

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF SOUTH
CAROLINA, CHARLESTON DIVISION

Larry Anthony Mercado v. Vannadium, Inc.; Richard Gilchrist; and
Rosemarie Savino

Mercado · No. 2:25-cv-12724-RMG · Decided December 30, 2025

SUMMARY

The United States District Court for the District of South Carolina adopted the magistrate judge’s report and recommendation concerning removal, remand, and personal jurisdiction. The court denied the plaintiff’s motion to remand, granted the defendants’ motion to dismiss, and dismissed the action for lack of personal jurisdiction over the defendants.

CASE DETAILS

COURT	United States District Court for the District of South Carolina, Charleston Division
WRITING FOR THE COURT	Richard Mark Gergel
JURISDICTION	United States District Court for the District of South Carolina, Charleston Division
DECIDED	December 30, 2025
DOCKET	2:25-cv-12724-RMG
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiff moved to remand a removed state-court action to state court, and defendants moved to dismiss for lack of personal jurisdiction. The court reviewed and adopted the magistrate judge's Report and Recommendation after plaintiff filed no objections.
STANDARD OF REVIEW	In the absence of specific objections to the Report and Recommendation, clear-error review applies. Specific objections would require de novo review of the challenged portions under 28 U.S.C. § 636(b)(1).
PRECEDENTIAL VALUE	Unpublished district court order; precedential status unknown
PARTIES	Larry Anthony Mercado v. Vannadium, Inc., Richard Gilchrist, Rosemarie Savino

TOPICS

personal jurisdiction

subject matter jurisdiction

motions to dismiss

civil procedure

PRACTICE AREAS

civil procedure

personal jurisdiction

removal and remand

diversity jurisdiction

QUESTIONS PRESENTED

1. Whether the amount in controversy satisfied the \$75,000 threshold for diversity jurisdiction and therefore defeated plaintiff's motion to remand.
2. Whether defendants were subject to general or specific personal jurisdiction in South Carolina.
3. Whether plaintiff was entitled to jurisdictional discovery before resolution of defendants' motion to dismiss.

HOLDINGS

1. The amount in controversy exceeded \$75,000 when plaintiff's claims for back wages, expenses, and equitable relief were combined; therefore, remand to state court was unwarranted.
2. South Carolina lacked general and specific personal jurisdiction over defendants because defendants had no sufficient general contacts with the state and did not purposefully direct their activities at South Carolina beyond contracting with a person who happened to reside there.
3. Jurisdictional discovery was properly denied because it was not likely to produce facts sufficient to defeat the motion to dismiss for lack of personal jurisdiction.

KEY QUOTATIONS

“South Carolina was merely incidental to [Plaintiff's] working relationship with Defendants . . .” (at 2)

“the undersigned cannot find that Defendants purposefully directed their activities at South Carolina such that exercise of jurisdiction would comport with due process.” (at 2)

FACTUAL BACKGROUND

Plaintiff, a South Carolina resident, sued Vannadium, Inc., a Delaware corporation with its principal place of business in Virginia, and two Virginia residents. He alleged that defendants owed him \$55,000 in back pay, \$5,401.14 in business-development and investor-relations expenses, and \$25,000 in equitable relief. Plaintiff's work with potential investors was worldwide, and the court found that South Carolina was merely incidental to the working relationship.

PROCEDURAL HISTORY

Mercado filed state-law claims in state court seeking back pay, expenses, and equitable relief. Defendants removed the action to federal court based on diversity jurisdiction. The magistrate judge recommended denying remand and granting dismissal for lack of personal jurisdiction; Mercado filed no objections, and the district

court adopted the relevant portions of the recommendation, denied remand, granted dismissal, and dismissed the action.

DISPOSITION

dismissed

CASES CITED

- Mathews v. Weber, 423 U.S. 261, 270-71 (1976)
- Diamond v. Colonial Life & Accident Insurance Co., 416 F.3d 310, 315 (4th Cir. 2005)
- Cruz v. Beto, 405 U.S. 319 (1972)
- Haines v. Kerner, 404 U.S. 519 (1972)
- Weller v. Department of Social Services, 901 F.2d 387 (4th Cir. 1990)

OPINION

IN THE UNITED STATES DISTRICT COURT DISTRICT OF SOUTH CAROLINA
CHARLESTON DIVISION Larry Anthony Mercado, Case No. 2:25-cv-12724-RMG Plaintiff, v.
ORDER Vannadium, Inc; Richard Gilchrist; and Rosemarie Savino, Defendants.

Before the Court is the Report and Recommendation (“R & R”) of the Magistrate Judge (Dkt. No. 31) recommending that Plaintiff’s motion for remand be denied and Defendants’ motion to dismiss for lack of jurisdiction be granted. Plaintiff was advised that a failure to timely file written objections to the R & R would result in limited clear error review and waiver of the right to appeal the District Court’s order.

