## UNITED STATES DISTRICT COURT EASTERN DISTRICT OF WISCONSIN

SIGNATURE FLIGHT SUPPORT LLC, Plaintiff.

v. Case No. 24-C-0845

JOHNSON CONTROLS, INC., Defendant.

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## **DECISION AND ORDER**

In a prior order, I required plaintiff Signature Flight Support, LLC ("Signature"), to show cause why this action should not be dismissed for lack of subject-matter jurisdiction. Because Signature does not bring a federal claim, jurisdiction must be based on diversity of citizenship under 28 U.S.C. § 1332(a). The defendant, Johnson Controls, Inc. ("JCI"), is a citizen of Wisconsin because it is incorporated in Wisconsin and has its principal place of business there. See 28 U.S.C. § 1332(c)(1). In its complaint, Signature identified itself as a limited liability company having a single member, Signature Aviation USA, LLC. That limited liability company, in turn, has two members: (1) Signature Aviation US Holdings, Inc., and (2) BBA Aviation Finance. Signature alleged that Signature Aviation US Holdings, Inc., is a Delaware corporation with its principal place of business in Florida. and that BBA Aviation Finance is "a United Kingdom entity with a principal place of business in the United Kingdom." (Compl. ¶ 4.) One of the issues I raised in the order to show cause was that Signature had assumed that BBA Aviation Finance should be treated the same as a United States corporation for purposes of determining its citizenship, which is something that the Seventh Circuit has cautioned against. See Sunny Handicraft (H.K.) Ltd. v. Envision This! LLC, 66 F.4th 1094, 1096 (7th Cir. 2023). Further,

my own research had indicated that BBA Aviation Finance was organized as a "private unlimited company," and that such an entity in the United Kingdom does not limit investor liability, making it analogous to a United States partnership. Thus, I required Signature to either identify all the investors of BBA Aviation Finance or show that BBA Aviation Finance was organized under United Kingdom law in a way that made it analogous to a United States corporation.

In response to the order to show cause, Signature admits that BBA Aviation Finance is a private unlimited company and has chosen to identify its investors. But it turns out that it has only one investor: Signature Aviation US Holdings, Inc., the same corporation that is the other member of Signature Aviation USA, LLC. As noted, that corporation is organized under Delaware law and has its principal place of business in Florida. Thus, if a private unlimited company is analogous to a U.S. partnership or other unincorporated association, then BBA Aviation Finance would be a citizen of Delaware and Florida only. See Lear Corp. v. Johnson Elec. Holdings Ltd., 353 F.3d 580, 582 (7th Cir. 2003). Neither party contends that a private unlimited company is analogous to a corporation. Further, because the investors in such an entity do not enjoy limited liability, see 6 Publisher's Editorial Staff, Laws of Int'l Trade § 145:4, Westlaw (database updated September 2024), I conclude that BBA Aviation Finance is a citizen of Delaware and Florida for purposes of the diversity jurisdiction. See Lear Corp., 353 F.3d at 582–83 (limited investor liability for the entity's debts is one of the hallmarks of a "corporation" for purposes of section 1332). That, in turn, means that Signature Aviation USA, LLC, is a citizen of Delaware and Florida, as is Signature Flight Support LLC. Thus, Signature Flight Support LLC (Delaware and Florida) and Johnson Controls, Inc. (Wisconsin) are citizens of different states.

In the order show cause, I raised a second issue. I noted that if BBA Aviation Finance imparted a foreign citizenship to Signature, then a statutory basis for diversity jurisdiction might be lacking. If BBA Aviation Finance had foreign citizenship, then Signature would be both a citizen of states and a citizen or subject of a foreign state. However, none of the statutory bases for jurisdiction under section 1332(a) appears to cover a situation in which a single party has dual domestic and foreign citizenship. See MAS Capital, Inc. v. Biodelivery Sciences Int'l, Inc., 524 F.3d 831, 832 (7th Cir. 2008). The order to show cause required Signature to develop an argument showing that, despite Signature's dual domestic and foreign citizenship, a federal court could exercise jurisdiction under one of the subsections of section 1332(a). But since it turns out that BBA Aviation Finance does not have foreign citizenship after all, neither does Signature. Therefore, a statutory basis for jurisdiction exists under section 1332(a)(1), and I will consider the order to show cause discharged.

Finally, I note that JCI has filed a reply to Signature's response to the order to show cause and does not dispute that, under the analysis supplied by Signature in its response, federal subject-matter jurisdiction is secure. However, JCI contends that Signature should be required to formally amend its complaint to reflect the true details of Signature's corporate structure. I agree that this is required and note that Signature has already offered to amend its complaint for this purpose. (Resp. to Order to Show Cause at 3 n.3.) Moreover, in a separate opinion issued today, I am granting in part JCI's motion for a more definite statement. I will grant Signature leave to file a single amended complaint

that both corrects its jurisdictional allegations and includes the more definite statement required by my separate opinion.

Accordingly, **IT IS ORDERED** that that the order to show cause issued on October 22, 2024, is **DISCHARGED**.

IT IS FURTHER ORDERED that Signature shall file an amended complaint as required by this order and my order requiring a more definite statement on or before January 17, 2025.

Dated at Milwaukee, Wisconsin, this 16th day of December, 2024.

/s/ Lynn Adelman LYNN ADELMAN United States District Judge