

24-724 HAIN CELESTIAL GROUP V. PALMQUIST

DECISION BELOW: 103 F.4th 294

LOWER COURT CASE NUMBER: 23-40197

QUESTION PRESENTED:

Respondents, citizens of Texas, filed this products-liability suit in state court against Petitioners Hain Celestial Group, Inc., then a citizen of Delaware and New York, and Whole Foods, Inc., a citizen of Texas. Hain removed based on diversity jurisdiction, arguing that Whole Foods should be dismissed as fraudulently joined. The district court agreed, dismissing Whole Foods with prejudice. After two additional years of federal-court litigation and a two-week jury trial, the district court granted judgment as a matter of law to Hain. On appeal, without ruling on the merits, the Fifth Circuit held that the district court erred in dismissing Whole Foods, vacated the final judgment, and ordered the matter remanded to state court to start from scratch. Relying on Respondents' post-removal amended complaint, the panel held, in conflict with several other courts of appeals, that the district court lacked jurisdiction to enter judgment as to the completely diverse parties before it.

The questions presented are:

1. Whether a district court's final judgment as to completely diverse parties must be vacated when an appellate court later determines that it erred by dismissing a non-diverse party at the time of removal.
2. Whether a plaintiff may defeat diversity jurisdiction after removal by amending the complaint to add factual allegations that state a colorable claim against a nondiverse party when the complaint at the time of removal did not state such a claim

CERT. GRANTED 4/28/2025