

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF
FLORIDA

Starmark Financial, LLC v. Vasant Nanavati

Starmark · No. 25-60551-CIV-DIMITROULEAS/HUNT · Decided January 26, 2026

SUMMARY

This Report and Recommendation addresses Defendant Vasant Nanavati’s motion to dismiss in Starmark Financial, LLC’s action alleging breach of fiduciary duty and fraud. The court recommends rejecting the challenges based on personal jurisdiction, venue, failure to state a claim, and failure to join indispensable parties, but recommends dismissal without prejudice for insufficient service of process. The Report and Recommendation was issued by a United States Magistrate Judge in the Southern District of Florida.

CASE DETAILS

COURT	United States District Court for the Southern District of Florida
WRITING FOR THE COURT	Patrick M. Hunt
JURISDICTION	United States District Court for the Southern District of Florida
DECIDED	January 26, 2026
DOCKET	25-60551-CIV-DIMITROULEAS/HUNT
DISPOSITION	dismissed
PROCEDURAL POSTURE	Report and recommendation on Defendant's amended motion to dismiss under Federal Rule of Civil Procedure 12.
STANDARD OF REVIEW	On a motion to dismiss, the court accepts well-pleaded factual allegations as true, construes the complaint in the plaintiff's favor, and determines whether the allegations state a facially plausible claim. Unsupported allegations and legal conclusions are not accepted as true. For venue, allegations are accepted as true unless contradicted by affidavits, with reasonable inferences and factual conflicts resolved in the plaintiff's favor. The plaintiff bears the burden of establishing proper service, and the technical requirements for substituted service must be strictly complied with. Rule 19 joinder is analyzed in two steps: whether the absent party is required under Rule 19(a), and, if joinder is infeasible, whether the action may proceed under Rule 19(b).

PRECEDENTIAL VALUE

Nonprecedential magistrate-judge report and recommendation; effect depends on district-court adoption.

TOPICS

motions to dismiss

service of process

personal jurisdiction

venue

joinder

PRACTICE AREAS

civil procedure

commercial litigation

torts

QUESTIONS PRESENTED

1. Whether the Court had specific personal jurisdiction over Nanavati under Florida's long-arm statute and the Due Process Clause.
2. Whether venue was proper in the Southern District of Florida under 28 U.S.C. § 1391(b)(2).
3. Whether Starmark strictly complied with the requirements for substituted service on a nonresident individual under Fla. Stat. § 48.161.
4. Whether Starmark adequately pleaded fraud and breach of fiduciary duty.
5. Whether Luther and the estate of Brad Powers were required or indispensable parties under Federal Rule of Civil Procedure 19.

HOLDINGS

1. The allegations established a sufficient basis for specific personal jurisdiction over Nanavati because significant acts occurred during a Florida meeting and his substantive communications were purposefully directed toward a Florida company and its Florida representatives.
2. Venue was proper in the Southern District of Florida because a substantial part of the events giving rise to Starmark's claims occurred there.
3. Dismissal without prejudice was warranted because Starmark did not strictly comply with the technical requirements for substituted service on Nanavati.
4. Dismissal was not warranted on the ground that the Complaint failed to state claims for fraud or breach of fiduciary duty.
5. Luther and the estate of Brad Powers were not shown to be required or indispensable parties under Rule 19.

KEY QUOTATIONS

“Based on the failure to follow the technical requirements for substituted service, dismissal for improper service is warranted.”

“The Complaint, ECF No. 1, should be DISMISSED without prejudice.”

FACTUAL BACKGROUND

Starmark, a Florida company, purchased accounts from Luther Appliance & Furniture Sales Acquisition LLC. Luther allegedly double-pledged those accounts to Starmark and First Avenue Funding, while Nanavati, a nonresident who held an indirect interest in Luther's acquiring entity, became involved in managing the Luther-Starmark relationship. Nanavati allegedly represented that First Avenue was no longer involved and directed Starmark to wire approximately \$824,706.97 to fund Luther's accounts. Luther later became insolvent, withheld payments and financial data, and allegedly transferred funds to Prosperitas members.

PROCEDURAL HISTORY

Starmark sued Nanavati for breach of fiduciary duty and fraud arising from the alleged double-pledging of Luther's accounts and Nanavati's representations concerning Luther's finances. Nanavati moved to dismiss on personal-jurisdiction, venue, service-of-process, failure-to-state-a-claim, and failure-to-join grounds. The magistrate judge recommended granting the motion solely for insufficient service of process and dismissing the Complaint without prejudice, subject to objections and review by the district judge.

