over

---

[2] CAL. CORP. CODE §§ 6500, 6501.

[3] 326 U.S. 310 (1945). In the *International Shoe Co.* case the State of Washington was attempting to enforce against the foreign corporation obligations which arose from activities on the behalf of the foreign corporation carried on in that state.

[4] *Id.* at 319-20. See Small, *"Doing Business": Jurisdiction, Qualification and Taxation Applications*, 11 U.C.L.A.L. REV. 259, 264-65 (1964).

[5] Note, *Suing Foreign Corporations in California*, 5 STAN. L. REV. 503 (1953).

a foreign corporation by means of a substituted service of process.[6] Thus the test has become qualitative, and is to be determined by a 'balancing of the interests' involved.[7]

Some of the more important factors considered by the California courts in deciding that a foreign corporation has had sufficient contacts to constitute 'doing business' in the state are: ownership of property; presence of an office within the state; presence of employees, soliciting agents, salesmen, corporate officers, or stockholders; local advertising; and maintenance of a local bank account. It has been pointed out that probably none of these factors alone is conclusive, but the courts will require combinations of them.[8]

The California Supreme Court in *Fisher Governor Co. v. Superior Court*[9] identified the elements to be weighed in determining whether California should take jurisdiction over a foreign corporation.

> The interest of the state in providing a forum for its residents . . . or in regulating the business involved . . . ; the relative availability of evidence and the burden of defense and prosecution in one place rather than another . . . ; and the extent to which the cause of action arose out of defendant's local activities . . . are all relevant to this inquiry.[10]

In *Fisher*, service on the foreign corporation was accomplished by making personal service in California upon a non-exclusive manufacturer's agent selling the corporation's products. The causes of action arose in Idaho from deaths caused by an explosion of defective equipment manufactured by the defendant, an Iowa corporation.

---

[6] The terms 'doing business' and 'minimum contacts' defy concrete definition, although 'doing business' is now considered analogous to sufficient 'minimum contacts' under the doctrine laid down in *International Shoe*. Sufficient 'minimum contacts' apparently will be identified by applying tests of reasonableness and fair play with regard to the particular circumstances of each case. Post-*International Shoe* cases have indicated that if the cause of action arises out of business activity within the forum, less contact with the state will be required than in cases where the action is based upon activities which took place outside the forum. Pre-*International Shoe* cases make the distinction that if service of process is completed on an agent of the foreign corporation while 'present' within the state, it is immaterial whether or not the cause of action was related to the activity within the state. However, for a court to assert jurisdiction where service was accomplished by leaving the summons with a designated state official, the cause of action must have arisen out of business activities within the state. Dambach, *Personal Jurisdiction: Some Current Problems and Modern Trends*, 5 U.C.L.A.L. REV. 198, 218-20 (1958).

[7] Small, *supra* note 4, at 265. This recent article contains a brief, concise history of the development of the various theories underlying the exercise of personal jurisdiction by state courts, and points out that none of these theories have been found adequate to cope with the problems presented by the structure of contemporary business concerns and corporate entities involved in multi-state activities. See generally, *Developments in the Law-State-Court Jurisdiction*, 73 HARV. L. REV. 911 (1960).

[8] *Suing Foreign Corporations in California, supra* note 5, at 505-06.

[9] 53 Cal. 2d 222, 347 P.2d 1, 1 Cal. Rtpr. 1 (1959).

[10] *Id.* at 225-26, 347 P.2d at 3-4, 1 Cal. Rptr. at 3-4.

The defective equipment had not been sold in California, neither of the decedents were California residents, nor were any of the plaintiffs. The causes of action were not related to any business activities of the defendant in California, but the plaintiffs contended that the defendant's sales activities, carried on by means of independent manufacturer's agents, were sufficient to subject it to the jurisdiction of California's courts by virtue of service upon one of the manufacturer's agents. In declining to assume jurisdiction of the case, the court pointed out that none of the enumerated factors supported an assumption of jurisdiction. The causes of action did not arise out of and were not related to the defendant's activities in California, and none of the relevant events occurred in California. The court felt that evidence could be produced as easily or more easily in another state, and even if the plaintiffs could not secure jurisdiction over the defendant in Idaho, they could bring their action in Iowa as conveniently as in California.[11]

