

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

Treehouse California Almonds LLC v. Tram Bar Co-Packing LLC

Treehouse California Almonds · No. 1:24-cv-00992-JLT-SKO · Decided March 3, 2025

SUMMARY

The court ordered Defendant Tram Bar Co-Packing LLC to show cause why the action should not be remanded to state court because the Notice of Removal did not adequately establish the citizenship of the parties' LLC members for purposes of diversity jurisdiction. The court continued the mandatory scheduling conference and required Defendant to submit competent jurisdictional proof within fourteen days.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Sheila K. Oberto
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	March 3, 2025
DOCKET	1:24-cv-00992-JLT-SKO
DISPOSITION	other
PROCEDURAL POSTURE	Defendant removed the action from Tulare County Superior Court based on diversity jurisdiction. The federal district court issued an order to show cause because the removal notice did not adequately establish the citizenship of the parties' LLC members, and continued the scheduling conference.
STANDARD OF REVIEW	The removing defendant bears the burden of establishing federal subject matter jurisdiction, and removal jurisdiction is strictly construed against removal. The court has an independent obligation to examine subject matter jurisdiction sua sponte.
PRECEDENTIAL VALUE	Unpublished federal district court order; precedential status not identified in the source.
PARTIES	Tram Bar Co-Packing LLC v. Treehouse California Almonds LLC

TOPICS

subject matter jurisdiction

civil procedure

commercial litigation

breach of contract

PRACTICE AREAS

civil procedure

commercial litigation

contracts

QUESTIONS PRESENTED

1. Whether Defendant established complete diversity of citizenship between the parties for purposes of removal under 28 U.S.C. § 1332.
2. Whether the court should require Defendant to provide competent proof of the citizenship of all members of the LLC parties and show cause why the case should not be remanded.
3. Whether the scheduling conference should be continued while the jurisdictional issue is resolved.

HOLDINGS

1. Defendant failed to meet its burden of establishing complete diversity because the notice of removal did not identify the members of the LLC parties or the citizenship of those members.
2. The court may and must independently examine its subject matter jurisdiction, regardless of whether the parties raise the issue.
3. The scheduling conference was properly continued to May 6, 2025, while the parties addressed the unresolved jurisdictional issue.

KEY QUOTATIONS

“Federal courts are courts of limited jurisdiction.” (at 1)

“The ‘strong presumption’ against removal jurisdiction means that the defendant always has the burden of establishing that removal is proper.” (at 1)

“An LLC is a citizen of every state of which its owners/members are citizens.” (at 2)

FACTUAL BACKGROUND

Treehouse California Almonds LLC filed claims for breach of contract, trespass to chattels, violation of California Penal Code § 496(c), unjust enrichment, and promissory estoppel in California state court. Tram Bar Co-Packing LLC removed the action, asserting diversity jurisdiction and identifying each LLC's state of organization and principal place of business. Neither the complaint nor the notice of removal identified the members or owners of either LLC or their citizenship at the outset of the case.

PROCEDURAL HISTORY

Plaintiff commenced the action in Tulare County Superior Court on July 17, 2024. Defendant removed the case to the Eastern District of California on August 21, 2024, invoking diversity jurisdiction under 28 U.S.C. § 1332. The court found the notice of removal deficient, ordered Defendant to show cause within fourteen days why the action should not be remanded, allowed Plaintiff ten days to respond, and continued the scheduling conference.

DISPOSITION

other

REMAND INSTRUCTIONS

Defendant must file, within fourteen days of issuance of the order, a response establishing by competent proof why diversity jurisdiction exists. Plaintiff may respond within ten days after service of Defendant's filing. If Defendant does not respond, the magistrate judge will recommend that the assigned district judge remand the case sua sponte without further notice.

CASES CITED

- Kokkonen v. Guardian Life Ins. Co. of Am., 511 U.S. 375, 377 (1994)
- Abrego Abrego v. The Dow Chem. Co., 443 F.3d 676, 684 (9th Cir. 2006)
- Gaus v. Miles, Inc., 980 F.2d 564, 566 (9th Cir. 1992)
- Syngenta Crop Prot. v. Henson, 537 U.S. 28, 32 (2002)
- O'Halloran v. Univ. of Wash., 856 F.2d 1375, 1380 (9th Cir. 1988)
- Nishimoto v. Federman-Bachrach & Assoc., 903 F.2d 709, 712 n.3 (9th Cir. 1990)
- United Investors Life Ins. Co. v. Waddell & Reed Inc., 360 F.3d 960, 966 (9th Cir. 2004)
- Demery v. Kupperman, 735 F.2d 1139, 1149 n.8 (9th Cir. 1984)
- Grupo Dataflux v. Atlas Global Grp., L.P., 541 U.S. 567, 593 (2004)
- United States v. S. Cal. Edison Co., 300 F. Supp. 2d 964, 972 (E.D. Cal. 2004)
- Caterpillar Inc. v. Lewis, 519 U.S. 61, 68 (1996)
- Cohn v. Petsmart, Inc., 281 F.3d 837, 839 (9th Cir. 2002)
- Gould v. Mut. Life Ins. Co. of New York, 790 F.2d 769, 773 (9th Cir. 1986)
- Miller v. Grgurich, 763 F.2d 372, 373 (9th Cir. 1985)
- Self v. Gen. Motors Corp., 588 F.2d 655, 657 (9th Cir. 1978)
- Kanter v. Warner-Lambert Co., 265 F.3d 853, 857 (9th Cir. 2001)
- Johnson v. Columbia Properties Anchorage, LP, 437 F.3d 894, 899 (9th Cir. 2006)
- Lindley Contours, LLC v. AABB Fitness Holdings, Inc., 414 F. App'x. 62, 64–65 (9th Cir. 2011)
- Harris v. Bankers Life & Cas. Co., 425 F.3d 689, 694 (9th Cir. 2005)
- Grayson Serv., Inc. v. Crimson Res. Mgmt. Corp., No. 1:14-cv-01125-SAB, 2015 WL 6689261, at *3 (E.D. Cal. Oct. 28, 2015)
- Harris v. Rand, 682 F.3d 846, 851–52 (9th Cir. 2012)