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E-Filed 8/11/10

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

NATURAL PROTEINS, LLC,

Plaintiff,

v.

OCEAN PROTEIN, LLC,

Defendant.

No. C 09-01451 RS

**ORDER TO SHOW CAUSE WHY
ACTION SHOULD NOT BE
DISMISSED FOR LACK OF
JURISDICTION AND DENYING
MOTION FOR LEAVE TO AMEND
WITHOUT PREJUDICE**

Plaintiff Natural Proteins, LLC, an Oregon limited liability company initiated this action in this court, asserting there was complete diversity of citizenship between it and defendant Ocean Protein, LLC, a Washington limited liability company, and that the amount in controversy exceeds \$75,000. Natural Protein has now moved for leave to amend its complaint to add as defendants the individual members of Ocean Protein. In opposition, Ocean Protein asserts that one of those members, Pacific Marketing Group, Inc. (“PMG”), is and always has been an Oregon corporation, despite allegations in the proposed amended complaint that it is a Washington corporation. Among other arguments in opposition to leave to amend, Ocean Protein contends that adding PMG as a defendant would destroy diversity jurisdiction. While that may be true if Ocean Protein is correct as

1 to where PMG is incorporated, it has overlooked the fact that no diversity jurisdiction exists if PMG
2 is an Oregon corporation *regardless* of whether it is specifically named as a defendant. This is so
3 because, for purposes of diversity jurisdiction, the citizenship of a limited liability company is
4 determined by looking to the citizenship of all of its members. *See Johnson v. Columbia Properties*
5 *Anchorage, LP*, 437 F.3d 894, 899 (9th Cir. 2006) (“We therefore join our sister circuits and hold
6 that, like a partnership, an LLC is a citizen of every state of which its owners/members are citizens.”)

7 Accordingly, within 15 days of the date of this order Natural Proteins shall file a brief and
8 any supporting declarations showing cause, if any it has, why this action should not be dismissed for
9 lack of jurisdiction. Within 10 days thereafter, Ocean Proteins may file a response. The matter shall
10 then be submitted without oral argument pursuant to Civil Local Rule 7-1(b).

11 Natural Protein’s motion for leave to amend is denied without prejudice, and the hearing set
12 for September 2, 2010 is vacated. Natural Protein may re-file the motion in the event jurisdiction is
13 found to exist.

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15 IT IS SO ORDERED.

16 Dated: 8/11/2010



RICHARD SEEBORG
UNITED STATES DISTRICT JUDGE

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