Although the *Fisher* court denied jurisdiction, the California case of *Koninklijke Luchtvaart Maatschappij v. Superior Court*[12] held that suit can be brought against a foreign corporation in California on a cause of action arising outside the state and completely unrelated to the foreign corporation's business activities within the state. In *Koninklijke* the surviving heirs of five decedents were allowed to bring wrongful death actions which grew out of an airplane crash in England against the defendant Dutch corporation. The contacts of the Dutch corporation with California consisted of: a twenty-four employee office in Los Angeles, maintained to administer aircraft contracts in excess of $1,000,000 with California aircraft firms; a ticket office with four employees who sold tickets on the corporation's intercontinental airline; local checking accounts from which the employees were paid; and the registration of four automobiles in California, serving the transportation needs of its local employees. Service of process was made upon the corporation's administrative representative who was in charge of the Los Angeles office and his assistant who was in charge of personnel in the same office.

---

[11] *Id.* at 226, 347 P.2d at 4, 1 Cal. Rptr. at 4. Although neither the *International Shoe* Court not the *Fisher* Court mentioned the doctrine of forum non conveniens, it is apparent that similar considerations are relevant to the application of that doctrine and to the determination of the existence of sufficient minimum contacts with the forum state. A recent article states: "Since the basic concept of this new approach is one of fairness, it seems very proper to consider the inconveniences which would be involved in selecting the appropriate forum. Thus, the hardship involved in requiring the corporation to defend in the state in which the action is commenced must be weighed against the inconvenience involved in requiring the plaintiff and the witnesses to go to the state of the defendant's incorporation." Dambach, *supra* note 6, at 218-19.

[12] 107 Cal. App. 2d 495, 237 P.2d 297 (1951).

A collection of California cases in *Yeck Mfg. Corp. v. Superior Court*[13] is quoted extensively[14] in *Brunzell*. With the exception of the *Koninklijke* decision, the cases collected in *Yeck* all have a common ground in that the activities carried on within California related directly to the cause of action for which the plaintiff was seeking relief.[15] From an analysis of the California cases collected in *Yeck*, it appears that the following rules are utilized to determine whether jurisdiction over a foreign corporation should be assumed: (1) if the cause of action related directly to the contacts of the corporation with California, only 'minimum' contacts are necessary; (2) if the cause of action is unrelated to the contacts, there must be substantially more activity by the corporation in order to support the assumption of jurisdiction.

In *Brunzell* the contacts attributed directly to Harrah's Club were: it leased and operated a one and one-half acre parking lot and guest house in California which adjoined its Nevada property in the community of Stateline, it leased and paid taxes on advertising signs in California, it assigned debts to California agencies for collection from California residents, and it maintained listings in California telephone directories. It would seem that these activities on the part of Harrah's Club would be sufficient to support the assumption of jurisdiction if the cause of action related directly to them, but it is questionable if they should be considered sufficient when the cause of action is entirely unrelated to the contacts. However, if Harrah's South Shore Corporation's substantial business activities in California could be attributed to Harrah's Club, then the combined contacts of the two corporations would be sufficient to support the assumption of personal jurisdiction over Harrah's Club. The respondent contended that treating the activities of Harrah's South Shore Cor-

---

[13] 202 Cal. App. 2d 645, 21 Cal. Rptr. 51 (1962). This case involved the issue of personal jurisdiction over a foreign corporation.

[14] 225 Cal. App. 2d at 742-43, Cal. App. 2d at 742-43, 37 Cal. Rptr. at 664-65.

[15] The activities directly related to California in each case cited in *Yeck* and relied upon in *Brunzell* are: (1) personal injury arising from a sale in California: Cosper v. Smith & Wesson Arms Co., 53 Cal. 2d 77, 346 P.2d 409 (1959); Thomas v. J. C. Penney Co., 186 Cal. App. 2d 223, 8 Cal. Rptr. 721 (1960); Jeter v. Austin Trailer Equipment Co., 122 Cal. App. 2d 376, 265 P.2d 130 (1953); Fielding v. Superior Court, 111 Cal. App. 2d 490, 244 P.2d 968 (1952); Sales Affiliates, Inc. v. Superior Court, 96 Cal. App. 2d 134, 214 P.2d 541 (1950); Thew Shovel Co. v. Superior Court, 35 Cal. App. 2d 183, 95 P.2d 149 (1939); (2) breach of a contract made in California: Henry R. Jahn & Son v. Superior Court, 49 Cal. 2d 855, 323 P.2d 437 (1958); Iowa Mfg. Co. v. Superior Court, 112 Cal. App. 2d 503, 246 P.2d 681 (1952); (3) property damage arising from a negligent act in California: Emsco Pavement Breaking Corp. v. City of Los Angeles, 176 Cal. App. 2d 760, 1 Cal. Rptr. 814 (1959); (4) unfair competition in California: Florence Nightingale School of Nursing v. Superior Court, 168 Cal. App. 2d 74, 335 P.2d 240 (1959); (5) failure to file income tax returns with reference to California business: West Publishing Co. v. Superior Court, 20 Cal. 2d 720, 128 P.2d 777 (1942). Yeck Mfg. Corp. v. Superior Court, 202 Cal. App. 2d at 651-52, 21 Cal. Rptr. at 54-55.

