

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

SGP USA LLC v. AM Sailing Purchaser LLC and Doug DeVos

Civil Action No. 26-182-CFC · No. Civil Action No. 26-182-CFC · Decided March 9, 2026

SUMMARY

The United States District Court for the District of Delaware grants SGP USA LLC’s motion to remand an action against AM Sailing Purchaser LLC and Doug DeVos to the Delaware Court of Chancery. The court concludes that diversity jurisdiction is absent because all parties are Michigan citizens and that defendants had not established federal question jurisdiction under the Federal Arbitration Act at the time of removal.

CASE DETAILS

COURT	United States District Court for the District of Delaware
JURISDICTION	United States District Court for the District of Delaware
DECIDED	March 9, 2026
DOCKET	Civil Action No. 26-182-CFC
DISPOSITION	remanded
PROCEDURAL POSTURE	Defendants removed the action from the Delaware Court of Chancery. Plaintiff moved to remand for lack of subject-matter jurisdiction, while Defendant DeVos separately moved to dismiss for lack of personal jurisdiction and Defendants later moved to compel arbitration and stay the action.
STANDARD OF REVIEW	A motion to remand is evaluated based on the record existing when removal was filed, and the removing defendants bear the burden of establishing subject-matter jurisdiction. Removal statutes are strictly construed against removal, with doubts resolved in favor of remand.
PRECEDENTIAL VALUE	Unknown

TOPICS

- subject matter jurisdiction
- civil procedure
- arbitration
- commercial litigation
- contracts

PRACTICE AREAS

- civil procedure
- commercial litigation
- contracts
- arbitration

QUESTIONS PRESENTED

1. Whether the District Court had diversity jurisdiction under 28 U.S.C. § 1332 when SGP USA, AM Sailing, and DeVos were all citizens of Michigan.
2. Whether the District Court had federal-question jurisdiction under the Federal Arbitration Act based on Defendants' post-removal motion to compel arbitration and the alleged relationship of the action to an arbitration agreement falling under the New York Convention.
3. Whether the propriety of removal and remand must be determined from the record existing at the time of removal.

HOLDINGS

1. The Court lacked diversity jurisdiction because SGP USA, AM Sailing, and DeVos were all citizens of Michigan, defeating complete diversity.
2. Defendants failed to establish federal-question jurisdiction because their motion to compel arbitration was filed after removal and therefore could not supply jurisdiction based on the record existing when the Notice of Removal was filed.

KEY QUOTATIONS

“federal court generally may not rule on the merits of a case without first determining that it has jurisdiction over the category of claim in suit (subject-matter jurisdiction) and the parties (personal jurisdiction).”

“It is settled that the removal statutes [28 U.S.C. §§ 1441-1452] are to be strictly construed against removal and all doubts should be resolved in favor of remand.”

“Generally speaking, ... the propriety of remand [must be] decided, on the basis of the record as it stands at the time the petition for removal is filed.”

FACTUAL BACKGROUND

The parties operate SailGP teams participating in the 2026 international sailing season. SGP USA operates the United States team, while AM Sailing Purchaser LLC acquired and operates the Denmark-affiliated Rockwool Racing team under the American Magic brand. SGP USA asserted Delaware common-law and statutory claims arising from the acquisition and related conduct, including claims involving a renewal agreement with the SailGP League that neither AM Sailing nor Doug DeVos signed.

PROCEDURAL HISTORY

SGP USA filed state-law claims in the Delaware Court of Chancery and sought expedited proceedings and a temporary restraining order. Defendants removed based on diversity jurisdiction and alleged federal-question jurisdiction under the Federal Arbitration Act. The District Court determined that complete diversity was absent and that the post-removal motion to compel arbitration could not establish federal-question jurisdiction at the time of removal, granted the motion to remand, and directed the Clerk to return the action to the Delaware Court of Chancery.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The Clerk of Court was directed to remand the action to the Court of Chancery of the State of Delaware.

CASES CITED

- Sinochem Int'l Co. v. Malaysia Int'l Shipping Corp., 549 U.S. 422, 430-31 (2007)
- Ruhrgas AG v. Marathon Oil Co., 526 U.S. 574, 587-88 (1999)
- DaimlerChrysler Corp. v. Cuno, 547 U.S. 332, 342 n.3 (2006)
- Steel Valley Auth. v. Union Switch & Signal Div., 809 F.2d 1006, 1010 (3d Cir. 1987)
- Hain Celestial Grp., Inc. v. Palmquist, 2026 WL 501733, at *3 (U.S. Feb. 24, 2026)
- Beiser v. Weyler, 284 F.3d 665 (5th Cir. 2002)
- Outokumpu Stainless USA, LLC v. Converteam SAS, 902 F.3d 1316 (11th Cir. 2018)
- GE Energy Power Conversion France SAS, Corp. v. Outokumpu Stainless USA, LLC, 590 U.S. 432 (2020)
- Westmoreland Hosp. Ass'n v. Blue Cross of W. Pennsylvania, 605 F.2d 119, 123 (3d Cir. 1979)
- Pullman Co. v. Jenkins, 305 U.S. 534, 537 (1939)