

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WISCONSIN

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PAUL REID, LLP,

Plaintiff,

v.

UNITED STATES FIRE INSURANCE CO.  
and INERGY PROPANE, LLC,

Defendants.

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ORDER

05-C-280-C

This civil action for monetary relief was removed to this court from the Circuit Court for Vilas County on May 11, 2005 by defendant Inergy Propane, LLC and Crum & Forster Indemnity Company. Crum & Forster was a defendant in this case at the time of removal but has since been replaced by defendant United States Fire Insurance Co. In the notice of removal, defendant Inergy Propane and Crum & Forster invoked this court's diversity jurisdiction, which requires complete diversity of citizenship and at least \$75,000 at stake. 28 U.S.C. § 1332.

Plaintiff Paul Reid, LLP has filed a motion to remand this case to state court on the ground that defendant Inergy Propane and Crum & Forster did not file their notice of

removal within the time limit set out in 28 U.S.C. § 1446(b). I cannot address plaintiff's argument at this time, however, because defendant did not provide an adequate basis for diversity jurisdiction in its notice of removal. As a result, it is not clear whether complete diversity existed at the time of removal.

The notice of removal indicated that plaintiff is a "Wisconsin Limited Liability Partnership," defendant Inergy Propane, LLC, is a "Delaware Limited Liability Company" and Crum & Forster is a "New Jersey corporation." Notice of Removal, dkt. #1, at 2. The amended complaint, which was the operative pleading at the time removal was sought, alleged that plaintiff is a limited liability company organized under the laws of Wisconsin with its principal place of business in Eagle River, Wisconsin; defendant Inergy Propane is a division of Inergy, L.P., with its primary place of business in Kansas City, Missouri; and Crum & Forster is a New Jersey corporation.

For the purpose of diversity jurisdiction, corporations are citizens of the states in which they are incorporated and have their principal place of business. 28 U.S.C. § 1332(c)(1); Metropolitan Life Ins. Co. v. Estate of Cammon, 929 F.2d 1220, 1223 (7th Cir. 1991)). This rule is not applicable to partnerships and other non-corporate business entities however. Limited liability partnerships and limited liability companies (but not limited liability corporations) have citizenship of each of their partners. If one partner, general or limited, is a citizen of the same state as one of the defendants, complete diversity does not

exist. Hoagland ex rel. Midwest Transit, Inc. v. Sandberg, Phoenix and von Gontard, 385 F.3d 737 (7th Cir. 2004); Cosgrove v. Bartolotta, 150 F.3d 729, 731 (7th Cir. 1998). The amended complaint and the notice of removal do not indicate the citizenship of the partners in plaintiff Paul Reid, LLP or the members of defendant Inergy Propane, LLC.

Because defendant Inergy Propane sought federal court jurisdiction by removing this case, it bears the burden of showing that federal jurisdiction existed at the time of removal and that the substitution of defendant United States Fire Insurance Company has not destroyed diversity. Chase v. Shop n' Save Warehouse Foods, Inc., 110 F.3d 424, 427 (7th Cir. 1997) (“party seeking to invoke federal diversity jurisdiction [] bears the burden of demonstrating that the complete diversity and amount in controversy requirements are met.”). Therefore, IT IS ORDERED that defendant Inergy Propane, LLC will have until August 1, 2005, to provide this court with verification of its citizenship and that of plaintiff Paul Reid, LLP, Crum & Forster Indemnity Company and defendant United States Fire Insurance Company. Failure to comply with this deadline will result in the remand of the

case to state court.

Entered this 18th day of July, 2005.

BY THE COURT:  
/s/  
BARBARA B. CRABB  
District Judge