

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Jammie Monroy v. LGCY Power, LLC

No. ED CV 25-471-JFW(DTBx) (C.D. Cal. Mar. 25, 2025) · No. ED CV 25-471-JFW(DTBx) · Decided March 25, 2025

SUMMARY

The United States District Court for the Central District of California issued an order to show cause regarding whether the action should be remanded for lack of subject matter jurisdiction. The court found that LGCY Power, LLC had not adequately alleged the citizenship of its members to establish diversity jurisdiction and ordered LGCY to explain why the case should not be remanded to Riverside County Superior Court.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	John F. Walter
JURISDICTION	United States District Court for the Central District of California
DECIDED	March 25, 2025
DOCKET	ED CV 25-471-JFW(DTBx)
DISPOSITION	other
PROCEDURAL POSTURE	Defendant removed the action from Riverside County Superior Court based on alleged diversity jurisdiction, and the district court issued an order to show cause why the action should not be remanded for lack of subject matter jurisdiction.
STANDARD OF REVIEW	Removal statutes are strictly construed, federal jurisdiction is presumed absent unless affirmatively established, and the party invoking federal jurisdiction bears the burden of demonstrating that removal is proper.
PRECEDENTIAL VALUE	unpublished

TOPICS

- subject matter jurisdiction
- limited liability companies
- civil procedure
- commercial litigation

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether LGCY adequately established diversity jurisdiction under 28 U.S.C. § 1332(a) by alleging the citizenship of its LLC members.
2. Whether the action should be remanded for lack of subject matter jurisdiction if LGCY could not adequately establish the citizenship of its members.

HOLDINGS

1. An LLC must identify its members and allege citizenship information sufficient to determine the citizenship of those members, including whether any member is itself an LLC or partnership. LGCY's allegations were insufficient to establish its citizenship and diversity jurisdiction.
2. The court ordered LGCY to show cause why diversity jurisdiction exists and why the action should not be remanded; failure to respond would result in remand.

KEY QUOTATIONS

“Because of the Congressional purpose to restrict the jurisdiction of the federal courts on removal, the statute is strictly construed, and federal jurisdiction must be rejected if there is any doubt as to the right of removal in the first instance.”

“A limited liability company is a citizen of every state of which its members are citizens.”

“In this Court’s view, [LGCY] cannot sufficiently demonstrate the citizenship of the embers of a limited liability company (or partnership) without alleging who those members are, so that the Court can determine whether the members themselves are limited liability companies (or partnerships).”

FACTUAL BACKGROUND

LGCY Power, LLC removed the action from California state court and alleged that it was a Utah citizen because all of its members were domiciled and located in Utah. LGCY did not identify its members in the Notice of Removal. Its corporate disclosure later identified Robinson Holdings, LLC and LHT Ventures, LLC as members, but did not identify the members of those LLCs.

PROCEDURAL HISTORY

On January 6, 2025, Jammie Monroy filed a complaint in Riverside County Superior Court against LGCY Power, LLC. LGCY removed the action to the Central District of California on February 21, 2025, invoking diversity jurisdiction under 28 U.S.C. § 1332(a). The district court found the removal allegations insufficient to establish LGCY's citizenship and ordered LGCY to show cause why the action should not be remanded.

DISPOSITION

other

REMAND INSTRUCTIONS

LGCY was ordered to show cause in writing by March 27, 2025, why diversity jurisdiction exists and why the action should not be remanded to Riverside County Superior Court. Failure to respond would result in remand. No oral argument would be heard unless otherwise ordered.

CASES CITED

- *Bender v. Williamsport Area School District*, 475 U.S. 534, 541 (1986)
- *Duncan v. Stuetzle*, 76 F.3d 1480, 1485 (9th Cir. 1996)
- *Fifty Associates v. Prudential Insurance Company of America*, 446 F.2d 1187, 1190 (9th Cir. 1970)
- *Gaus v. Miles*, 980 F.2d 564, 566 (9th Cir. 1992)
- *Emrich v. Touche Ross & Co.*, 846 F.2d 1190, 1195 (9th Cir. 1988)
- *Johnson v. Columbia Properties Anchorage, LP*, 437 F.3d 894, 899 (9th Cir. 2006)
- *Neerman v. Cates*, 2022 WL 18278398 (C.D. Cal. July 22, 2022)
- *Matrix International Textile, Inc. v. DMD International, Ltd.*, 2012 WL 12903645, at *1 (C.D. Cal. July 31, 2012)

