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NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States* v. *Detroit Timber & Lumber Co.,* 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

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HERTZ CORP. *v.* FRIEND ET AL.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

No. 08–1107. Argued November 10, 2009—Decided February 23, 2010

Respondents, California citizens, sued petitioner Hertz Corporation in a California state court for claimed state-law violations. Hertz sought removal to the Federal District Court under 28 U. S. C. §§1332(d)(2), 1441(a), claiming that because it and respondents were citizens of different States, §§1332(a)(1), (c)(1), the federal court possessed diversity-of-citizenship jurisdiction. Respondents, however, claimed that Hertz was a California citizen, like themselves, and that, hence, diversity jurisdiction was lacking under §1332(c)(1), which provides that "a corporation shall be deemed to be a citizen of any State by which it has been incorporated and of the State where it has its principal place of business." To show that its "principal place of business" was in New Jersey, not California, Hertz submitted a declaration stating, among other things, that it operated facilities in 44 States, that California accounted for only a portion of its business activity, that its leadership is at its corporate headquarters in New Jersey, and that its core executive and administrative functions are primarily carried out there. The District Court concluded that it lacked diversity jurisdiction because Hertz was a California citizen under Ninth Circuit precedent, which asks, *inter alia,* whether the amount of the corporation's business activity is "significantly larger" or "substantially predominates" in one State. Finding that California was Hertz's "principal place of business" under that test because a plurality of the relevant business activity occurred there, the District Court remanded the case to state court. The Ninth Circuit affirmed.

Held:

1. Respondents' argument that this Court lacks jurisdiction under §1453(c)—which expressly permits appeals of remand orders such as the District Court's only to "court[s] of appeals," not to the Supreme

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Court, and provides that if "a final judgment on the appeal" in a court of appeals "is not issued before the end" of 60 days (with a possible 10-day extension), "the appeal shall be denied"—makes far too much of too little. The Court normally does not read statutory silence as implicitly modifying or limiting its jurisdiction that another statute specifically grants. *E.g., Felker* v. *Turpin*, 518 U. S. 651, 660–661. Here, replicating similar, older statutes, §1254 specifically gives the Court jurisdiction to "revie[w] . . . [b]y writ of certiorari" cases that are "in the courts of appeals" when it grants the writ. The Court thus interprets §1453(c)'s "60-day" requirement as simply requiring a court of appeals to reach a decision within a specified time—not to deprive this Court of subsequent jurisdiction to review the case. See, *e.g., Aetna Casualty & Surety Co.* v. *Flowers*, 330 U. S. 464, 466–467. Pp. 4–5.

2. The phrase "principal place of business" in §1332(c)(1) refers to the place where a corporation's high level officers direct, control, and coordinate the corporation's activities, *i.e.,* its "nerve center," which will typically be found at its corporate headquarters. Pp. 5–19.

(a) A brief review of the legislative history of diversity jurisdiction demonstrates that Congress added §1332(c)(1)'s "principal place of business" language to the traditional state-of-incorporation test in order to prevent corporations from manipulating federal-court jurisdiction as well as to reduce the number of diversity cases. Pp. 5–10.

(b) However, the phrase "principal place of business" has proved more difficult to apply than its originators likely expected. After Congress' amendment, courts were uncertain as to where to look to determine a corporation's "principal place of business" for diversity purposes. If a corporation's headquarters and executive offices were in the same State in which it did most of its business, the test seemed straightforward. The "principal place of business" was in that State. But if those corporate headquarters, including executive offices, were in one State, while the corporation's plants or other centers of business activity were located in other States, the answer was less obvious. Under these circumstances, for corporations with "far-flung" business activities, numerous Circuits have looked to a corporation's "nerve center," from which the corporation radiates out to its constituent parts and from which its officers direct, control, and coordinate the corporation's activities. However, this test did not go far enough, for it did not answer what courts should do when a corporation's operations are not far-flung but rather limited to only a few States. When faced with this question, various courts have focused more heavily on where a corporation's actual business activities are located, adopting divergent and increasingly complex tests to interpret the statute. Pp. 10–13.

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(c) In an effort to find a single, more uniform interpretation of the statutory phrase, this Court returns to the "nerve center" approach: "[P]rincipal place of business" is best read as referring to the place where a corporation's officers direct, control, and coordinate the corporation's activities. In practice it should normally be the place where the corporation maintains its headquarters—provided that the headquarters is the actual center of direction, control, and coordination, *i.e.*, the "nerve center," and not simply an office where the corporation holds its board meetings. Pp. 13–19.

(i) Three sets of considerations, taken together, convince the Court that the "nerve center" approach, while imperfect, is superior to other possibilities. First, §1332(c)(1)'s language supports the approach. The statute's word "place" is singular, not plural. Its word "principal" requires that the main, prominent, or most important place be chosen. Cf., *e.g., Commissioner* v. *Soliman*, 506 U. S. 168, 174. And the fact that the word "place" follows the words "State where" means that the "place" is a place *within* a State, not the State itself. A corporation's "nerve center," usually its main headquarters, is a single place. The public often considers it the corporation's main place of business. And it is a place within a State. By contrast, the application of a more general business activities test has led some courts, as in the present case, to look, not at a particular place within a State, but incorrectly at the State itself, measuring the total amount of business activities that the corporation conducts there and determining whether they are significantly larger than in the next-ranking State. Second, administrative simplicity is a major virtue in a jurisdictional statute. *Sisson* v. *Ruby*, 497 U. S. 358, 375. A "nerve center" approach, which ordinarily equates that "center" with a corporation's headquarters, is simple to apply *comparatively speaking*. By contrast, a corporation's general business activities more often lack a single principal place where they take place. Third, the statute's legislative history suggests that the words "principal place of business" should be interpreted to be no more complex than an earlier, numerical test that was criticized as too complex and impractical to apply. A "nerve center" test offers such a possibility. A general business activities test does not. Pp. 14–17.

(ii) While there may be no perfect test that satisfies all administrative and purposive criteria, and there will be hard cases under the "nerve center" test adopted today, this test is relatively easier to apply and does not require courts to weigh corporate functions, assets or revenues different in kind, one from the other. And though this test may produce results that seem to cut against the basic rationale of diversity jurisdiction, accepting occasionally counterintuitive results is the price the legal system must pay to avoid overly complex

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jurisdictional administration while producing the benefits that accompany a more uniform legal system. Pp. 17–18.

(iii) If the record reveals attempts at jurisdictional manipulation—for example, that the alleged "nerve center" is nothing more than a mail drop box, a bare office with a computer, or the location of an annual executive retreat—the courts should instead take as the "nerve center" the place of actual direction, control, and coordination, in the absence of such manipulation. Pp. 18–19.

(d) Although petitioner's unchallenged declaration suggests that Hertz's "nerve center" and its corporate headquarters are one and the same, and that they are located in New Jersey, not in California, respondents should have a fair opportunity on remand to litigate their case in light of today's holding. P. 19.

297 Fed. Appx. 690, vacated and remanded.

BREYER, J., delivered the opinion for a unanimous Court.