

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Titanium Trading Group Pty, Ltd. v. CN-USA Express, Inc., et al.

Titanium Trading Group · No. CV 25-8688-GW-AJRx · Decided September 22, 2025

SUMMARY

The United States District Court for the Central District of California issued an order to show cause concerning subject-matter jurisdiction in an action brought by Titanium Trading Group Pty Ltd. against several defendants, including entities organized in the United States, China, and Hong Kong. The court questioned whether diversity jurisdiction exists because foreign citizens may be present on both sides and ordered the plaintiff to establish the citizenship of all members of any limited liability company that is a party.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	George H. Wu
JURISDICTION	United States District Court for the Central District of California
DECIDED	September 22, 2025
DOCKET	CV 25-8688-GW-AJRx
DISPOSITION	other
PROCEDURAL POSTURE	The plaintiff filed a diversity action and an ex parte application for a writ of possession, temporary restraining order, and order to show cause regarding a preliminary injunction. The court sua sponte ordered the plaintiff to show cause why subject matter jurisdiction exists and deferred consideration of the ex parte application pending resolution of the jurisdictional issue.
STANDARD OF REVIEW	The court independently examines subject matter jurisdiction and may raise jurisdictional defects sua sponte at any time.
PRECEDENTIAL VALUE	nonprecedential
PARTIES	Titanium Trading Group Pty, Ltd. v. CN-USA Express, Inc., Hangzhou Jiaming Yichang Technology Co., Pty, Ltd., FlexFulfills Limited, Does 1-10

TOPICS

subject matter jurisdiction

civil procedure

contracts

commercial litigation

torts

PRACTICE AREAS

civil procedure

commercial litigation

contracts

torts

QUESTIONS PRESENTED

1. Whether the court has subject matter jurisdiction under the diversity-of-citizenship statute when the plaintiff is an Australian entity and some defendants are citizens or entities of China and Hong Kong.
2. Whether Titanium must establish the citizenship of every member of each limited liability company that is a party to the action.
3. Whether the court should defer consideration of Titanium's ex parte application pending clarification of subject matter jurisdiction.

HOLDINGS

1. A federal district court must consider its subject matter jurisdiction in every case and may raise a jurisdictional challenge sua sponte at any time.
2. Diversity jurisdiction under the alienage provision is generally unavailable when aliens are present on both sides of the litigation; the court therefore required Titanium to explain why jurisdiction exists.
3. For purposes of subject matter jurisdiction, a limited liability company is a citizen of every state or country of which its members are citizens, and a party relying on diversity jurisdiction must establish the citizenship of all members of each party LLC.

KEY QUOTATIONS

“Federal courts are courts of limited jurisdiction and have subject matter jurisdiction to adjudicate only those cases authorized by the United States Constitution and Congress.”

“Jurisdictional challenges can be raised at any time – indeed, federal courts have “a duty to consider them sua sponte.””

“It is especially noted that Plaintiff must establish the citizenship of all members of any limited liability company that is a party in this action.”

FACTUAL BACKGROUND

Titanium alleged that it is an Australian limited liability company and sued CN-USA Express, a California corporation, HJY Tech, a Chinese limited liability company, and FlexFulfills, a Hong Kong limited liability company. The complaint asserted claims for breach of contract, intentional interference with contractual relations, claim and delivery, conversion, withholding stolen property, and trespass to chattel. Titanium alleged that the amount in controversy exceeded \$75,000, but the court questioned whether complete diversity existed because foreign citizens appeared on both sides of the litigation.

PROCEDURAL HISTORY

Titanium filed the action in the Central District of California on September 12, 2025, invoking diversity jurisdiction under 28 U.S.C. § 1332(a)(1). The court identified a potential defect because the plaintiff and some defendants appeared to be foreign entities, ordered Titanium to submit a written jurisdictional showing by noon on September 29, 2025, and set an October 2, 2025 hearing. No final jurisdictional ruling was made in this order.

DISPOSITION

other

CASES CITED

- Kokkonen v. Guardian Life Insurance Co., 511 U.S. 375, 377 (1994)
- Arbaugh v. Y&H Corp., 546 U.S. 500, 514 (2006)
- Wilkins v. United States, 598 U.S. 152, 157 (2023)
- Voltage Pictures, LLC v. Gussi, S.A. de C.V., 92 F.4th 815, 822 (9th Cir. 2024)
- Grupo Dataflux v. Atlas Global Group, L.P., 541 U.S. 567, 569 (2004)
- Arai v. Tachibana, 778 F. Supp. 1535, 1543 (D. Haw. 1991)
- Faysound, Ltd. v. United Coconut Chemicals, Inc., 878 F.2d 290, 294 (9th Cir. 1989)
- Satarco Kish Trading, LLC v. Wamar International Group, LLC, No. CV-15-05206-BRO-(JCx), 2015 U.S. Dist. LEXIS 182102, *2 (C.D. Cal. 2015)
- Johnson v. Columbia Properties Anchorage, LP, 437 F.3d 894, 899 (9th Cir. 2006)

OPINION

Titanium Trading Group Pty Ltd v. CN-USA Express Inc.

PER CURIAM.

