

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF
NEW YORK

GSP Securities LLC v. AJM Investment Inc.

GSP Securities · No. 25-CV-9653 (VSB) · Decided December 1, 2025

SUMMARY

The United States District Court for the Southern District of New York directs Plaintiff GSP Securities LLC to cure defective allegations of diversity jurisdiction. The court explains that an LLC’s citizenship depends on the citizenship of each member and orders Plaintiff to file an amended complaint or declaration establishing member Salvatore Galatioto’s citizenship within fourteen days.

CASE DETAILS

COURT	United States District Court for the Southern District of New York
WRITING FOR THE COURT	Vernon S. Broderick
JURISDICTION	United States District Court for the Southern District of New York
DECIDED	December 1, 2025
DOCKET	25-CV-9653 (VSB)
DISPOSITION	other
PROCEDURAL POSTURE	Upon reviewing the complaint, the district court sua sponte examined whether diversity jurisdiction was adequately pleaded and ordered Plaintiff to file either an amended complaint or a declaration curing the jurisdictional allegations.
STANDARD OF REVIEW	The court independently assessed the sufficiency of the complaint's jurisdictional allegations.
PRECEDENTIAL VALUE	unpublished

TOPICS

- subject matter jurisdiction
- pleadings
- civil procedure
- commercial litigation

PRACTICE AREAS

- civil procedure
- federal jurisdiction
- commercial litigation

QUESTIONS PRESENTED

1. Whether the complaint adequately alleged complete diversity of citizenship for purposes of federal jurisdiction under 28 U.S.C. § 1332.
2. Whether alleging that an individual member of an LLC is a New York resident sufficiently establishes that member's citizenship for diversity-jurisdiction purposes.
3. Whether the jurisdictional allegations could be cured by amendment or declaration under 28 U.S.C. § 1653.

HOLDINGS

1. The complaint did not adequately establish GSP Securities LLC's citizenship because it failed to allege the citizenship or domicile of LLC member Salvatore Galatioto.
2. The jurisdictional pleading defect could be cured, and Plaintiff was permitted to file either an amended complaint or a declaration regarding Galatioto's citizenship within fourteen days.

KEY QUOTATIONS

“However, Plaintiff has not properly alleged diversity of citizenship in its complaint.”

“Accordingly, Plaintiff is hereby: ORDERED to file either an amended complaint or a declaration regarding Salvatore Galatioto’s citizenship within fourteen (14) days of the filing of this Order curing the defects described herein.”

FACTUAL BACKGROUND

Plaintiff GSP Securities LLC alleged that it is a Delaware limited liability company with its principal place of business in New York and identified its members as Emigrant Bancorp and Salvatore Galatioto. The complaint alleged that Galatioto was a New York resident, but did not allege his citizenship or domicile. Defendant AJM Investment Inc. was alleged to be an Illinois corporation with its principal place of business in Chicago, Illinois.

PROCEDURAL HISTORY

GSP Securities LLC filed its complaint on November 19, 2025, invoking diversity jurisdiction under 28 U.S.C. § 1332. The court determined that the complaint did not adequately allege the citizenship of LLC member Salvatore Galatioto because it alleged only his New York residency, and ordered Plaintiff to cure the defect within fourteen days rather than dismissing the action.

DISPOSITION

other

CASES CITED

- Agility Logistics Corp. v. Elegant USA, LLC, No. 09-CV-4719, 2009 WL 3094898, at *1 (S.D.N.Y. Sept. 25, 2009)
- Durant, Nichols, Houston, Hodgson & Cortese-Costa, P.C. v. Dupont, 371 F. App'x 135, 137 (2d Cir. 2010)

- Palazzo v. Corio, 232 F.3d 38, 42 (2d Cir. 2000)
- Mississippi Band of Choctaw Indians v. Holyfield, 490 U.S. 30, 48 (1989)
- Canedy v. Liberty Mutual Insurance Co., 126 F.3d 100, 103 (2d Cir. 1997)
- Jacobs v. Patent Enforcement Fund, Inc., 230 F.3d 565, 567 (2d Cir. 2000)
- Hai Yang Liu v. 88 Harborview Realty, LLC, 5 F. Supp. 3d 443, 447 (S.D.N.Y. 2014)
- Krause v. Forex Exchange Market, Inc., 356 F. Supp. 2d 332, 336 (S.D.N.Y. 2005)

OPINION

GSP Securities LLC v. AJM Investment Inc.