DISPOSITION

dismissed

CASES CITED

- Del Valle v. Trivago GmbH, 56 F.4th 1265, 1272 (11th Cir. 2022)
- Louis Vuitton Malletier, S.A. v. Mosseri, 736 F.3d 1339, 1353, 1355 (11th Cir. 2013)
- Internet Sols. Corp. v. Marshall, 39 So. 3d 1201, 1208 (Fla. 2010)
- Cable/Home Communication Corp. v. Network Productions, Inc., 902 F.2d 829, 858 (11th Cir. 1990)
- Ileyac Shipping, Ltd. v. Riera-Gomez, 899 So. 2d 1230, 1232 (Fla. 3d DCA 2005)
- Burger King Corp. v. Rudzewicz, Burger King Corp. v. Rudzewicz, 471 U.S. 462, 472 (1985)
- Whitwam v. JetCard Plus, Inc., 34 F. Supp. 3d 1257, 1259 (S.D. Fla. 2014)
- Ashcroft v. Iqbal, 556 U.S. 662, 678-79 (2009)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 570 (2007)
- Arias v. Integon Nat'l Ins. Co., 2018 WL 4407624, at *2-3 (S.D. Fla. Sept. 17, 2018)
- Brooks v. Blue Cross & Blue Shield of Fla., Inc., 116 F.3d 1364, 1369 (11th Cir. 1997)
- Hughes v. Lott, 350 F.3d 1157, 1160 (11th Cir. 2003)
- Moon v. Newsome, 863 F.2d 835, 837 (11th Cir. 1989)
- Peterson v. Atlanta Hous. Auth., 998 F.2d 904, 912 (11th Cir. 1993)
- Kennedy v. Fla., 2022 WL 22826592, at *2 (S.D. Fla. Dec. 30, 2022)
- Wai v. Rainbow Holdings, 315 F. Supp. 2d 1261, 1268 (S.D. Fla. 2004)
- Greiser v. Drinkard, 2017 WL 7788165, at *1 (S.D. Fla. Dec. 8, 2017)
- Watson v. Cmty. Educ. Ctrs., Inc., 2011 WL 3516150, at *4 (M.D. Fla. 2011)
- LLW Enter., LLC v. Ryan, 2020 WL 2630859, at *14 (M.D. Fla. May 4, 2020)
- Pardazi v. Cullman Medical Center, 896 F.2d 1313, 1317 (11th Cir. 1990)

- Orient Holding v. Assicurazioni Generali SpA, 2018 WL 5098855, at *1 (S.D. Fla. Aug. 17, 2018)
- GEICO Marine Ins. Co. v. Seaside Mobile Marine, LLC, 2024 WL 1580082, at *1 (M.D. Fla. Apr. 11, 2024)
- HDI Glob. Ins. Co. v. Amerijet Int'l Inc., 2023 WL 3778241, at *4 (S.D. Fla. May 5, 2023)
- Baxter v. Miscavige, 2023 WL 1993969, at *9 (M.D. Fla. Feb. 14, 2023)
- Scottsdale Ins. Co. v. Ulgm, Inc., 2014 WL 11906638, at *3 (S.D. Fla. July 14, 2014)
- E. Coast Assemblers, Inc. v. Nunez, 2025 WL 2723396, at *2 (S.D. Fla. Aug. 14, 2025)
- Quail Cruises Ship Mgmt., Ltd. v. Agencia de Viagens CVC Tur Limitada, 847 F. Supp. 2d 1333, 1342 (S.D. Fla. 2012)
- Winn-Dixie Stores, Inc. v. Dolgencorp, LLC, 746 F.3d 1008, 1039-40 (11th Cir. 2014)
- Anderson v. AIG Prop. Cas. Co., 2020 WL 6321867, at *1 (M.D. Fla. Oct. 28, 2020)
- Molinos Valle Del Cibao, C. por A. v. Lama, 633 F.3d 1330, 1347 (11th Cir. 2011)
- Compania Chilena De Navegacion Interoceanic, S.A. v. D.H.C. Trucking, Inc., 2016 WL 1722425, at *11-12 (S.D. Fla. 2016)
- Raimbeault v. Accurate Mach. & Tool, LLC, 302 F.R.D. 675, 682 (S.D. Fla. 2014)
- Innotex Precision Ltd. v. Horei Image Prods., 679 F. Supp. 2d 1356, 1362 (N.D. Ga. 2009)
- Monroe v. Cont'l Tire the Ams., LLC, 807 F. Supp. 2d 1129, 1132 (M.D. Fla. 2011)
- HDR Eng'g, Inc. v. R.C.T. Eng'g, Inc., 2010 WL 2402908, at *2 (S.D. Fla. June 15, 2010)
- Temple v. Synthes Corp., Ltd., 498 U.S. 5, 7 (1990)
- Thomas v. Arn, 474 U.S. 140 (1985)
- Starmark Fin., LLC v. Luther Appliance, No. 24-62357-CIV-DIMITROULEAS/HUNT, 2025 WL 531932 (S.D. Fla. Jan. 6, 2025)
- Abraham v. Universal Ins. Co. of N. Am., 614 So. 2d 767, 769 (Fla. 4th DCA 1993)