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CIVIL MINUTES - GENERAL

Case No. CV 25-8688-GW-AJRx Date September 22, 2025 Title Titanium Trading Group Pty, Ltd. v. CN-USA Express, Inc., et al. Present: The Honorable GEORGE H. WU, UNITED STATES DISTRICT JUDGE Javier Gonzalez None Present N/A Deputy Clerk Court Reporter / Recorder Tape No. Attorneys Present for Plaintiffs: Attorneys Present for Defendants: None Present None Present

PROCEEDINGS: IN CHAMBERS - ORDER TO SHOW CAUSE RE: JURISDICTION

On September 12, 2025, plaintiff Titanium Trading Group Pty Ltd. (“Titanium”) filed suit in this Court. See Complaint, Docket No. 1. Titanium asserted that this Court had subject matter jurisdiction based upon diversity under 28 U.S.C. § 1332(a)(1) because “Plaintiff is an Australian Limited Liability Company with its principal place of business in Australia, and the Defendants are companies organized under the laws of California, China, and Hong Kong, with their principal places of business in California, China, and Hong Kong, and the amount in controversy in this action, exclusive of costs and interest, exceeds \$75,000.” Id. ¶ 16. Titanium has filed an ex parte

application for writ of possession, temporary restraining order, and order to show cause regarding preliminary injunction (“Ex Parte Application,” Docket No. 10). Titanium is alleged to be a limited liability company organized under the laws of Australia. Id. ¶

8. Titanium asserts six causes of action: (1) breach of contract; (2) intentional interference with contractual

relations; (3) claim and delivery; (4) conversion; (5) withholding stolen property under Cal. Pen. Code § 496; and (6) trespass to chattel against CN-USA Express Inc. (“CN-USA”), Hangzhou Jiaming Yichang Technology Co., Pty, Ltd. (“HJY Tech”), FlexFulfills Limited (“FlexFulfills”), and Does 1-10 (collectively, “Defendants”). See generally id. CN-USA is purportedly a corporation organized under the laws of California with its principal place of business within the state. Id. ¶ 9. HJY Tech is alleged to be a limited liability company organized under the laws of the People’s Republic of China with its principal place of business in China. Id. ¶ 11. FlexFulfills is a limited liability company organized under the laws of Hong Kong with its principal place of business in Hong Kong. Id. ¶ 13. Federal courts are courts of limited jurisdiction and have subject matter jurisdiction to adjudicate only those cases authorized by the United States Constitution and Congress. *Kokkonen v. Guardian Life Ins. Co.*, 511 U.S. 375, 377 (1994). This Court is obligated to consider its subject matter jurisdiction in every case that comes before it, even if no party challenges it. *Arbaugh v. Y&H Corp.*, 546 U.S. 500, 514

(2006). Jurisdictional challenges can be raised at any time – indeed, federal courts have “a duty to consider

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CIVIL MINUTES - GENERAL

Case No. CV 25-8688-GW-AJR Date September 22, 2025 Title Titanium Trading Group Pty, Ltd. v. CN-USA Express, Inc., et al. them sua sponte.” *Wilkins v. United States*, 598 U.S. 152, 157 (2023). 28 U.S.C. § 1331(a)(2) “vests federal district courts with subject matter jurisdiction over suits involving ‘citizens of a State and citizens or subjects of a foreign state,’ but not over suits in which ‘aliens are on both sides of the case.’” *Voltage Pictures, LLC v. Gussi, S.A. de C.V.*, 92 F.4th 815, 822 (9th Cir. 2024) (quoting 28 U.S.C. § 1331(a)(2) and then *Grupo Dataflux v. Atlas Glob. Grp., L.P.*, 541 U.S. 567, 569 (2004)) (citations and brackets omitted). A court “must dismiss [a] case for lack of complete diversity of the parties” where there are “aliens on both sides of the litigation.” *Arai v. Tachibana*, 778 F. Supp. 1535, 1543 (D. Haw. 1991) (finding no alienage jurisdiction in action brought by Japanese citizens against Hawaiian citizen and Japanese citizens permanently residing in Hawaii); see also, *Faysound, Ltd. v. United Coconut Chemicals, Inc.*, 878 F.2d 290, 294 (9th Cir. 1989) (diversity jurisdiction may not be present where an alien plaintiff sues a U.S. citizen defendant and an alien co-defendant); *Satarco Kish Trading, LLC v. Wamar Int’l Grp., LLC*, No. CV-15-05206-BRO-(JCx), 2015 U.S. Dist. LEXIS 182102, *2 (C.D. Cal. 2015) (diversity jurisdiction not present when a United Arab Emirates limited liability company (with its principal place of business in Dubai) plaintiff sued a California limited liability company

(whose members were all California citizens) and a french corporation). For purposes of subject matter jurisdiction, a limited liability company is deemed to be a citizen of every state (or country) of which its members are citizens. See *Johnson v. Columbia Props. Anchorage, LP*, 437 F.3d 894, 899 (9th Cir. 2006). Here, there appear to be “aliens on both sides of the litigation,” (*Voltage Pictures*, 92 F.4th at 822) and, hence, diversity jurisdiction may not actually be present. Therefore, Titanium is ORDERED TO SHOW CAUSE in writing no later than noon on September 29, 2025, as to why this Court has subject matter jurisdiction over this action given the presence of foreign citizens on both sides of the litigation. It is especially noted that Plaintiff must establish the citizenship of all members of any limited liability company that is a party in this action. Titanium shall have an opportunity for oral argument on the issue of jurisdiction at a hearing on October 2, 2025 at 8:30 A.M. Titanium’s Ex Parte Application will not be considered pending the resolution of this jurisdictional issue. IT IS SO ORDERED.