

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

Knight Consulting Group, LLC, et al. v. Sean Arora, et al.

Knight Consulting Group · No. 25-cv-07672-NC · Decided September 10, 2025

SUMMARY

The United States District Court for the Northern District of California ordered defendant Sean Arora to show cause why the case should not be remanded to state court for lack of subject matter jurisdiction. The court concluded that Arora had not adequately established complete diversity because he did not provide the citizenship of the members of plaintiff Knight Consulting Group, LLC, although the amount-in-controversy requirement appeared satisfied.

CASE DETAILS

|                       |                                                                                                                                                                                                                                                    |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | United States District Court for the Northern District of California                                                                                                                                                                               |
| WRITING FOR THE COURT | Nathanael M. Cousins                                                                                                                                                                                                                               |
| JURISDICTION          | United States District Court for the Northern District of California                                                                                                                                                                               |
| DECIDED               | September 10, 2025                                                                                                                                                                                                                                 |
| DOCKET                | 25-cv-07672-NC                                                                                                                                                                                                                                     |
| DISPOSITION           | other                                                                                                                                                                                                                                              |
| PROCEDURAL POSTURE    | Defendant removed the action from Santa Clara County Superior Court to federal court. The district court issued an order to show cause requiring defendant to explain why the case should not be remanded for lack of subject matter jurisdiction. |
| STANDARD OF REVIEW    | Federal courts independently assess whether subject matter jurisdiction exists and construe their jurisdiction narrowly because they are courts of limited jurisdiction.                                                                           |
| PRECEDENTIAL VALUE    | Unpublished district court order; precedential status unknown.                                                                                                                                                                                     |

TOPICS

- subject matter jurisdiction
- civil procedure
- commercial litigation

PRACTICE AREAS

- civil procedure
- commercial litigation
- federal jurisdiction

## QUESTIONS PRESENTED

1. Whether the notice of removal established federal diversity subject matter jurisdiction.
2. Whether the citizenship of Knight Consulting Group, LLC could be determined without information about the citizenship of its owners or members.
3. Whether the defendant should be required to show cause why the action should not be remanded for lack of subject matter jurisdiction.

## HOLDINGS

1. For purposes of diversity jurisdiction, an LLC is a citizen of every state of which its owners or members are citizens; a party relying on diversity jurisdiction must provide sufficient facts to apply that test.
2. Because the removing defendant had not established that federal subject matter jurisdiction was satisfied, the court required him to show cause in writing why the case should not be remanded to state court.

## KEY QUOTATIONS

*“Federal courts are courts of limited jurisdiction.”* (at 1)

*“In conclusion, Arora has not established that federal subject matter jurisdiction is satisfied because he provides the incorrect test for citizenship of an LLC and does not provide sufficient facts.”* (at 2)

## FACTUAL BACKGROUND

Defendant Sean Arora, M.D., removed the case from Santa Clara County Superior Court based on diversity jurisdiction. Arora asserted that he was a Washington resident and identified the organizational jurisdictions of certain corporate defendants, but he did not provide the citizenship of the owners or members of Knight Consulting Group, LLC. The district court concluded that the amount-in-controversy threshold was sufficiently established but that the available facts were inadequate to determine complete diversity.

## PROCEDURAL HISTORY

Sean Arora removed the case to the Northern District of California on September 9, 2025. The court found that the notice of removal adequately established the amount-in-controversy requirement but did not provide sufficient information to determine the citizenship of the members of plaintiff LLC, and therefore ordered Arora to show cause why the case should not be remanded.

## DISPOSITION

other

## REMAND INSTRUCTIONS

Defendant Sean Arora must file a written response by September 24, 2025, explaining why the case should not be remanded for lack of subject matter jurisdiction. Plaintiffs may respond by October 1, 2025. The order does

not itself remand the case.

#### CASES CITED

- Kokkonen v. Guardian Life Ins. Co. of Am., 511 U.S. 375, 377 (1994)
- Johnson v. Columbia Props. Anchorage, LP, 437 F.3d 894, 899 (9th Cir. 2006)

#### OPINION

1 2 3 4 5 6 7 UNITED STATES DISTRICT COURT 8 NORTHERN DISTRICT OF  
CALIFORNIA 9 10 KNIGHT CONSULTING GROUP, LLC, et Case No. 25-cv-07672-NC 11 al.,  
ORDER TO SHOW CAUSE 12 Plaintiffs, WHY CASE SHOULD NOT BE REMANDED TO  
STATE 13 v. COURT FOR LACK OF SUBJECT MATTER 14 SEAN ARORA, et al.,  
JURISDICTION 15 Defendants. Re: ECF 1 16 17 Defendant Sean Arora, M.D. removed this case  
to this Court from Santa Clara 18 County Superior Court on September 9, 2025.

This Order requires Arora to “show cause” 19 by filing a written response by September 24, 2025,  
explaining why this case should not be 20 remanded back to state court for lack of subject matter  
jurisdiction. 21 Federal courts are courts of limited jurisdiction. Kokkonen v. Guardian Life Ins. 22  
Co. of Am., 511 U.S. 375, 377 (1994). District courts have subject matter jurisdiction 23 through  
federal question or diversity jurisdiction.

28 U.S.C. §§ 1331, 1332. Diversity 24 jurisdiction requires complete diversity of citizenship and  
an amount in controversy greater 25 than \$75,000. 28 U.S.C. § 1332(a). 26 Arora claims that there  
is diversity of citizenship because he is a resident of 27 Washington, co-Defendant Smarter Swipe,  
Inc. is incorporated/organized under the laws 1 || Technologies, Inc. are organized under the laws  
of California.

ECF 1 4 8-9, 11, 13. But 2 || “for the purposes of diversity...an LLC is a citizen of every state of  
which its 3 owners/members are citizens.” Johnson v. Columbia Props. Anchorage, LP, 437 F.3d  
894, 4 || 899 (9th Cir. 2006). Without information on the citizenship of Knight Consulting Group’s  
5 || owners/members, this Court cannot assess whether complete diversity exists.

6 The Court finds that Arora provided sufficient information to establish that the 7 || amount in  
controversy threshold is satisfied. ECF 1 4 24. 8 In conclusion, Arora has not established that  
federal subject matter jurisdiction is 9 || satisfied because he provides the incorrect test for  
citizenship of an LLC and does not 10 || provide sufficient facts.

Accordingly, Arora must show cause in writing by September 24, 11 || 2025, why this case should  
not be remanded back to state court for lack of subject matter 12 || jurisdiction. Plaintiffs may  
respond by October 1, 2025. 13 IT IS SO ORDERED. 14 15 || Dated: September 10, 2025  
NATHANAEL M. COUSINS A 16 United States Magistrate Judge 17 19 20 21 22 23 24 25 26 27

