

UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF
ALABAMA, NORTHERN DIVISION

**Ameris Bank v. BFS Carriers LLC, BFS Logistics, LLC, Neal
Whatley, and Thomas Sutter**

No. 2:26-cv-59-JTA, United States District Court for the Middle District of Alabama, Northern Division
(February 2, 2026)

SUMMARY

The United States District Court for the Middle District of Alabama orders Ameris Bank to show cause why its diversity action should not be dismissed for lack of subject matter jurisdiction. The court explains that the complaint does not adequately allege the citizenship of the defendant limited liability companies because it fails to identify their members and each member's citizenship.

CASE DETAILS

COURT	United States District Court for the Middle District of Alabama, Northern Division
WRITING FOR THE COURT	T. Adams
JURISDICTION	United States District Court for the Middle District of Alabama, Northern Division
DECIDED	February 2, 2026
DOCKET	2:26-cv-59-JTA
DISPOSITION	other
PROCEDURAL POSTURE	At the outset of a diversity action, the court sua sponte issued an order requiring the plaintiff to show cause why the action should not be dismissed for lack of subject matter jurisdiction.
STANDARD OF REVIEW	The court independently and sua sponte reviewed the sufficiency of the allegations establishing subject matter jurisdiction.
PRECEDENTIAL VALUE	unknown

TOPICS

subject matter jurisdiction

pleadings

commercial litigation

civil procedure

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the complaint adequately alleged the existence of complete diversity jurisdiction under 28 U.S.C. § 1332.
2. Whether allegations concerning an LLC's organization, principal place of business, or owners sufficiently establish the LLC's citizenship.

HOLDINGS

1. A plaintiff invoking diversity jurisdiction must identify each member of a limited liability company and allege the citizenship of each member; if a member is itself a limited liability entity, the plaintiff must trace and allege the citizenship of that entity's members through each layer of ownership or membership.
2. A federal court must sua sponte evaluate its subject matter jurisdiction at the earliest possible stage and throughout the action, and must dismiss the action if jurisdiction is lacking.

KEY QUOTATIONS

“Hence, the Court must sua sponte evaluate its own jurisdiction at the earliest possible stage of the proceedings, and constantly throughout the course of the action.”

“Thus, to properly allege the citizenship of an LLC, Plaintiff must name each of the LLC’s members and state each member’s place of citizenship.”

FACTUAL BACKGROUND

Ameris Bank sued BFS Carriers LLC, BFS Logistics, LLC, Neal Whatley, and Thomas Sutter, invoking federal diversity jurisdiction. The complaint identified the two LLC defendants as organized under Alabama law with principal places of business in Alabama, but did not identify their members or allege the citizenship of each member.

PROCEDURAL HISTORY

Ameris Bank filed a complaint invoking diversity jurisdiction under 28 U.S.C. § 1332. The court determined that the complaint inadequately alleged the citizenship of two defendant limited liability companies and ordered Ameris Bank to show cause by February 17, 2026, why the case should not be dismissed.

DISPOSITION

other

CASES CITED

- Taylor v. Appleton, 30 F.3d 1365, 1367 (11th Cir. 1994)
- Bender v. Williamsport Area School District, 475 U.S. 534, 541 (1986)

- *University of South Alabama v. American Tobacco Co.*, 168 F.3d 405, 410 (11th Cir. 1999)
- *Ex parte McCardle*, 74 U.S. (7 Wall.) 506, 19 L. Ed. 264 (1868)
- *Rolling Greens MHP, L.P. v. Comcast SCH Holdings L.L.C.*, 374 F.3d 1020, 1022 (11th Cir. 2004)
- *Palmer v. Hospital Authority of Randolph County*, 22 F.3d 1559, 1564 (11th Cir. 1994)
- *Post v. Biomet, Inc.*, No. 3:20-CV-527-J-34JRK, 2020 WL 2766210, at *1 (M.D. Fla. May 28, 2020)

OPINION

IN THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF ALABAMA
NORTHERN DIVISION AMERIS BANK,)) Plaintiff,)) v.) CASE NO. 2:26-cv-59- JTA)
(WO) BFS CARRIERS LLC, BFS) LOGISTICS, LLC, NEAL WHATLEY,) and THOMAS
SUTTER,)) Defendants.) ORDER A plaintiff invoking the court’s jurisdiction¹ must establish
the basis for subject matter jurisdiction in the complaint.

