

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF HAWAI‘I

Authenticity Co. Ltd. v. Pacrep LLC, The Ritz-Carlton Hotel  
Company LLC, et al.

Civil No. 24-00322 DKW-RT · No. Civil No. 24-00322 DKW-RT · Decided June 25, 2026

SUMMARY

The United States District Court for the District of Hawai‘i reopened discovery for the limited purpose of determining the identity and citizenship of the owners or members of PACREP LLC, including any entities in its ownership structure. The court required Authenticity Co. Ltd. to complete the jurisdictional discovery, supplement its response to the order to show cause, and explain why diversity jurisdiction exists. The court also vacated the summary judgment hearing and held other unexpired scheduling deadlines in abeyance.

CASE DETAILS

|                       |                                                                                                                                                                                                                                                                                                                                          |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | United States District Court for the District of Hawai‘i                                                                                                                                                                                                                                                                                 |
| WRITING FOR THE COURT | Derrick K. Watson                                                                                                                                                                                                                                                                                                                        |
| JURISDICTION          | United States District Court for the District of Hawai‘i                                                                                                                                                                                                                                                                                 |
| DECIDED               | June 25, 2026                                                                                                                                                                                                                                                                                                                            |
| DOCKET                | Civil No. 24-00322 DKW-RT                                                                                                                                                                                                                                                                                                                |
| DISPOSITION           | other                                                                                                                                                                                                                                                                                                                                    |
| PROCEDURAL POSTURE    | The district court sua sponte ordered Plaintiff to show cause why the action should not be dismissed for lack of subject matter jurisdiction because the citizenship of the LLC defendants had not been adequately alleged. Plaintiff requested limited jurisdictional discovery concerning the ownership and citizenship of PACREP LLC. |
| STANDARD OF REVIEW    | A court may grant jurisdictional discovery when pertinent jurisdictional facts are controverted or a more satisfactory factual showing is necessary, but discovery based only on a hunch that it may produce jurisdictionally relevant facts is insufficient.                                                                            |
| PRECEDENTIAL VALUE    | unknown                                                                                                                                                                                                                                                                                                                                  |

TOPICS

subject matter jurisdiction

discovery dispute

limited liability companies

commercial litigation

civil procedure

## PRACTICE AREAS

civil procedure

commercial litigation

corporate law

## QUESTIONS PRESENTED

1. Whether limited jurisdictional discovery should be permitted to determine the identity and citizenship of PACREP LLC's owners or members for purposes of establishing diversity jurisdiction.
2. Whether discovery should be reopened after the discovery deadline for the limited jurisdictional purpose.
3. What procedural consequences should follow if Plaintiff cannot establish complete diversity after the limited discovery.

## HOLDINGS

1. Limited jurisdictional discovery was appropriate because the record lacked necessary information regarding PACREP's organizational structure and citizenship, and the requested discovery was not based merely on speculation.
2. Authenticity may conduct discovery solely to ascertain the identity and citizenship of PACREP's owners or members, including the citizenship of any LLCs or partnerships within PACREP's ownership structure.
3. If Authenticity fails to establish the citizenship of PACREP's relevant owners or members and explain why diversity exists, the action will be dismissed without prejudice for lack of subject matter jurisdiction.

## KEY QUOTATIONS

*“Discovery should ordinarily be granted where pertinent facts bearing on the question of jurisdiction are controverted or where a more satisfactory showing of the facts is necessary.” (2)*

*“However, a discovery request that is “based on little more than a hunch that it might yield jurisdictionally relevant facts” is insufficient.” (2)*

## FACTUAL BACKGROUND

Plaintiff Authenticity Co. Ltd. invoked diversity jurisdiction but did not allege the citizenship of the owners or members of Defendant LLCs PACREP and The Ritz-Carlton Hotel Company. In its response to the order to show cause, Authenticity identified purported Ritz-Carlton member entities but acknowledged that it had not determined the identity or citizenship of PACREP's owner or members. The court found that this information was likely within PACREP's possession and that a satisfactory showing of jurisdictional facts was necessary.

