

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

CHAMBERS OF
EDWARD S. KIEL
UNITED STATES DISTRICT JUDGE

MITCHELL H. COHEN BUILDING &
U.S. COURTHOUSE
4th & COOPER STREET
CAMDEN, NJ 08101
856-757-5021

**ORDER CONCERNING THE CITIZENSHIP OF AN
UNINCORPORATED BUSINESS ORGANIZATION
FOR THE PURPOSES OF DIVERSITY JURISDICTION
PURSUANT TO 28 U.S.C. § 1332**

Dear Counsel:

1. Limited liability companies, limited partnerships, and general partnerships are unincorporated business organizations. For the purposes of subject-matter jurisdiction pursuant to 28 U.S.C. § 1332 — commonly known as diversity jurisdiction — in a civil action, unincorporated business organizations are deemed to be citizens of *all* states in which *all* of their members and/or partners are citizens, and not simply the states in which they were formed or have their principal places of business. Indeed, the states in which such unincorporated business organizations are formed and have their principal places of business are not relevant to the Court’s analysis of diversity jurisdiction.¹

2. When diversity jurisdiction is asserted in an action, and when a party is an unincorporated business organization, the Court expects the following for purposes of determining the citizenship of that unincorporated business organization:

- (a) The name and citizenship of each member (including managing

¹ See *GBForefront, L.P. v. Forefront Mgmt. Grp., LLC*, 888 F.3d 29, 34 (3d Cir. 2018) (holding that “[a] partnership, as an unincorporated business entity, assumes the citizenship of all its partners,” and that “[l]ikewise, a limited liability company is a citizen of all the states of its members”) (citation omitted); see also *Americold Realty Tr. v. Conagra Foods, Inc.*, 136 S. Ct. 1012, 1014–15 (2016) (setting forth the “metaphysical” rule concerning unincorporated entities that “[w]hile humans and corporations can assert their own citizenship, other entities take the citizenship of their members”).

members, majority members, and minority members) and/or of each partner (including managing partners, general partners, and limited partners) of that unincorporated business organization must be specifically pleaded; and

(b) When a member and/or a partner thereof is itself an unincorporated business organization, the citizenship of that member and/or that partner must be traced and analyzed accordingly.²

3. By way of example, the Court sets forth a hypothetical analysis of a limited liability company that is a party to an action wherein diversity jurisdiction is asserted:

(a) Alpha LLC is a limited liability company formed under the laws of Oregon with its principal place of business located at 123 Main Street in Boise, Idaho. All of the members of Alpha LLC must be identified because Alpha LLC is an unincorporated business organization. Its Oregon formation and Idaho location are not relevant for a determination as to whether there is complete diversity of citizenship.

(b) Alpha LLC is comprised of two members: (i) Joseph Bloggs, who is domiciled (meaning, his home address is located) in Newark, New Jersey, and (ii) Beta LP, a limited partnership formed under the laws of Alaska with its principal place of business located at 789 Oak Street in Honolulu, Hawaii. Joseph Bloggs is deemed to be a citizen of New Jersey based upon his place of domicile, and thus the analysis is complete as to Joseph Bloggs.³ However, all of the partners of Beta LP must be identified in order to

² See *Zambelli Fireworks Mfg. Co., Inc. v. Wood*, 592 F.3d 412, 420 (3d Cir. 2010) (holding that as to the citizenship of partnerships and limited liability companies, “the citizenship of unincorporated associations must be traced through however many layers of partners or members there may be to determine the citizenship”) (internal quotes and citation omitted); see also *Caribbean Telecomms. Ltd. v. Guy. Tel. & Tel. Co. Ltd.*, 594 F. Supp. 2d 522, 530 (D.N.J. 2009) (holding that a party is not permitted to select among the multiple “jurisdictional citizenships” of an entity to preserve or defeat the requirement of complete diversity of citizenship).

³ See 28 U.S.C. § 1332(a); see also *GBForefront, L.P.*, 888 F.3d at 35 (holding that “[a]lleging residency alone is insufficient to plead diversity of citizenship”).

completely determine the citizenship of *Alpha LLC*, as the Alaska formation and Hawaii location of Beta LP are not relevant for a determination as to whether there is complete diversity of citizenship.