poration as those of Harrah's Club would not be proper. The court utilized a page and a half of its opinion to detail the related activities of the two corporations, and then responded to the contention of impropriety by stating:

> As heretofore indicated the officers and the boards of directors of each company are identical and William F. Harrah owns all of the stock of each of the corporations. Each company is distinctly a one-man corporation. Under our law where one person owns all of the stock of a corporation and uses the corporation as a mere conduit for the transaction of his own business, the corporation is regarded as his "alter ego". . . . To adhere to the separate corporate entity theory in this case would be nothing short of placing a judicial stamp of approval upon an apparent fraud—here the whole structure of the various enterprises is transparent. It is crystal clear that Harrah's South Shore Corporation is nothing but an alter ego, an alias, a branch, a business conduit or an instrumentality of Harrah's Club to do in California what Harrah's Club otherwise could not do.[16]

The court had no difficulty in finding that the two companies were but part of the vast holdings owned exclusively by William F. Harrah, and did not hesitate to treat the companies as one with respect to their California activities.

There is a previous California case, *Empire Steel Corp. v. Superior Court*,[17] which considers the alter ego doctrine in relation to the imposition of personal jurisdiction upon a foreign corporation. However, the *Empire Steel* case can be distinguished from *Brunzell* on several grounds: (1) it involved a wholly owned subsidiary of the foreign corporation, (2) the cause of action arose directly from the actions of the subsidiary in California, (3) the plaintiff was a California resident, and (4) the contract was made and breached in California. Furthermore, the *Empire Steel* decision (that the foreign corporation was amenable to jurisdiction) did not ultimately rely upon the theory of alter ego. The case was decided upon the ground that the foreign corporation had *itself* performed sufficient acts in California to confer personal jurisdiction by maintaining the subsidiary in business while it was insolvent.[18] Therefore, *Brunzell* is the first California case to allow personal jurisdiction over a foreign corporation, by virtue of substituted service, on the ground that the foreign corporation was the alter ego of a California corporation.

---

[16] 225 Cal. App. 2d at 744, 37 Cal. Rptr. at 665.
[17] 56 Cal. 2d 823, 366 P.2d 502, 17 Cal. Rptr. 150 (1961), U.C.L.A.L. REV. 249.
[18] Empire Steel v. Superior Court, *supra* note 17, at 835, 366 P.2d at 509, 17 Cal. Rptr. at 157. The court felt that the foreign corporation had kept the subsidiary in business for a period during which it was unsafe for third persons to deal with the subsidiary.

The alter ego doctrine was summarized by the California Supreme Court in *Minifie v. Rowley*[19] as follows:

> Before the acts and obligations of a corporation can be legally recognized as those of a particular person, and *vice versa*, the following combinations of circumstances must be made to appear; First, that the corporation is not only influenced and governed by that person, but that there is such a unity of interest and ownership that the individuality, or separateness, of the said person and corporation has ceased; second, that the facts are such that an adherence to the fiction of the separate existence of the corporation would, under the particular circumstances, sanction a fraud or promote injustice.[20]

In order to apply the alter ego doctrine to a particular case, the *Minifie* decision indicates that the circumstances must support a finding of unity of interest and ownership, *and* fraud or injustice. As indicated by the above quotation, the particular circumstances are important, and, "the occasions when the doctrine will or will not be applied cannot be reduced to a pat formula."[21]

In *Associated Vendors, Inc. v. Oakland Meat Co.*[22] Molinari, J., pointed out that the doctrine does not depend upon the presence of actual fraud, but is designed to prevent what would be fraud or injustice if accomplished.

