

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Odes USA Inc. v. Total Quality Logistics, LLC

Odes USA · No. 5:25-cv-01329-JLS-SP · Decided August 7, 2025

SUMMARY

The Central District of California remanded the action to Riverside County Superior Court because the removing defendant failed to establish complete diversity of citizenship. The court held that conclusory allegations about the citizenship of the members of defendant Total Quality Logistics, LLC were insufficient and noted additional concerns regarding the amount in controversy.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Josephine L. Staton
JURISDICTION	U.S. District Court for the Central District of California
DECIDED	August 7, 2025
DOCKET	5:25-cv-01329-JLS-SP
DISPOSITION	remanded
PROCEDURAL POSTURE	Defendant removed a California state-court action asserting state-law negligence, breach-of-contract, and conversion claims on the basis of diversity jurisdiction. After ordering the removing defendant to show cause why the action should not be remanded, the court remanded for failure to establish complete diversity.
STANDARD OF REVIEW	The district court independently reviews whether subject matter jurisdiction exists, and the removing defendant bears the burden of establishing that removal is proper and that diversity jurisdiction exists.
PRECEDENTIAL VALUE	Unpublished district court order; precedential status is unknown
PARTIES	Total Quality Logistics, LLC v. Odes USA Inc.

TOPICS

- subject matter jurisdiction
- civil procedure
- commercial litigation
- breach of contract
- negligence

PRACTICE AREAS

federal jurisdiction

removal and remand

civil procedure

commercial litigation

QUESTIONS PRESENTED

1. Whether Total Quality Logistics, LLC established the citizenship of itself and its members sufficiently to invoke federal diversity jurisdiction.
2. Whether the action had to be remanded under 28 U.S.C. § 1447(c) because the removing defendant failed to establish subject matter jurisdiction.

HOLDINGS

1. A limited liability company invoking diversity jurisdiction must identify the citizenship of each member, tracing citizenship through additional layers of LLCs, partnerships, or other entities as necessary. Conclusory assertions that the LLC and its members are citizens of a particular state are insufficient.
2. When a removing defendant fails to establish diversity jurisdiction, the federal court must remand the removed action to state court.

KEY QUOTATIONS

“The “strong presumption against removal jurisdiction means that the defendant always has the burden of establishing that removal is proper,” and that “federal jurisdiction must be rejected if there is any doubt as to the right of removal in the first instance.”” (at 1)

““Conclusory statements that all the members or partners of a limited liability company ... are citizens of a certain state (or are not citizens of a certain state) do not satisfy the burden of proof of establishing diversity of citizenship.”” (at 3)

FACTUAL BACKGROUND

Odes USA Inc., alleged to be a California corporation, sued Total Quality Logistics, LLC and Everyday Express LLC in California state court for negligence, breach of contract, and conversion. Total Quality Logistics alleged that it was an Ohio limited liability company, later identifying three members as an Ohio corporation and two Ohio LLCs, but it did not identify the entities' citizenship through all ownership layers. The court concluded that these allegations were insufficient to establish complete diversity.

PROCEDURAL HISTORY

Odes USA Inc. filed the action against Total Quality Logistics, LLC and Everyday Express LLC in Riverside County Superior Court on April 15, 2025. Total Quality Logistics removed the case to the Central District of California on May 29, 2025. The district court issued an order to show cause regarding subject matter jurisdiction, found the response insufficient, and remanded the action to Riverside County Superior Court.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The action is remanded to Riverside County Superior Court, Case No. CVRI2502007. All pending hearings are vacated.

CASES CITED

- United Inv'rs Life Ins. Co. v. Waddell & Reed Inc., 360 F.3d 960, 967 (9th Cir. 2004)
- Hunter v. Philip Morris USA, 582 F.3d 1039, 1042 (9th Cir. 2009)
- Gaus v. Miles, Inc., 980 F.2d 564, 566 (9th Cir. 1992) (per curiam)
- Johnson v. Columbia Props. Anchorage, LP, 437 F.3d 899, 902 (9th Cir. 2006)
- Lindley Contours, LLC v. AABB Fitness Holdings, Inc., 414 Fed. App'x 62, 64-65 (9th Cir. 2011)
- Discovery Health Services, Inc. v. M.R. Lab Services LLC, 2023 WL 6186684, at *1 (S.D. Cal. Feb. 1, 2023)
- Tores v. Wireless Vision, LLC, 2025 WL 356494, at *2 (C.D. Cal. Jan. 31, 2025)
- Tomaselli v. Transamerica Ins. Co., 25 Cal. App. 4th 1269, 1287 (1994)
- Antonio v. Central Florida Invt, Inc., 2016 WL 4267941, at *3-4 (C.D. Cal. Aug. 11, 2016)

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