

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF SOUTH
DAKOTA, SOUTHERN DIVISION

**Shelby M. Ellefson v. Eric J. Ronke; Ronke Law, PLLC; Halliday,
Watkins, and Mann, P.C.; and Citizens Bank**

Ellefson · No. 4:25-CV-04128-RAL · Decided March 3, 2026

SUMMARY

The United States District Court for the District of South Dakota dismissed Shelby M. Ellefson’s pro se action without prejudice for lack of subject-matter jurisdiction. The court held that Ellefson failed to establish standing for her civil RICO claim because her alleged injuries were not cognizable business-or-property injuries or were insufficiently connected to the alleged conduct, and therefore the court could not exercise supplemental jurisdiction over her state-law claims. The court also denied leave to file a second amended complaint as futile and for failure to comply with the local rule governing amended pleadings.

CASE DETAILS

COURT	United States District Court for the District of South Dakota, Southern Division
WRITING FOR THE COURT	Roberto A. Lange
JURISDICTION	United States District Court for the District of South Dakota, Southern Division
DECIDED	March 3, 2026
DOCKET	4:25-CV-04128-RAL
DISPOSITION	dismissed
PROCEDURAL POSTURE	Pro se plaintiff filed an amended complaint asserting civil RICO and state-law claims. The court sua sponte determined that subject-matter jurisdiction was lacking, denied a motion for leave to file a second amended complaint as futile and procedurally deficient, and dismissed the action without prejudice.
STANDARD OF REVIEW	The court independently considered subject-matter jurisdiction and was required to dismiss at any time if jurisdiction was lacking. It applied liberal construction to the pro se pleadings and reviewed the proposed amendment for futility, asking whether the proposed complaint could withstand a Rule 12(b)(6) motion; denial of leave to

	amend for procedural noncompliance was reviewed under the applicable local rule and amendment principles.
PRECEDENTIAL VALUE	unpublished
PARTIES	Shelby M. Ellefson v. Eric J. Ronke, Ronke Law, PLLC, Halliday, Watkins, and Mann, P.C., Citizens Bank

TOPICS

subject matter jurisdiction standing motion to amend bankruptcy civil procedure

PRACTICE AREAS

civil procedure federal jurisdiction bankruptcy RICO legal malpractice

QUESTIONS PRESENTED

1. Whether the court had diversity jurisdiction over Ellefson's claims.
2. Whether Ellefson established standing to pursue a civil RICO claim under 18 U.S.C. § 1964(c).
3. Whether the court could exercise supplemental jurisdiction over Ellefson's state-law claims after dismissal of the RICO claim.
4. Whether leave to file a second amended complaint adding claims against a bankruptcy trustee should be denied as futile because Ellefson had not obtained leave from the appointing bankruptcy court.
5. Whether the motion for leave to amend could also be denied because the proposed pleading did not comply with District of South Dakota Local Rule 15.1.

HOLDINGS

1. Ellefson failed to establish diversity jurisdiction because she alleged no facts showing that defendant Eric Ronke was a citizen of a different state from her.
2. Ellefson lacked standing to pursue her civil RICO claim because she did not allege a qualifying injury to business or property proximately caused by a RICO violation and did not allege a concrete financial loss.
3. The court could not exercise supplemental jurisdiction over Ellefson's state-law claims after dismissing the only claim that could support federal-question jurisdiction.
4. Leave to amend was futile because Ellefson sought to sue a bankruptcy trustee for acts allegedly taken in the trustee's official capacity without alleging that she had obtained consent from the appointing bankruptcy court.
5. The motion for leave to file a second amended complaint could also be denied because Ellefson failed to submit the complete proposed amended pleading as required by Local Rule 15.1.

KEY QUOTATIONS

“For the reasons below, Ellefson fails to establish standing for an individual civil RICO claim or allege a viable RICO claim.”

“Therefore, Ellefson’s entire action is dismissed without prejudice for lack of subject-matter jurisdiction.”

FACTUAL BACKGROUND

Ellefson alleged that Citizens Bank sent threatening foreclosure-related notices, that Halliday, Watkins, and Mann, P.C. assisted in preparing or delivering those notices, and that attorney Eric Ronke misled her into filing bankruptcy. She claimed emotional and physical harms, medical costs, loss of retirement funds, reputational damage, and lost employment opportunities. In the proposed second amended complaint, she sought to add Chapter 13 trustee Kyle Carlson based on alleged improper administration of her bankruptcy estate.

PROCEDURAL HISTORY

Ellefson filed an original complaint and then moved to amend. The court granted leave to file the first amended complaint, which asserted a civil RICO claim and state-law claims arising from alleged pressure to file bankruptcy and related conduct. Ellefson later moved for leave to file a second amended complaint adding claims against a bankruptcy trustee. The court dismissed the action without prejudice for lack of subject-matter jurisdiction, denied the second amendment as futile and noncompliant with Local Rule 15.1, and denied the remaining motions as moot.

