

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF
ILLINOIS

Terrace Hudson v. Mark Jones, Robyn Jones, and Goosehead
Insurance

Hudson · No. 25-cv-2134-JPG · Decided January 14, 2026

SUMMARY

The United States District Court for the Southern District of Illinois determines that diversity jurisdiction was lacking because the ownership chain of Goosehead Insurance Agency LLC included a member sharing Illinois citizenship with plaintiff Terrace Hudson. The court remands the case to the Circuit Court for the Twentieth Judicial Circuit, St. Clair County, Illinois, for lack of subject-matter jurisdiction and denies the motion to remand as moot.

CASE DETAILS

COURT	United States District Court for the Southern District of Illinois
WRITING FOR THE COURT	J. Phil Gilbert
JURISDICTION	United States District Court for the Southern District of Illinois
DECIDED	January 14, 2026
DOCKET	25-cv-2134-JPG
DISPOSITION	remanded
PROCEDURAL POSTURE	Defendants Mark Jones and Robyn Jones removed the action from Illinois state court based on diversity jurisdiction. The federal court conducted an independent review of subject matter jurisdiction, considered the plaintiff's motion to remand, and remanded the case for lack of complete diversity.
STANDARD OF REVIEW	The court independently reviewed the pleadings and jurisdictional allegations to determine whether subject matter jurisdiction existed.
PRECEDENTIAL VALUE	Unknown

TOPICS

- subject matter jurisdiction
- pleadings
- civil procedure
- insurance

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the defendants adequately pleaded complete diversity of citizenship to establish federal diversity jurisdiction.
2. Whether remand was required because a member in Goosehead Insurance Agency LLC's ownership chain shared Illinois citizenship with the plaintiff.

HOLDINGS

1. A party invoking diversity jurisdiction must affirmatively allege the specific states of citizenship of every member of an LLC or other unincorporated association, tracing citizenship through all layers of ownership.
2. The court lacked diversity subject matter jurisdiction because at least one relevant member in Goosehead Insurance Agency LLC's chain of ownership shared Illinois citizenship with the plaintiff; remand was therefore required under 28 U.S.C. § 1447(c).

KEY QUOTATIONS

“federal courts “must make their own inquiry to ensure that all statutory requirements are met before exercising jurisdiction”” (at 2)

“the citizenship of unincorporated associations must be traced through however many layers of partners or members there may be.” (at 2)

FACTUAL BACKGROUND

The defendants removed the action on the asserted basis of diversity jurisdiction. Defendant Goosehead Insurance Agency LLC is an unincorporated association whose citizenship depends on the citizenship of its members and the members in its ownership chain. The removal allegations did not identify the citizenship of each member, and the defendants conceded that at least one relevant member shared Illinois citizenship with plaintiff Terrace Hudson.

PROCEDURAL HISTORY

The defendants removed the case under 28 U.S.C. § 1441(a), invoking original diversity jurisdiction under 28 U.S.C. § 1332(a). The court found the jurisdictional allegations deficient because they did not identify the citizenship of every member in Goosehead Insurance Agency LLC's ownership chain. The defendants also conceded that a relevant member shared Illinois citizenship with plaintiff Terrace Hudson. The court remanded the case to the Circuit Court for the Twentieth Judicial Circuit, St. Clair County, Illinois, and denied the motion to remand as moot.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The case was remanded to the Circuit Court for the Twentieth Judicial Circuit, St. Clair County, Illinois, for lack of subject matter jurisdiction. The plaintiff's motion to remand was denied as moot.

CASES CITED

- Page v. Democratic National Committee, 2 F.4th 630, 634-36 (7th Cir. 2021)
- Great Southern Fire Proof Hotel Co. v. Jones, 177 U.S. 449, 453 (1900)
- Foster v. Hill, 497 F.3d 695, 696-97 (7th Cir. 2007)
- Hertz Corp. v. Friend, 559 U.S. 77, 94 (2010)
- Strawbridge v. Curtiss, 7 U.S. (3 Cranch) 267 (1806)
- Meyerson v. Harrah's East Chicago Casino, 299 F.3d 616, 617 (7th Cir. 2002)
- White Pearl Inversiones S.A. (Uruguay) v. Cemusa, Inc., 647 F.3d 684, 686 (7th Cir. 2011)

OPINION

Hudson

PER CURIAM.

UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF ILLINOIS

TERRACE HUDSON,

Plaintiff, v. Case No. 25-cv-2134-JPG

MARK JONES, ROBYN JONES, and

GOOSEHEAD INSURANCE,

Defendants.

MEMORANDUM AND ORDER

In light of Seventh Circuit Court of Appeals admonitions, see *Page v. Dem. Nat'l Comm.*, 2 F.4th 630, 634 (7th Cir. 2021) (citing *Great S. Fire Proof Hotel Co. v. Jones*, 177 U.S. 449, 453 (1900)); *Foster v. Hill*, 497 F.3d 695, 696-97 (7th Cir. 2007), the Court undertakes a rigorous initial review of pleadings to ensure that jurisdiction has been properly pled. See *Page*, 2 F.4th at 634 (federal courts “must make their own inquiry to ensure that all statutory requirements are met before exercising jurisdiction”); *Hertz Corp. v. Friend*, 559 U.S. 77, 94

(2010) (noting courts’ “independent obligation to determine whether subject-matter jurisdiction exists, even when no party challenges it”). The defendants Mark Jones and Robyn Jones removed this case under 28 U.S.C. § 1441(a) on the basis of original diversity jurisdiction under 28 U.S.C. § 1332(a). Diversity jurisdiction requires complete diversity, that is, that “no party on the plaintiff’s side of the suit shares citizenship with any party on the defendant’s side.” *Page*, 2 F.4th at 636 (citing *Strawbridge v. Curtiss*, 7 U.S. (3 Cranch) 267 (1806)). To determine if complete diversity exists, the Court must examine the citizenship of each member of a limited liability company. *Page*, 2 F.4th at 635. The relevant pleading must affirmatively allege the specific states

of citizenship of each member of the limited liability company, and “the citizenship of unincorporated associations must be traced through however many layers of partners or members there may be.” *Meyerson v. Harrah’s E. Chi. Casino*, 299 F.3d 616, 617 (7th Cir. 2002); see *White Pearl Inversiones S.A. (Uruguay) v. Cemusa, Inc.*, 647 F.3d 684, 686 (7th Cir. 2011). The jurisdictional allegations of the Notice of Removal are deficient in that they fail to allege the citizenship of each member of defendant Goosehead Insurance Agency LLC. In response to plaintiff Terrace Hudson’s motion to remand, the defendants concede that at least one of the relevant members in defendant Goosehead Insurance Agency LLC’s chain of ownership shares Illinois citizenship with Hudson. Accordingly, they concede that this Court does not have diversity subject matter jurisdiction over this case and that remand is proper pursuant to 28 U.S.C. § 1447(c). The Court therefore REMANDS this case to the Circuit Court for the Twentieth Judicial Circuit, St. Clair County, Illinois, for lack of subject matter jurisdiction and DENIES as moot the plaintiff’s motion to remand (Doc. 9). IT IS SO ORDERED. DATED: January 14, 2026 s/ J. Phil Gilbert

J. PHIL GILBERT
DISTRICT JUDGE