

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF INDIANA
FORT WAYNE DIVISION**

RYAN K. CRAYNE, as trustee for and on)	
<i>behalf of Carlton Peak Trust,</i>)	
)	
Plaintiff,)	
)	
v.)	CAUSE NO. 1:23-cv-00484-HAB-SLC
)	
THE LINCOLN NATIONAL LIFE)	
INSURANCE COMPANY,)	
)	
Defendant.)	

OPINION AND ORDER

On November 17, 2023, Plaintiff filed a complaint in this Court alleging diversity of citizenship as the basis for jurisdiction under 28 U.S.C. § 1332. (ECF 1). Subject-matter jurisdiction is the first issue that must be addressed, *Baker v. IBP, Inc.*, 357 F.3d 685, 687 (7th Cir. 2004), and thus, the Court raises the issue *sua sponte*, pursuant to Federal Rule of Civil Procedure 12(h)(3). Plaintiff’s allegations of diversity are deficient in two respects.

Plaintiff Ryan K. Crayne brings this action “on behalf of and as trustee for Carlton Peak Trust” (the “Trust”) (ECF 1 ¶ 19), a “Minnesota common law trust. . . . [which] directly owns all rights, title, and interest in and to all claims related to or arising from [Defendant’s] COI Rate Increase on the Policies” (*id.* ¶ 20). The complaint alleges that Crayne is “domiciled in South Dakota” (*id.* ¶ 19), but that ‘Plaintiff is a citizen of Minnesota’ (*id.* ¶ 1). Plaintiff, however, does not explain his reasoning as to the conclusion that “Plaintiff is a citizen of Minnesota.” (*Id.*).

In that regard, “not every entity labeled ‘trust’ possesses the citizenship only of its trustees and not its beneficiaries.” *Sippey v. Cooper Technica, Inc.*, No. 18 C 6744, 2020 WL

7027603, at *1 (N.D. Ill. Nov. 30, 2020) (citing *Americold Realty Tr. v. Conagra Food*, 577 U.S. 378, 382-83 (2012)). While the citizenship of a “traditional” trust—that being a “‘fiduciary relationship’ between multiple people”—is based on the citizenship of its trustees, “[m]any States . . . have applied the ‘trust’ label to a variety of unincorporated entities that have little in common with this traditional template.” *Americold Realty*, 577 U.S. at 383 (citations omitted); see also *Doermer v. Oxford Fin. Grp., Ltd.*, 884 F.3d 643, 647 (7th Cir. 2018). Accordingly, “in order to demonstrate a trust’s citizenship, a party must allege facts demonstrating that the trust is either a traditional trust or a business trust.” *4900 Morse Land Tr. v. Occidental Petroleum Corp.*, No. 2:23-cv-40-PPS-JPK, 2023 WL 1990076, at *4 (N.D. Ind. Feb. 14, 2023). “If the trust is a traditional trust, the party must then trace the citizenship of all of its trustees; if the trust is a business trust, the party must trace the citizenship of all of its members.” *Id.* (citations omitted). Here, the complaint fails to adequately set forth this information.

Plaintiff also fails to adequately allege the citizenship of Defendant The Lincoln National Life Insurance Company. A corporation is considered a citizen of the state by which it is incorporated *and* the state where it has its principal place of business. 28 U.S.C. § 1332(c)(1); *N. Tr. Co. v. Bunge Corp.*, 899 F.2d 591, 594 (7th Cir. 1990). While Plaintiff alleges that Defendant is incorporated in Indiana, he does not allege the state in which Defendant maintains its principal place of business. (ECF 1 ¶ 22). The Court must be informed specifically of the state in which Defendant maintains its “principal place of business.” *N. Tr. Co.*, 899 F.2d at 594.

As the party seeking to invoke federal diversity jurisdiction, Plaintiff bears the burden of demonstrating that the requirement of complete diversity has been met. *Chase v. Shop ‘N Save Warehouse Foods, Inc.*, 110 F.3d 424, 427 (7th Cir. 1997). Plaintiff has not yet done so here.

Therefore, Plaintiff is AFFORDED to and including December 12, 2023, to file a supplemental jurisdictional statement that adequately articulates each party's citizenship. In doing so, Plaintiff MUST support his allegations pertaining to the citizenship of Carlton Peak Trust with legal case citations and relevant facts, tracing his analysis through all applicable layers of trustees or members.

SO ORDERED.

Entered this 28th day of November 2023.

/s/ Susan Collins
Susan Collins
United States Magistrate Judge