OPINION

UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA CIVIL MINUTES -- GENERAL Case No. ED CV 25-471-JFW(DTBx) Date: March 25, 2025 Title: Jammie Monroy -v- LGCY Power, LLC, et al. PRESENT: HONORABLE JOHN F. WALTER, UNITED STATES DISTRICT JUDGE Shannon Reilly None Present Courtroom Deputy Court Reporter ATTORNEYS PRESENT FOR PLAINTIFFS: ATTORNEYS PRESENT FOR DEFENDANTS: None None PROCEEDINGS (IN CHAMBERS): ORDER TO SHOW CAUSE WHY THIS CASE SHOULD NOT BE REMANDED FOR LACK OF SUBJECT MATTER JURISDICTION On January 6, 2025, Plaintiff Jammie Monroy ("Plaintiff") filed a Complaint in Riverside County Superior Court against Defendants LGCY Power, LLC ("LGCY").

On February 21, 2025, LGCY removed this action to this Court, alleging that this Court has jurisdiction based on diversity pursuant to 28 U.S.C. § 1332(a). Federal courts are courts of limited jurisdiction, having subject matter jurisdiction only over matters authorized by the Constitution and Congress. See *Bender v. Williamsport Area School District*, 475 U.S. 534, 541 (1986). "Because of the Congressional purpose to restrict the jurisdiction of the federal courts on removal, the statute is strictly construed, and federal jurisdiction must be rejected if there is any doubt as to the right of removal in the first instance." *Duncan v. Stuetzle*, 76 F.3d 1480, 1485 (9th Cir.

1996) (citations and quotations omitted). There is a strong presumption that the Court is without jurisdiction unless the contrary affirmatively appears. See *Fifty Associates v. Prudential Insurance Company of America*, 446 F.2d 1187, 1190 (9th Cir. 1990).

As the party invoking federal jurisdiction, LGCY bears the burden of demonstrating that removal is proper. See, e.g., *Gaus v. Miles*, 980 F.2d 564, 566 (9th Cir. 1992); *Emrich v. Touche Ross & Co.*, 846 F.2d 1190, 1195 (9th Cir. 1988). Diversity jurisdiction under 28 U.S.C. § 1332(a) requires that (1) all plaintiffs be of different citizenship than all defendants, and (2) the amount in controversy exceed \$75,000.

See 28 U.S.C. § 1332(a). A limited liability company is a citizen of every state of which its members are citizens. See, e.g., *Johnson v. Columbia Properties Anchorage, LP*, 437 F.3d 894, 899 (9th Cir. 2006) (“[L]ike a partnership, an LLC is a citizen of every state of which its owners/members are citizens”).

In this case, LGCY has failed to adequately allege its citizenship. In the Notice of Removal, LGCY alleges only that “LGCY Power has been, and at the time of the filing of this notice of removal remains, a citizen of Utah because all of its members are domiciled and located in Utah.” Notice of Removal, ¶ 12.

However, LGCY has failed to name its members and “[i]n this Court’s view, [LGCY] cannot sufficiently demonstrate the citizenship of the embers of a limited liability company (or partnership) without alleging who those members are, so that the Court can determine whether the members themselves are limited liability companies (or partnerships).” See *Neerman v. Cates*, 2022 WL 18278398 (C.D.

Cal. July 22, 2022) (quoting *Matrix International Textile, Inc. v. DMD International, Ltd.*, 2012 WL 12903645, at *1 (C.D. Cal. July 31, 2012)). Indeed, in its Corporate Disclosure Statement Pursuant to Fed. R. Civ. Proc. 7.1 (“Corporate Disclosure”), LGCY names its two members – Robinson Holdings, LLC and LHT Ventures, LLC. Although the Corporate Disclosure states that these two limited liability companies “were formed in Utah and have their principal places of business in Utah,” it state who their members are.

As a result, the Court concludes that the allegations in the Notice of Removal are insufficient to establish the citizenship of LGCY and, thus, are inadequate to allege diversity jurisdiction. Accordingly, LGCY is ordered to show cause, in writing, on or before March 27, 2025, why diversity jurisdiction exists and why this action should not be remanded to Riverside County Superior Court for lack of subject matter jurisdiction.

No oral argument on this matter will be heard unless otherwise ordered by the Court. See Fed. R. Civ. P. 78; Local Rule 7-15. The Order will stand submitted upon the filing of the response to the Order to Show Cause. Failure to respond to this Order to Show Cause will result in the remanding of this action to Riverside County Superior Court. IT IS SO ORDERED.

