

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN**

**SIGNATURE FLIGHT SUPPORT LLC,
Plaintiff,**

v.

Case No. 24-C-0845

**JOHNSON CONTROLS, INC.,
Defendant.**

ORDER TO SHOW CAUSE

Plaintiff Signature Flight Support, LLC (“Signature”), alleges that Johnson Controls, Inc. (“JCI”), is liable for damages for supplying it with a firefighting foam containing per- and polyfluoroalkyl substances (“PFAS”). JCI has filed a motion for a more definite statement under Federal Rule of Civil Procedure 12(e). Prior to considering this motion, I reviewed the complaint to ensure that federal subject-matter jurisdiction was properly alleged. See *Arbaugh v. Y&H Corp.*, 546 U.S. 500, 514 (2006) (“courts . . . have an independent obligation to determine whether subject-matter jurisdiction exists, even in the absence of a challenge from any party”). As discussed below, my review revealed two problems that must be addressed before this case may continue in federal court.

Signature alleges that jurisdiction is proper under 28 U.S.C. § 1332(a) because the parties are diverse and the amount in controversy exceeds \$75,000, exclusive of interest and costs. Signature alleges that JCI is a Wisconsin corporation with its principal place of business in Wisconsin, making it a citizen of Wisconsin. 28 U.S.C. § 1332(c)(1). As for its own citizenship, Signature identifies itself as a limited liability company. The citizenship of a limited liability company is determined by the citizenships of its members. *Big Shoulders Cap. LLC v. San Luis & Rio Grande R.R., Inc.*, 13 F.4th 560, 565 (7th Cir.

2021). Signature alleges that it has one member: another limited liability company known as Signature Aviation USA, LLC. This entity, in turn, has two members: (1) Signature Aviation US Holdings, Inc., and (2) BBA Aviation Finance. Signature alleges that Signature Aviation US Holdings, Inc., is a Delaware corporation with its principal place of business in Florida. Thus, Signature is a citizen of both Delaware and Florida. However, Signature also takes the citizenship of BBA Aviation Finance. Here, Signature alleges that BBA Aviation Finance is “a United Kingdom entity with a principal place of business in the United Kingdom.” (Compl. ¶ 4.) It is this allegation that raises the jurisdictional problems.

The first problem is that Signature does not identify the kind of “United Kingdom entity” at issue. Signature seems to assume that BBA Aviation Finance is a corporation because it alleges where it is organized and where it maintains its principal place of business. However, the Seventh Circuit has cautioned that “it is inappropriate simply to assume that any given business entity based outside the United States is a ‘corporation’ for the purpose of § 1332.” *Sunny Handicraft (H.K.) Ltd. v. Envision This! LLC*, 66 F.4th 1094, 1096 (7th Cir. 2023). Moreover, if the internet is to be believed, BBA Aviation Finance is actually organized as a type of entity known as a “private unlimited company.” See <https://find-and-update.company-information.service.gov.uk/company/06415051> (viewed Oct. 22, 2024). When a company is organized as private unlimited company, there is no limit to the investors’ liability. See 6 Law of Int’l Trade § 145:4 (2024). That makes the entity more analogous to a U.S. partnership or other unincorporated association than a corporation. See *Lear Corp. v. Johnson Elec. Holdings Ltd.*, 353 F.3d 580, 582–83 (7th Cir. 2003) (noting that limited investor liability for the entity’s debts is

one of the hallmarks of a “corporation” for purposes of section 1332); *Ind. Gas Co. v. Home Ins. Co.*, 141 F.3d 314, 318 (7th Cir. 1998) (“the norm” is “that all unincorporated associations are treated as partnerships”). And if BBA Aviation Finance should be treated as a partnership, then the court would have to know the citizenship of each and every investor in the entity to determine its (and therefore Signature’s) citizenship. See *Sunny Handicraft*, 66 F.4th at 1097. So, to resolve the first jurisdictional problem, Signature must identify how BBA Aviation Finance is organized under U.K. law and either (1) develop a legal argument showing that the entity should be treated the same as a U.S. corporation for diversity purposes, or (2) identify each investor in BBA Aviation Finance and the citizenship of each investor as of the time this action was filed. See *Grupo Dataflux v. Atlas Global Group, L.P.*, 541 U.S. 567, 570–71 (2004) (jurisdiction depends on the state of things at the time the action is brought).¹

The second jurisdictional problem will arise if, as seems likely, BBA Aviation Finance has U.K. citizenship or other foreign citizenship. The problem will arise because, in that case, Signature would be *both* a citizen of States (Delaware and Florida) *and* a citizen or subject of a foreign state. As the Seventh Circuit has indicated, a suit between a domestic entity and an entity with dual domestic and foreign citizenship does not comfortably fit into any of the statutory pigeonholes created by section 1332(a). *MAS Capital, Inc. v. Biodelivery Sciences Int’l, Inc.*, 524 F.3d 831, 832 (7th Cir. 2008). The

¹ To stave off another potential problem, I note that the citizenship of each investor must be affirmatively alleged, and that it would not be sufficient for Signature to allege something like “no investor in BBA Aviation Finance is a citizen of Wisconsin.” See *West v. Louisville Gas & Elec. Co.*, 951 F.3d 827, 829 (7th Cir. 2020).

relevant pigeonholes when one of the parties is a citizen or subject of a foreign state are section 1332(a)(2), which covers suits between “citizens of a State and citizens or subjects of a foreign state,” and section 1332(a)(3), which covers “citizens of different States and in which citizens or subjects of a foreign state are additional parties.” *Id.* Here, section 1332(a)(2) is not a comfortable fit because both Signature and JCI have domestic citizenships. See *id.* Further, because Signature is not an “additional party,” section 1332(a)(3) is not a comfortable fit either. See *id.* Thus, if it turns out that Signature has U.K. or other foreign citizenships in addition to its domestic citizenships, then Signature must develop a legal argument showing that, despite that fact and the concerns raised in *MAS Capital*, a statutory basis for exercising diversity jurisdiction exists.

I will give Signature 30 days to respond to this order. If Signature decides not to defend federal jurisdiction, it may so indicate, and I will assume that it does not oppose a dismissal of this action without prejudice. If JCI wishes to reply to Signature’s response to this order or to defend federal jurisdiction if Signature elects not to, it must file a reply within 15 days of Signature’s response. I will hold JCI’s motion for a more definite statement in abeyance until the jurisdictional issues are resolved.

III. CONCLUSION

For the reasons stated, **IT IS ORDERED** that that, within 30 days of the date of this order, Signature must show cause why this action should not be dismissed for lack of subject-matter jurisdiction. JCI may file a reply to Signature's response within 15 days after the response is filed.

Dated at Milwaukee, Wisconsin, this 22nd day of October, 2024.

/s/ Lynn Adelman

LYNN ADELMAN

United States District Judge