## PROCEDURAL HISTORY

The action was filed in federal district court on diversity-jurisdiction grounds. After the court identified insufficient allegations concerning the citizenship of PACREP LLC and The Ritz-Carlton Hotel Company LLC, it ordered Plaintiff to show cause. The court granted limited jurisdictional discovery regarding PACREP's organizational structure and citizenship, continued the summary-judgment briefing deadline, vacated the summary-judgment hearing, and held other unexpired scheduling deadlines in abeyance.

#### DISPOSITION

other

#### CASES CITED

- Butcher's Union Local No. 498 v. SDC Inv., Inc., 788 F.2d 535, 540 (9th Cir. 1986)
- Boschetto v. Hansing, 539 F.3d 1011, 1020 (9th Cir. 2008)
- Nugget Hydroelectric, L.P. v. Pacific Gas & Elec. Co., 981 F.2d 429, 438 (9th Cir. 1992)
- Strotek Corp. v. Air Transp. Ass'n of Am., 300 F.3d 1129, 1131 (9th Cir. 2002)

#### OPINION

Authenticity Co. Ltd v. Pacrep LLC, The Ritz-Carlton Hotel Company LLC, et al.

PER CURIAM.

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF HAWAI'I

AUTHENTICITY CO. LTD, Case No. 24-cv-00322-DKW-RT Plaintiff,

ORDER REOPENING

v. DISCOVERY FOR THE LIMITED

PURPOSE OF JURISDICTION

PACREP LLC, THE RITZ-CARLTON

HOTEL COMPANY LLC, et al., Defendants. On June 9, 2026, Plaintiff Authenticity Co. Ltd. was Ordered to Show Cause why this case should not be dismissed for lack of subject matter jurisdiction. Dkt. No. 151. Of particular concern, the Court sua sponte observed that, although Authenticity relied upon diversity as the sole basis for subject matter jurisdiction, Authenticity had not alleged the citizenship of the owners/members of Defendants PACREP LLC and The Ritz-Carlton Hotel Company, LLC—the relevant inquiry for limited liability companies. On June 23, 2026, Authenticity, a foreign citizen, filed a timely response to the Order to Show Cause. Dkt. No. 157. Therein, Authenticity first asserts that Ritz-Carlton's members "include" five entities, all of which are citizens of the States of Delaware and Maryland. Id. at 2-3. Second, Authenticity asserts that it has been unable to ascertain the citizenship of PACREP's owner(s)/member(s). Id. at 4-5 ("PACREP's citizenship cannot presently be determined..."). Authenticity, therefore, requests "limited jurisdictional discovery" directed toward the "identity and citizenship" of PACREP's owner(s)/member(s). Id. at 4. Upon review, to the limited extent set forth below, the Court agrees