(Id. at 15). Plaintiff filed no objections to the R & R. As set forth below, the Court adopts the portion of the R & R relating to the motions to remand and to dismiss (Id. at 1-17) as the order of the Court and dismisses this action for lack of personal jurisdiction over Defendants. Legal Standard The Magistrate Judge makes only a recommendation to this Court.

The recommendation has no presumptive weight, and the responsibility for making a final determination remains with this Court. Mathews v. Weber, 423 U.S. 261, 270-71 (1976). The Court is charged with making a de novo determination only of those portions of the Report to which specific objections are made, and the Court may accept, reject, or modify, in whole or in part, the recommendation of the 1 Magistrate Judge, or recommit the matter to the Magistrate Judge with instructions.

28 U.S.C. § 636(b)(1). In the absence of specific objections, the Court reviews the Report for clear error. See Diamond v. Colonial Life & Accident Ins. Co., 416 F.3d 310, 315 (4th Cir. 2005) (stating that “in the absence of a timely filed objection, a district court need not conduct a de novo

review, but instead must ‘only satisfy itself that there is no clear error on the face of the record in order to accept the recommendation.’ ”) (quoting Fed.

R. Civ. P. 72 advisory committee's note). This Court liberally construes complaints filed by pro se litigants to allow the development of a potentially meritorious case. See *Cruz v. Beto*, 405 U.S. 319 (1972); *Haines v. Kerner*, 404 U.S. 519 (1972).

The requirement of liberal construction does not mean that the Court can ignore a clear failure in the pleadings to allege facts which set forth a viable federal claim, nor can the Court assume the existence of a genuine issue of material fact where none exists. See *Weller v. Dep't of Social Services*, 901 F.2d 387 (4th Cir. 1990). Discussion Plaintiff, acting pro se, filed suit against Defendants alleging that they had failed to pay him \$55,000 in back pay and \$5,401.14 in expenses for business development and investor relations work.

He further asserted \$25,000 for “equitable relief.” The named Defendants are Vannadium, Inc., a Delaware Corporation with its principal place of business in Virginia, and Defendants Gilchrist and Savino, both Virginia residents. Plaintiff is a resident of South Carolina. Plaintiff’s claims are entirely state causes of action. This case, originally brought in state court, was removed by Defendants to federal court.

Plaintiff then moved to remand the case to state court, arguing that the total damages sought did not meet the \$75,000 threshold for diversity jurisdiction. (Dkt. No. 7). The Magistrate Judge carefully analyzed Plaintiff’s damage claims to determine whether he met the \$75,000 threshold. 2 After combining Plaintiff’s claims for back wages, expenses, and equitable relief, the Magistrate Judge correctly determined that Plaintiff’s claims satisfied the \$75,000 threshold for diversity jurisdiction.

(Dkt. No. 31 at 4-7). The Magistrate Judge then addressed the Defendants’ motion to dismiss for lack of general and specific jurisdiction over them. (Dkt. No. 13). The Magistrate Judge first addressed the issue of general jurisdiction and concluded that there was no general jurisdiction over Defendants in South Carolina.

The Magistrate Judge then addressed specific jurisdiction and concluded that Defendants had essentially no business relationship with South Carolina beyond contracting with a person who happened to reside in South Carolina.

The Magistrate Judge found that Plaintiff’s work with potential investors was literally worldwide and that “South Carolina was merely incidental to [Plaintiff’s] working relationship with Defendants...” (Dkt. No. 31 at 15).

After a detailed review of the full record in this matter, the Magistrate Judge concluded that “the undersigned cannot find that Defendants purposefully directed their activities at South Carolina

such that exercise of jurisdiction would comport with due process.” (Id. at 16).

The Magistrate Judge further recommended that Plaintiff’s request for jurisdictional discovery be denied because such was not likely to lead to facts sufficient to defeat Defendants’ motion to dismiss. (Id. at 16-17).

The Court finds that the Magistrate Judge ably summarized the factual issues associated with Plaintiff’s motion to remand and Defendants’ motion to dismiss and correctly concluded the motion to remand should be denied and the motion to dismiss for lack of jurisdiction should be granted. 3 Conclusion Based on the foregoing, the Court ADOPTS the portion of the R & R relating to the motions to remand and to dismiss of the Magistrate Judge (Dkt.

No. 31 at 1-17) as the order of the Court, DENIES the motion to remand (Dkt. No. 7), GRANTS the motion to dismiss (Dkt. No. 13), and DISMISSES this action for lack of jurisdiction over the Defendants. s/ Richard Mark Gergel Richard Mark Gergel United States District Judge December 30, 2025 Charleston, South Carolina 4