

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
SHREVEPORT DIVISION

TEAM MARKETING GROUP, INC., ET AL CIVIL ACTION NO. 17-cv-1389
VERSUS JUDGE ROBERT G. JAMES
ROBERT DANIEL HYDE, ET AL MAGISTRATE JUDGE HORNSBY

MEMORANDUM ORDER

Team Marketing Group, Inc. filed this civil action in the Middle District of Tennessee based on an assertion of diversity jurisdiction, which puts the burden on Team to set forth specific facts that show there is complete diversity of citizenship. The Tennessee court reviewed the original complaint and noted that it did not have sufficient information about the members of defendant Class Marketing Services, LLC. The court noted that the citizenship of a limited liability company is determined based on the citizenship of each member, so the court needs to know the citizenship of each member and any sub-members. Doc. 8. Team responded (Doc. 9) by identifying two Colorado individuals who are the members of the LLC.

Team later filed an amended complaint (Doc. 12) that added **Budget Mobile, LLC** as a defendant. The amended complaint alleged that Budget Mobile was an alter ego of original defendant Budget Prepay, Inc., but it did not set forth the identity or citizenship of the members of the LLC. The Fifth Circuit follows the same rule that the Tennessee court explained earlier in the case. “A party seeking to establish diversity jurisdiction must specifically allege the citizenship of every member of every LLC or partnership involved

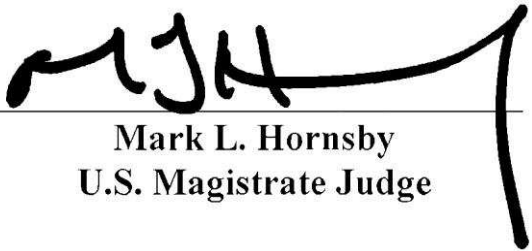
in a litigation.” Settlement Funding, L.L.C. v. Rapid Settlements, Ltd., 851 F.3d 530, 536 (5th Cir. 2017). If the members are themselves partnerships, LLCs, corporations or other form of entity, their citizenship must be alleged in accordance with the rules applicable to that entity, and the citizenship must be traced through however many layers of members or partners there may be. Feaster v. Grey Wolf Drilling Co., 2007 WL 3146363 (W.D. La. 2007).

The Tennessee court later transferred venue of the case to this court. It does not appear that Budget Mobile’s answer or any of the other subsequent filings have provided the needed citizenship information with respect to Budget Mobile, LLC. Accordingly, Team is directed to file a **motion for leave to amend its complaint** again and set forth the required allegations about the citizenship of Budget Mobile, LLC. Counsel for Budget Mobile are directed to cooperate in providing the membership/citizenship information so that this preliminary issue may be resolved efficiently. The deadline for seeking leave to amend is **March 26, 2018**.

The original and amended complaint allege that defendant **Robert Daniel Hyde, III** is believed to be a resident of Bossier Parish, Louisiana. It is domicile rather than mere residency that decides citizenship for diversity purposes, and “[i]t is well established that an allegation of residency does not satisfy the requirement of an allegation of citizenship.” Great Plains Trust Co. v. Morgan Stanley, 313 F.3d 305, 310 n. 2 (5th Cir. 2002), quoting Strain v. Harrelson Rubber Co., 742 F.2d 888 (5th Cir. 1984). A person may be a resident of multiple states, but he has only one domicile, and that domicile controls for diversity

purposes. Accordingly, the proposed amended complaint must allege that state in which Mr. Hyde is domiciled.

THUS DONE AND SIGNED in Shreveport, Louisiana, this 8th day of March, 2018.



Mark L. Hornsby
U.S. Magistrate Judge