> Accordingly, bad faith in one form or another is an underlying consideration and will be found in some form or another in those cases wherein the trial court was justified in disregarding the corporate entity.[23]

Justice Molinari's *Associated Vendors* opinion presents a comprehensive review of the California cases dealing with the doctrine of alter ego, and lists a variety of factors considered pertinent by the various courts:

> [1] Commingling of funds and other assets, failure to segregate funds of the separate entities, and the unauthorized diversion of corporate funds or assets to other than corporate uses . . . ; [2] the treatment by an individual of the assets of the corporation as his own . . . ; [3] the failure to obtain authority to issue stock or to subscribe to or issue the same . . . ; [4] the holding out by an individual that he is personally liable for the debts of the corporation . . . ; [5] the failure to maintain minutes or adequate corporate records, and the confusion of the records of the separate entities . . . ; [6] the identical equitable ownership in the two entities, the

---

19 187 Cal. 481, 202 Pac. 673 (1921).
20 *Id.* at 487, 202 Pac. at 676.
21 Schifferman, *The Alter Ego Doctrine in California*, in ADVISING CALIFORNIA BUSINESS ENTERPRISES 785, 795 (1958).
22 210 Cal. App. 2d 825, 26 Cal. Rptr. 806 (1962).
23 *Id.* at 838, 26 Cal. Rptr. at 813.

> identification of the equitable owners thereof with the dominion and control of the two entities; identification of the directors and officers of the two entities in the responsible supervision and management; sole ownership of all of the stock in a corporation by one individual or the members of a family . . . ; [7] the use of the same office or business location; the employment of the same employees and/or attorney . . . ; [8] the failure to adequately capitalize a corporation; the total absence of corporate assets, and undercapitalization . . . ; [9] the use of a corporation as a mere shell, instrumentality or conduit for a single venture or the business of an individual or another corporation . . . ; [10] the concealment and misrepresentation of the identity of the responsible ownership, management and financial interest, or concealment of personal business activities . . . ; [11] the disregard of legal formalities and the failure to maintain arm's length relationships among related entities . . . ; [12] the use of the corporate entity to procure labor, services or merchandise for another person or entity . . . ; [13] the diversion of assets from a corporation by or to a stockholder or other person or entity, to the detriment of creditors, or the manipulation of assets and liabilities between entities so as to concentrate the assets in one and the liabilities in another . . . ; [14] the contracting with another with intent to avoid performance by use of a corporate entity as a shield against personal liability, or the use of a corporation as a subterfuge of illegal transactions . . . ; [15] and the formation and use of a corporation to transfer to it the existing liability of another person or entity . . . .[24]

The opinion also emphasizes that:

> A perusal of these cases reveals that in all instances several of the factors mentioned were present. It is particularly significant that while it was held, in each instance, that the trial court was warranted in disregarding the corporate entity, the factors considered by it were not deemed to be conclusive upon the trier of fact but were found to be supported by substantial evidence.[25]

It is apparent that some of the factors listed by Justice Molinari lend themselves to the establishment of a unity of interest or ownership, but not to the establishment of fraud or inequity, in the absence of other circumstances. On the other hand, some of the factors listed would tend to establish an apparent fraud or inequity without necessarily showing any unity of interest or ownership. The factors applicable to the stated facts in *Brunzell* are items: (6), (9), and (12). The *Brunzell* opinion specifically relies on the fact that the corporations in question were both solely owned by the same individual, and that Harrah's South Shore Corporation was a business conduit for Harrah's Club.[26] Certainly these factors are indicative of a unity of interest and/or ownership. But wherein lies the fraud or

---

[24] *Id.* at 838-40, 26 Cal. Rptr. at 813-15.
[25] *Id.* at 840, 26 Cal. Rptr. at 815.
[26] 225 Cal. App. 2d at 744-45, 37 Cal. Rptr. at 665.