See *Taylor v. Appleton*, 30 F.3d 1365, 1367 (11th Cir. 1994). Plaintiff Ameris Bank’s complaint fails to do so. (Doc. No. 1.) Accordingly, for the reasons stated below, Plaintiff shall show cause why this action should not be dismissed for lack of subject matter jurisdiction. Plaintiff alleges that, “[p]ursuant to 28 U.S.C. § 1332, this Court maintains subject matter jurisdiction over this case.” (Doc.

No. 1 at 3 ¶ 16.) Pursuant to § 1332, diversity 1 Federal courts are courts of limited jurisdiction, possessing only the power authorized by the Constitution and federal statutes. *Bender v. Williamsport Area Sch. Dist.*, 475 U.S. 534, 541 (1986). Hence, the Court must sua sponte evaluate its own jurisdiction at the earliest possible stage of the proceedings, and constantly throughout the course of the action.

Univ. of S. Ala. v. Am. Tobacco Co., 168 F.3d 405, 410 (11th Cir. 1999). If the Court lacks subject matter jurisdiction, it must dismiss the case. *Id.* (“Jurisdiction is power to declare the law, and when it ceases to exist, the only function remaining to the court is that of announcing the fact and dismissing the cause.”) (quoting *Ex parte McCardle*, 74 U.S. (7 Wall.)

506, 19 L. Ed. 264 (1868)). jurisdiction exists in civil actions filed between citizens of different states² and the amount in controversy exceeds \$75,000, exclusive of interests and costs. 28 U.S.C. § 1332. Plaintiff’s complaint falls short of establishing diversity jurisdiction because it fails to properly allege the citizenship of Defendants BFS Carriers, LLC, and BFS Logistics, LLC. Plaintiff alleges these Defendants are Alabama limited liability companies “organized and existing pursuant to the laws of Alabama” with their principal places of business in Alabama.

However, place of incorporation, principal place of business, and the like are useless for establishing the citizenship of a limited liability entity. “[L]ike a limited partnership, a limited liability company is a citizen of any state of which a member of the company is a citizen.” *Rolling Greens MHP, L.P. v. Comcast SCH Holdings L.L.C.*, 374 F.3d 1020, 1022 (11th Cir.

2004). Thus, to properly allege the citizenship of an LLC, Plaintiff must name each of the LLC's members and state each member's place of citizenship.³ If any of the LLC's members is a limited liability entity, Plaintiff must identify and allege the citizenship of each member of that limited liability entity,⁴ and so forth. Furthermore, allegations of an LLC's owner's citizenship are not acceptable for establishing the LLC's citizenship. "[M]embership, not ownership,... is critical for 2 According to the rule of "complete diversity," no plaintiff may share the same state citizenship with any defendant.

Palmer v. Hosp. Auth. of Randolph Cnty., 22 F.3d 1559, 1564 (11th Cir. 1994). ³ For all natural persons, citizenship, not mere residency, must be alleged. Taylor v. Appleton, 30 F.3d 1365, 1367 (11th Cir.1994) ("Citizenship, not residence, is the key fact that must be alleged... to establish diversity for a natural person."). ⁴ For a limited liability partnership, Plaintiff must identify each partner and allege the citizenship of each of them.

Rolling Greens, 374 F.3d at 1022 determining the citizenship of an LLC." Post v. Biomet, Inc., No. 3:20-CV-527-J-34JRK, 2020 WL 2766210, at *1 (M.D. Fla. May 28, 2020) (collecting cases). "[T]he terms 'owner' and 'member' have sometimes been used synonymously with respect to limited liability companies," but "these terms are not always interchangeable." /d.

Hence, "the [c]ourt is unable to presume" allegations regarding limited liability ownership are sufficient to establish membership or, by extension, the existence of diversity jurisdiction. /d. Accordingly, it is ORDERED that, on or before February 17, 2026, Plaintiff shall show cause why this case should not be dismissed for lack of subject matter jurisdiction.

Failure to comply with this Order may result in dismissal for failure to establish the existence of subject matter jurisdiction. DONE this 2nd day of February, 2026. ran T. ADAMS UNITED STATES MAGISTRATE JUDGE