

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

**CIVIL MINUTES - GENERAL**

Case No. **CV 16-6024 FMO (RAOx)** Date **Sept. 22, 2016**

Title **Elijah Bey v. Mosaic Sales Solutions US Operating Co., LLC**

Present: The Honorable **Fernando M. Olguin, United States District Judge**

**Vanessa Figueroa**

**None**

Deputy Clerk

Court Reporter / Recorder

Tape No.

Attorney Present for Plaintiff(s):

Attorney Present for Defendant(s):

None Present

None Present

**Proceedings: (In Chambers) Order to Show Cause Re: Diversity of Citizenship**

The court has reviewed defendant Mosaic Sales Solutions US Operating Co., LLC's ("Mosaic") response to the Court's Order to Show Cause Re: Remand (Dkt. 9, Court's Order of September 1, 2016) and the First Amended Complaint ("FAC"), the operative complaint upon which remand was based. In addition to CAFA jurisdiction, jurisdiction is based on diversity of the parties pursuant to 28 U.S.C. 1332(a)(1). (See Dkt. 1, NOR at ¶¶ 49-74; Dkt. 10, Defendant Mosaic Sales Solutions US Operating Co., LLC's Response to Order to Show Cause Re: Remand ("Response") at 17-23).

The NOR states that Mosaic was formed in Delaware and that its headquarters and principal place of business are in Texas and Illinois. (See Dkt. 1, NOR at ¶ 17). Relying on the standard for determining the citizenship of corporations, (see *id.*) (citing 28 U.S.C. § 1332(c)(1); *Hertz Corp. v. Friend*, 559 U.S. 77, 92-93, 130 S.Ct. 1181, 1192 (2010)), Mosaic contends it is thus a citizen of Delaware, Texas, and Illinois. However, it appears that Mosaic is a limited liability company, rather than a corporation.

Limited liability companies ("LLCs") are treated like partnerships rather than corporations and are deemed "a citizen of every state of which its owners/members are citizens." *Johnson v. Columbia Proprs. Anchorage, LP*, 437 F.3d 894, 899 (9th Cir. 2006); see *Grupo Dataflux v. Atlas Global Grp., L.P.*, 541 U.S. 567, 569, 124 S.Ct. 1920, 1923 (2004) ("[A] partnership . . . is a citizen of each State or foreign country of which any of its partners is a citizen."). "There is no such thing as 'a [state name] limited partnership' for purposes of diversity jurisdiction. There are only partners, each of which has one or more citizenships." *Hart v. Terminex Int'l*, 336 F.3d 541, 544 (7th Cir. 2003) (internal quotation marks omitted). Moreover, "[a]n LLC's principal place of business [or] state of organization is irrelevant" for purposes of diversity jurisdiction. See *Buschman v. Anesthesia Business Consultants LLC*, 42 F.Supp.3d 1244, 1248 (N.D. Cal. 2014); *Tele Munchen Fernseh GMBH & Co Produktionsgesellschaft v. Alliance Atlantis Int'l Distribution, LLC*, 2013 WL 6055328, \*4 (C.D. Cal. 2013) ("As a limited liability company, [defendant]'s principal place of business is irrelevant for purposes of diversity jurisdiction."). If a member of an LLC is

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a corporation, then the state of incorporation and its principal place of business must be shown.

Because it appears that Mosaic may not have taken into consideration the distinction between the citizenship of a corporation and that of an LLC, and has therefore not adequately set forth its citizenship, the court cannot determine whether it has subject matter jurisdiction. Accordingly, IT IS ORDERED that no later than **September 29, 2016**, Mosaic shall show cause in writing why this case should not be dismissed for lack of subject matter jurisdiction. Among other things, Mosaic shall identify the citizenship and residence of **each** of its partners, members, and owners. Mosaic's response shall be supported by a declaration as necessary. **Failure to submit a response by the deadline set forth above may be deemed as consent to remand of the action.**

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vdr