inequity in such a relationship? In the absence of an illegitimate purpose, California will recognize the separate entity of a corporation, wholly owned by one stockholder, if its business is conducted on a corporate and not a personal basis, and if the enterprise is established on an adequate financial basis.[27] If the facts in *Brunzell* indicated that factors (4), (8), (10), (13), (14), (15), or any one of them were present, then the court would be warranted in finding that the ingredients existed for a potential fraud or injustice.[28] But, taking the case as stated, the only injustice apparent is that the appellant would have to sue Harrah's Club in Nevada rather than in California. This can scarcely be viewed as an injustice in view of the fact that both the plaintiff and the defendant were Nevada residents, and the cause of action arose in Nevada and had no relationship to the activities of Harrah's Club in California. *Sed quaere*: does the use of the alter ego doctrine actually serve any useful purpose in determining whether or not substituted service of process should be utilized? Even if the element of fraud or injustice is present, that factor would not necessarily be pertinent to the issue of whether the court should or should not assume jurisdiction over a foreign corporation. If William F. Harrah had concealed other personal business activities behind the corporate entity of Harrah's Club in Nevada, would that factor constitute any more reason to allow California to assume jurisdiction by substituted service in the *Brunzell* case, or would it be pertinent to the issue of the assumption of personal jurisdiction over Harrah's Club if South Shore Corporation had been undercapitalized in California? Each of these hypothetical situations would create the possibility of a potential fraud or injustice upon a third person, but neither would seem to be relevant to a decision to allow or disallow Brunzell Construction to try its suit in California. Furthermore, if the alter ego doctrine is utilized to assume personal jurisdiction over the foreign corporation, would the court ignore the corporate entities for other purposes? For example, extending the rationale of *Brunzell*, it would seem reasonable to allow the Brunzell Company to levy execution upon the

[27] See 3 WITKIN, SUMMARY OF CALIFORNIA LAW 2304 (7th ed. 1960). *Cf.*, D. N. & E. Walter & Co. v. Zuckerman, 214 Cal. 418, 6 P.2d 251 (1931); CAL. CORP. CODE § 300 and NEV. REV. STAT. tit. 7; ch. 78 § 78.030 (1963), both require not less than three incorporators to initially incorporate.

[28] Schifferman, *supra* note 21 at 795, states: "[I]t is clear that in establishing the element of unity of interest and ownership, proof of commingling of personal and corporate funds, payment of personal expenses from corporate funds, disregard of the corporation as a separate entity in transactions and bookkeeping, failure to apply for a permit to issue stock, and nonconformity to corporation laws requiring the holding of stockholders' and directors' meetings will all be of significance. Important as bearing upon the fraud or injustice element will be the ingredients of insolvency, inadequate capitalization, unjust enrichment, and exemption of property from levy of attachment or execution. These examples are merely illustrative, and are not at all inclusive."

assets of the South Shore Corporation in California once Brunzell had obtained a judgment against Harrah's Club.

In conclusion, it should be noted that the court in *Brunzell* based its holding on two theories: (1) that Harrah's Club, because of its own activities, was 'doing business' in California, and (2) that Harrah's South Shore Corporation was the alter ego of Harrah's Club. A study of the case reveals that neither theory constituted dicta, but rather that they were alternative methods of finding jurisdiction. Thus, in a future case, either theory could stand alone on the authority of *Brunzell.* It is submitted that if unity of interest or ownership exists between a foreign corporation and a California corporation (similar to that which existed between Harrah's Club and Harrah's South Shore Corporation) the court would be warranted in assuming personal jurisdiction over the foreign corporation by means of substituted service *if* the cause of action related to the activities carried on by the two corporations in California. If the cause of action did not relate to the activities carried on by the two corporations in the forum, then the foreign corporation should actually be present in the forum or have substantially more contacts with the forum, sufficient to make it fair and reasonable to assume personal jurisdiction over the foreign corporation.[29] Resort to the alter ego doctrine should not be necessary in order to determine whether the court should or should not assume personal jurisdiction over a foreign corporation by means of substituted service of process. If the doctrine is utilized, the particular facts of the case should support a finding of unity of interest *and* fraud or injustice, and both elements should be the basis of the cause of action upon which the plaintiff relies in seeking to obtain substituted service of process.

Alonzo K. Wood III

[29] An example of substantial contacts would be activities such as those carried on by the foreign corporation in *Koninklijke.* See also 9 U.C.L.A.L. REV. 249, 253. If one assumes that the *Brunzell* court reached a proper conclusion in that Harrah's Club and Harrah's South Shore Corporation were the alter egos of their sole stockholder, William F. Harrah, is it proper to assume jurisdiction by virtue of CAL. CODE CIV. PROC. § 411 which applies to suits against foreign corporations? Logic dictates that if the corporate entity is to be disregarded for jurisdictional purposes, then there is no corporation involved (because it is merely the 'alter ego' of an individual) and the service of process statute dealing with corporations should be inapplicable.