

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 24-1664 PA (MRWx)	Date	March 1, 2024
Title	Storyteller Production Co., LLC v. Audient Capital GP Ltd., et al.		

Present: The Honorable PERCY ANDERSON, UNITED STATES DISTRICT JUDGE

Kamilla Sali-Suleyman	Not Reported	N/A
Deputy Clerk	Court Reporter	Tape No.

Attorneys Present for Plaintiffs: None  
Attorneys Present for Defendants: None

**Proceedings:** IN CHAMBERS – COURT ORDER

The Court is in receipt of a Petition to Confirm Arbitration Award (“Petition”), filed by petitioner Storyteller Production Co., LLC (“Petitioner”). Petitioner requests that the Court confirm an arbitration award against respondents Audient Capital GP Ltd. and Audient Global Investment Fund I, LP (collectively “Respondents”). The Petition alleges that the Court possesses diversity jurisdiction over this action pursuant to 28 U.S.C. § 1332(a). The Petition also alleges that the Court possesses jurisdiction over this action pursuant to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the “New York Convention”).

Federal courts have subject matter jurisdiction only over matters authorized by the Constitution and Congress. Bender v. Williamsport Area School Dist., 475 U.S. 534, 541, 106 S. Ct. 1326, 1331, 89 L. Ed. 2d 501 (1986). In seeking to invoke this Court’s jurisdiction, Petitioner bears the burden of proving that jurisdiction exists. Scott v. Breeland, 792 F.2d 925, 927 (9th Cir. 1986). Rule 8(a) of the Federal Rules of Civil Procedure requires that “[a] pleading that states a claim for relief must contain . . . a short and plain statement of the grounds for the court’s jurisdiction . . . .” Fed. R. Civ. P. 8(a)(1). This District’s Local Rules further provide that “[t]he statutory or other basis for the exercise of jurisdiction by this Court shall be plainly stated in . . . any document invoking this Court’s jurisdiction.” Local Civil Rule 8-1.

A party seeking to invoke the Court’s diversity jurisdiction must plausibly allege that there is complete diversity of citizenship between the parties and that the amount in controversy exceeds \$75,000. See 28 U.S.C. § 1332; see also Academy of Country Music v. Continental Cas. Co., 991 F.3d 1059, 1068 (9th Cir. 2021). To establish citizenship for diversity purposes, a natural person must be a citizen of the United States and be domiciled in a particular state. Kantor v. Wellesley Galleries, Ltd., 704 F.2d 1088, 1090 (9th Cir. 1983). Persons are domiciled in the places they reside with the intent to remain or to which they intend to return. See Kanter v. Warner-Lambert Co., 265 F.3d 853, 857 (9th Cir. 2001). “A person residing in a given state is not necessarily domiciled there, and thus is not necessarily a citizen of that state.” Id. A corporation is a citizen of both its state of incorporation and the state in which it has its principal

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place of business. See 28 U.S.C. § 1332(c)(1); see also New Alaska Dev. Corp. v. Guetschow, 869 F.2d 1298, 1300–01 (9th Cir. 1989). Finally, the citizenship of a partnership or other unincorporated entity is the citizenship of its members. See Johnson v. Columbia Props. Anchorage, LP, 437 F.3d 894, 899 (9th Cir. 2006) (“[L]ike a partnership, an LLC is a citizen of every state of which its owners/members are citizens.”).

Here, the Petition alleges as follows:

Petitioner is a limited liability company formed in accordance with the laws of the State of Delaware, with its principal place of business in Universal City, California . . . .

Petitioner does not know where, or under what laws, Respondent Audient Capital GP Ltd. (“Audient Capital”) was formed and currently exists. Petitioner is informed and believes and, on that basis, alleges that Audient Capital is based in Australia, although its website indicates that it can be contacted at: c/o Stuarts Corporate Services Ltd., Kensington House, 69 Dr. Roy’s Drive, George Town PO Box 2510, Grand Cayman KY1-1104, Cayman Islands.

[Petitioner] likewise does not know where, or under what laws, Respondent Audient Global Investment Fund I, LP (“Audient Global”) was formed and currently exists. Petitioner is informed and believes and, on that basis, alleges that Audient Global is based in the Cayman Islands.

(Docket No. 1 ¶¶ 1–3.) The Petition does not allege sufficient facts to support the Court’s exercise of diversity jurisdiction over this action. Specifically, the Petition fails to allege the citizenship of Petitioner’s members. See Johnson, 437 F.3d at 899. Additionally, the Petition does not identify the type of entity that Audient Capital or Audient Global are and, therefore, Petitioner has not alleged the citizenship of either Respondent. Accordingly, Petitioner has failed to adequately allege the citizenship of any party in this action and, as a result, has not met its burden to establish the Court’s diversity jurisdiction. See Kanter, 265 F.3d at 857 (“Absent unusual circumstances, a party seeking to invoke diversity jurisdiction should be able to allege affirmatively the actual citizenship of the relevant parties.”).

The Petition also alleges that this Court has original jurisdiction over this action pursuant to the New York Convention.

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“An action or proceeding falling under the [New York] Convention shall be deemed to arise under the laws and treaties of the United States. The district courts of the United States . . . shall have original jurisdiction over such an action or proceeding, regardless of the amount in controversy.” 9 U.S.C. § 203 (emphasis added). “An arbitration agreement or arbitral award arising out of a legal relationship, whether contractual or not, which is considered as commercial . . . falls under the Convention.” 9 U.S.C. § 202. However, “[a]n agreement or award arising out of such a relationship which is entirely between citizens of the United States shall be deemed not to fall under the Convention unless that relationship involves property located abroad, envisages performance or enforcement abroad, or has some other reasonable relation with one or more foreign states.” Id.

As explained above, the Petition does not properly allege the citizenship of any party. Therefore, Petitioner has failed to establish that the agreement or award does not arise out of a relationship which is entirely between citizens of the United States. The Petition also does not allege that the parties’ relationship involves property abroad, envisages performance or enforcement abroad, or has some other reasonable relation with a foreign state. Accordingly, Petitioner’s allegations are insufficient to invoke the Court’s jurisdiction over this action under the New York Convention.

For all the foregoing reasons, the Court dismisses the Petition for lack of subject matter jurisdiction. A district court may, and should, grant leave to amend when it appears that subject matter jurisdiction may exist, even if a complaint inadequately alleges jurisdiction. See 28 U.S.C. § 1653; Trentacosta v. Frontier Pacific Aircraft Industries, Inc., 813 F.2d 1553, 1555 (9th Cir. 1987). Therefore, the Court grants Petitioner leave to amend the Petition to establish federal subject matter jurisdiction. Petitioner’s First Amended Petition, if any, shall be filed by March 15, 2024. The failure to file a First Amended Petition by that date or to adequately allege the Court’s subject matter jurisdiction may, without further warning, result in the dismissal of this action without prejudice.

IT IS SO ORDERED.