DISPOSITION

dismissed

CASES CITED

- Bueford v. Resolution Trust Corp., 991 F.2d 481, 485 (8th Cir. 1993)
- Erickson v. Pardus, 551 U.S. 89, 94 (2007) (per curiam)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555 (2007)
- Stone v. Harry, 364 F.3d 912, 914 (8th Cir. 2004)
- Cunningham v. Ray, 648 F.2d 1185, 1186 (8th Cir. 1981) (per curiam)
- United States v. Afremov, 611 F.3d 970, 975 (8th Cir. 2010)
- Hart v. United States, 630 F.3d 1085, 1089 (8th Cir. 2011)
- Badgerow v. Walters, 596 U.S. 1, 7 (2022)
- Owen Equip. & Erection Co. v. Kroger, 437 U.S. 365, 373 (1978)
- Hertz Corp. v. Friend, 559 U.S. 77, 96 (2010)
- Biscanin v. Merrill Lynch & Co., Inc., 407 F.3d 905, 907 (8th Cir. 2005)
- Spearfish Evans-Tonn Ditch Co. v. Horizon Inv., LLC, 715 F. Supp. 3d 1219, 1225 (D.S.D. 2024)
- Brooks v. City of Des Moines, 844 F.3d 978, 979 (8th Cir. 2016)
- City of Kansas City v. Yarco Co., Inc., 625 F.3d 1038, 1040-41 (8th Cir. 2010)
- Lum v. Bank of Am., 361 F.3d 217, 223 (3d Cir. 2004)

- Sedima, S.P.R.L. v. Imrex Co., 473 U.S. 479, 496 (1985)
- Anza v. Ideal Steel Supply Corp., 547 U.S. 451, 453 (2006)
- Med. Marijuana, Inc. v. Horn, 604 U.S. 593, 601 (2025)
- Bowen v. Adidas Am. Inc., 84 F.4th 166, 173 (4th Cir. 2023)
- Brown-Austin v. Chambers-Smith, No. 1:23-CV-478, 2025 WL 2013585, at *5 (S.D. Ohio July 18, 2025)
- Fleischhauer v. Feltner, 879 F.2d 1290, 1300 (6th Cir. 1989)
- Dysart v. BankTrust, 516 F. App'x 861, 864 (11th Cir. 2013) (per curiam)
- Hamm v. Rhone-Poulenc Rorer Pharms., Inc., 187 F.3d 941, 947, 954 (8th Cir. 1999)
- Hemi Group, LLC v. City of New York, 559 U.S. 1, 9, 14 (2010)
- Bridge v. Phoenix Bond & Indem. Co., 553 U.S. 639, 657-58 (2008)
- Gomez v. Wells Fargo Bank, N.A., 676 F.3d 655, 659 (8th Cir. 2012)
- Regions Bank v. J.R. Oil Co., LLC, 387 F.3d 721, 728-29 (8th Cir. 2004)
- Price v. Pinnacle Brands, Inc., 138 F.3d 602, 607 (5th Cir. 1998)
- HCB Fin. Corp. v. McPherson, 8 F.4th 335, 344 (5th Cir. 2021)
- Popoalii v. Corr. Med. Servs., 512 F.3d 488, 497 (8th Cir. 2008)
- Sherman v. Winco Fireworks, Inc., 532 F.3d 709, 715 (8th Cir. 2008)
- Sanders v. Clemco Indus., 823 F.2d 214, 216 (8th Cir. 1987)
- Foman v. Davis, 371 U.S. 178, 182 (1962)
- Ingram v. State Farm Fire & Cas. Co., 249 F.3d 743, 745 (8th Cir. 2001)
- Wald v. Sw. Bell Corp. Customcare Med. Plan, 83 F.3d 1002, 1005 (8th Cir. 1996)
- Zutz v. Nelson, 601 F.3d 842, 850 (8th Cir. 2010)
- Cornelia I. Crowell GST Trust v. Possis Med., Inc., 519 F.3d 778, 782 (8th Cir. 2008)
- In re Nathurst, 207 B.R. 755, 758 (Bankr. M.D. Fla. 1997)
- Barton v. Barbour, 104 U.S. 126 (1881)
- In re Krikava, 217 B.R. 275, 279 (Bankr. D. Neb. 1998)
- In re Ross, 231 B.R. 74, 78 (Bankr. W.D. Mo. 1999)
- In re DeLorean Motor Co., 991 F.2d 1236, 1240 (6th Cir. 1993)
- Carter v. Rodgers, 220 F.3d 1249, 1255 (11th Cir. 2000)
- Muffy v. Wells Fargo Bank NA, 71 F.4th 1094, 1099 (8th Cir. 2023)
- Far E. Aluminium Works Co. v. Viracon, Inc., 27 F.4th 1361, 1367 (8th Cir. 2022)