(c) Beta LP is comprised of two partners: (i) Joe Shlabotnik & Sons, Inc. (hereinafter, “JSSI”), a corporation formed under the laws of Delaware with its principal place of business located at 987 Seaview Avenue in Brooklyn, New York, and (ii) Gamma LLC, a limited liability company formed under the laws of Nevada with its principal place of business located at 246 Maple Street in Topeka, Kansas. JSSI is deemed to be a citizen of both Delaware and New York, and thus the analysis as to JSSI is complete.⁴ However, all of the members of Gamma LLC must be identified in order to completely determine the citizenship of *Alpha LLC*, as the Nevada formation and Kansas location of Gamma LLC are not relevant for a determination as to whether there is complete diversity of citizenship.

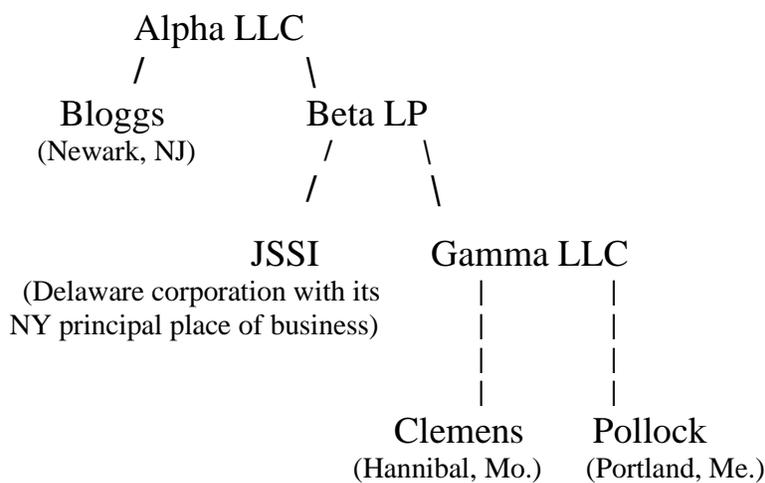
(d) Gamma LLC is comprised of two members: (i) Samuel Clemens, who is domiciled (meaning, his home address is located) in Hannibal, Missouri, and (ii) Stephen Pollock, who is domiciled (meaning, his home address is located) in Portland, Maine. Samuel Clemens is deemed to be a citizen of Missouri based upon his place of domicile, and Stephen Pollock is deemed to be a citizen of Maine based upon his place of domicile, and thus the analysis is complete as to Samuel Clemens and Stephen Pollock, and — at this juncture — as to *Alpha LLC*.

(e) Based upon the foregoing, Alpha LLC is deemed to be a citizen of New Jersey, Delaware, New York, Missouri, and Maine.⁵

⁴ See 28 U.S.C. § 1332(c)(1).

⁵ For the purposes of further clarification as to an individual’s place of domicile, the Court is authorized to direct that an individual’s street address be provided. See *Coulter v. Paulisick*, No. 19-1300, 2019 WL 2713288, at *3 (3d Cir. June 28, 2019) (admonishing a party for having “failed to even provide an address for her alleged New Jersey domicile” in response to a jurisdictional

(f) This is the aforementioned analysis in graphic form:



4. When engaging in this citizenship analysis, the parties must refrain from thwarting the Court’s efforts to ascertain whether there is diversity jurisdiction.⁶

inquiry by the District Court); *Coulter v. Tatananni*, 737 F. App’x 613, 616 (3d Cir. 2018) (admonishing a party for having “declined to directly respond to the aspect of the Magistrate Judge’s show cause order related to diversity jurisdiction” concerning the address of that party’s alleged place of domicile), *cert. denied*, 139 S. Ct. 1179 (2019), *reh’g denied*, 139 S. Ct. 1596 (2019).

⁶ See *Belleville Catering Co. v. Champaign Mkt. Place, L.L.C.*, 350 F.3d 691, 693 (7th Cir. 2003) (holding that such “details [cannot be] kept confidential from the judiciary”); see also *Emerald Inv’rs Tr. v. Gaunt Parsippany Partners*, 492 F.3d 192, 207 n.22 (3d Cir. 2007) (holding that a party cannot withhold the details of its citizenship from the judiciary), *abrogated on other grounds by GBForefront, L.P.*, 888 F.3d at 39–40; *Wonders Tr. v. Deaton, Inc.*, 200 F.R.D. 473, 480 (M.D. Fla. 2000) (admonishing a party for its failure to cooperate with the district court’s jurisdictional inquiry, because a party “should not be permitted, through recalcitrance, to prevent this Court from determining its own subject-matter jurisdiction”).

5. To the extent that further guidance is required in complying with this Order, the parties are encouraged to contact Chambers directly.

/s/ Edward S. Kiel _____
EDWARD S. KIEL
United States District Judge