PER CURIAM.

USONUITTEHDE RSTNA DTIESST RDIICSTT ROIFC TN ECWOU YROTR K

-----X GSP Securities LLC, : Plaintiff, :

: 25-CV-9653 (VSB)

-against- :

: ORDER

AJM Investment Inc., : Defendant. : ----- X VERNON

S. BRODERICK, United States District Judge: I am in receipt of Plaintiff GSP Securities LLC's complaint, filed on November 19, 2025, asserting that I have diversity jurisdiction over this case pursuant to 28 U.S.C § 1332. (Doc. 1 ("Compl.") ¶¶ 7–9.) Plaintiff asserts that there is complete diversity of citizenship present between the parties because: (1) Plaintiff is a Delaware limited liability company with its principal place of business in New York; (2) it's members are "Emigrant Bancorp, which is a Delaware corporation with its principal place of business in New York, and Salvatore Galatioto, who is a New York resident"; and (3) "Defendant AJM Investment Inc. is an Illinois corporation" with its principal place of business in Chicago, Illinois. (Id. ¶¶ 7–8.) District courts have "original jurisdiction of all civil actions where the matter in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs, and is between . . . citizens of different States." 28 U.S.C. § 1332(a). However, Plaintiff has not properly alleged diversity of citizenship in its complaint. While Plaintiff correctly includes information about the members of GSP Securities LLC, since the citizenship of an LLC "is [not] determined [] by the LLC's place of incorporation or principal place of business, but by the citizenship of each member of the LLC," *Agility Logistics Corp. v. Elegant USA, LLC*, No. 09-CV-4719, 2009 WL 3094898, at *1 (S.D.N.Y. Sept. 25, 2009), Plaintiff simply notes that Salvatore Galatioto, one of its members, is "a New York resident." (Compl. ¶ 7.) However, an individual's citizenship for purposes of diversity jurisdiction depends not on his residency, but rather on his domicile. See *Durant, Nichols, Houston, Hodgson & Cortese-Costa, P.C. v. Dupont*, 371 F. App'x 135, 137 (2d Cir. 2010). Domicile is the "place where a person has his true fixed home and principal establishment, and to which, whenever he is absent, he has the intention of returning." *Palazzo v. Corio*, 232 F.3d 38, 42 (2d Cir. 2000) (internal quotation marks omitted). Domicile "is not necessarily synonymous with residence, and one can

reside in one place but be domiciled in another.” *Mississippi Band of Choctaw Indians v. Holyfield*, 490 U.S. 30, 48 (1989) (internal quotation marks and citation omitted). For that reason, “allegations of residency alone cannot establish citizenship.” *Canedy v. Liberty Mut. Ins.*, 126 F.3d 100, 103 (2d Cir. 1997); see *Jacobs v. Patent Enforcement Fund, Inc.*, 230 F.3d 565, 567 (2d Cir. 2000) (holding that the plaintiffs “failed adequately to allege diversity in their original complaint” because “they had alleged only the residence, and not the citizenship (or domicile), of the parties”). Thus, Plaintiff has not properly established the citizenship of member Salvatore Galatioto, which is critical to determining the citizenship of GSP Securities LLC. See *Hai Yang Liu v. 88 Harborview Realty, LLC*, 5 F. Supp. 3d 443, 447 (S.D.N.Y. 2014) (to invoke diversity jurisdiction, the removing party must therefore establish “the citizenship of each member of the limited liability company” (citing *Krause v. Forex Exch. Mkt., Inc.*, 356 F. Supp. 2d 332, 336 (S.D.N.Y. 2005))). “A failure to allege facts establishing jurisdiction need not prove fatal to a complaint.” *Canedy*, 126 F.3d at 103. By statute, “[d]efective allegations of jurisdiction may be amended, upon terms, in the trial or appellate courts.” 28 U.S.C. § 1653. The Second Circuit has established that “[s]uch amendments will be freely permitted where necessary to avoid dismissal on purely technical grounds.” *Canedy*, 126 F.3d at 103. Accordingly, Plaintiff is hereby: ORDERED to file either an amended complaint or a declaration regarding Salvatore Galatioto’s citizenship within fourteen (14) days of the filing of this Order curing the defects described herein. SO ORDERED. Dated: December 1, 2025 fo New York, New York / ae L ots.

VERNON S. BRODERICK

United States District Judge