that jurisdictional discovery is appropriate.<sup>1</sup> Generally speaking, “[d]iscovery should ordinarily be granted where pertinent facts bearing on the question of jurisdiction are controverted or where a more satisfactory showing of the facts is necessary.” *Butcher’s Union Local No. 498 v. SDC Inv., Inc.*, 788 F.2d 535, 540 (9th Cir. 1986) (involving personal jurisdiction) (quotation omitted). However, a discovery request that is “based on little more than a hunch that it might yield jurisdictionally relevant facts” is insufficient. See *Boschetto v. Hansing*, 539 F.3d 1011, 1020 (9th Cir. 2008). Here, a more satisfactory showing of the relevant jurisdictional facts is certainly necessary because, at present, diversity and, thus, subject matter jurisdiction are undoubtedly lacking. Specifically, the operative Complaint contains no relevant jurisdictional allegations with respect to Ritz-Carlton and 1The Court notes that, pursuant to the operative Second Amended Rule 16 Scheduling Order, discovery closed on May 29, 2026. Dkt. No. 124 at ¶ 5(a). Therefore, discovery is being re- opened for the limited purpose set forth herein. 2 PACREP. Further, while Authenticity’s response provides relevant information with respect to Ritz-Carlton, the same concedes that no such information has been ascertained with respect to PACREP. This is problematic because, having invoked diversity as the only basis for jurisdiction, it is Authenticity’s burden to plead the relevant citizenship of PACREP and Ritz-Carlton. See *Nugget Hydroelectric, L.P. v. Pacific Gas & Elec. Co.*, 981 F.2d 429, 438 (9th Cir. 1992) (explaining that a plaintiff is “required to specify affirmatively the citizenship of all relevant parties” for purposes of diversity jurisdiction). Because Authenticity has failed to do this, a more satisfactory showing is necessary.<sup>2</sup> Further, while the record in this case is far from a model of clarity, see Dkt. No. 151 at 3 n.2, the Court finds that Authenticity’s request for discovery is not simply based upon a “hunch” that jurisdictionally relevant facts will be developed from discovery. In particular, the identity and citizenship of PACREP’s owner(s)/member(s) should be within the possession of, and readily available to, PACREP. Accordingly, the Court ORDERS as follows. Authenticity may conduct discovery solely to ascertain the identity and citizenship of PACREP’s owner(s)/manager(s).<sup>3</sup> As explained in the Order to Show Cause, Dkt. No. 151 2Authenticity’s assertion, in its response, that “it appears that this Court has jurisdiction”, Dkt. No. 157 at 4, is, therefore, inaccurate. No such conclusion can be reached, given the absence of citizenship information as to one of the two named Defendants. 3To the extent Authenticity’s response can be construed as requesting this Court to engage in this 3 at 3, should one or more of PACREP’s owner(s)/manager(s) itself be a limited liability company or partnership, Authenticity may also conduct discovery solely in an attempt to ascertain the citizenship of those companies or partnerships. Authenticity may conduct discovery in this fashion until PACREP’s organizational structure and the citizenship thereof is complete.<sup>4</sup> No other discovery is permitted. To the extent the parties have any question or disagreement over discovery sought pursuant to this Order, they may contact the assigned U.S. Magistrate Judge in the same fashion as any other discovery question or dispute. Authenticity may have until August 10, 2026 to complete the discovery set forth above. Thereafter, on or before August 17, 2026, Authenticity shall file a supplemental response to the Order to Show Cause,

detailing the citizenship of each and every owner(s)/member(s) of PACREP as explained herein and in the Order to Show Cause. Authenticity must also explain, in light of these jurisdictional facts, why diversity exists in this case. Should Authenticity fail in any relevant respect in this regard, no further opportunity will be provided to type of discovery of PACREP, see Dkt. No. 157 at 4, the request is denied. As explained, it is Authenticity's burden to adequately plead diversity in this case. 4And, so it is clear, it is citizenship at the time the Complaint was filed that matters, *Strotek Corp. v. Air Transp. Ass'n of Am.*, 300 F.3d 1129, 1131 (9th Cir. 2002), i.e., July 30, 2024. 4 establish diversity, and this case will be dismissed without prejudice for lack of subject matter jurisdiction. Finally, briefing on the motions for summary judgment scheduled for hearing on July 10, 2026, Dkt. Nos. 134 & 147, shall continue. In other words, given that we are on the eve of the only relevant briefing deadline, summary judgment reply briefs must still be filed on or before June 26, 2026. The hearing on July 10, 2026, however, is VACATED. Also, all unexpired deadlines in the Second Amended Rule 16 Scheduling Order, other than the need to file replies as set forth above, are HELD INABEYANCE. Pending receipt and review of Authenticity's supplemental OSC response, as directed above, the Court will reevaluate the balance of the pretrial and trial schedule in this case, as needed. IT IS SO ORDERED. Dated: June 25, 2026 at Honolulu, Hawai'i. AE dot Derrick K. Watson Rn Chief United States District Judge Authenticity Co., Ltd., v. Pacrep LLC, et al; Civil No. 24-00322 DKW-RT;

ORDER REOPENING DISCOVERY FOR THE LIMITED PURPOSE OF JURISDICTION