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UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

IPM, LLC,  
  
Plaintiff,  
  
v.  
  
THE ROBERT & CORI LINEBERGER  
INTER VIVOS TRUST, *et al.*,  
  
Defendants.

Case No. C18-0710RSL  
  
ORDER DENYING MOTION TO  
UNDO JOINDER AND  
REMANDING CASE

Plaintiff sued the other members of a limited liability company, F-19 Holdings, LLC, accusing them, *inter alia*, of cutting plaintiff out of corporate opportunities and converting corporate funds for their personal use. The complaint was filed in state court in January 2018. Plaintiff had difficulties serving defendants and was given leave to do so by publication. By the time service was finally accomplished, F-19 had ceased making distributions and payments to plaintiff, who began drafting an amended complaint in April 2018. Defendant removed the case to federal court on May 16, 2018, and plaintiff filed its amended complaint five days later adding F-19 as a defendant. F-19 has not answered or appeared in this matter. The remaining defendants assert that the joinder of F-19 should be undone under 28 U.S.C. § 1447(e) because it destroys diversity and this

1 Court's jurisdiction over this case. Having reviewed the memoranda, declarations, and  
2 exhibits submitted by the parties, the Court finds as follows:

3         Given the procedural posture of this case and that the proposed amendment would  
4 destroy subject matter jurisdiction (see Reid v. The Wailers, 606 F. Supp.2d 627, 630  
5 (E.D. Va. 2009)), the correct analytical framework is provided by 28 U.S.C. § 1447(e)  
6 (see Milton v. Xerox Corp., 2016 WL 641130, at \*2 (W.D. Wash. Feb. 18, 2016)).

7 Pursuant to § 1447(e), “[i]f after removal the plaintiff seeks to join additional defendants  
8 whose joinder would destroy subject matter jurisdiction, the court may deny joinder, or  
9 permit joinder and remand the action to the State court.” Having considered the factors  
10 that courts in the Ninth Circuit use to determine whether to grant joinder under § 1447(e)  
11 (see IBC Aviation Servs., Inc. v. Campania Mexicana de Aviacion, S.A. de C.V., 125 F.  
12 Supp.2d 1008, 1011 (N.D. Cal. 2000)), the Court finds that the balance of the equities and  
13 efficiencies favor joinder. A denial of plaintiff's request would deprive it of the ability to  
14 obtain all of the relief it is requesting in this lawsuit, forcing it (a) to forego payments  
15 from F-19 and its efforts to send the company into receivership or (b) to pursue complete  
16 relief in two different lawsuits in two different jurisdictions. Although joinder and remand  
17 will undoubtedly delay resolution of this dispute, plaintiff's delay was not extraordinary,  
18 the case is still in discovery, defendants waited almost four months to object to the  
19 joinder, and the inefficiency of pursuing overlapping relief from the LLC and its members  
20 in multiple lawsuits far outweighs any prejudice caused by the relatively short delay that  
21 can be attributed to plaintiff.

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1 For all of the foregoing reasons, defendants' motion to deny joinder (Dkt. # 18) is  
2 DENIED. The Court lacks jurisdiction over this matter, and the Clerk of Court is directed  
3 to remand it to King County Superior Court pursuant to 28 U.S.C. § 1447(e).  
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5 Dated this 12th day of October, 2018.  
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8 Robert S. Lasnik  
9 United States District Judge  
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