

Peter E. Rose v. A. Bartlett Giamatti, et al

721 F. Supp. 906 (1989 U.S. Dist.)

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February of 1989, then Commissioner of Baseball Peter V. Ueberroth and then Commissioner of Baseball-elect A. Bartlett Giamatti initiated an investigation regarding allegations that Pete Rose, a prominent baseball player and Manager of the Cincinnati Reds, wagered on major league baseball games. Commissioner Giamatti scheduled a hearing concerning the allegations for June 26, 1989. In an effort to prevent Commissioner Giamatti from conducting the hearing, Rose filed an action in state court seeking a temporary restraining order and preliminary injunction from disciplinary proceedings against Major League Baseball, one of its teams, and Commissioner Giamatti. Giamatti sought to remove the case to federal court citing diversity jurisdiction.

At issue was whether, under applicable law, the federal court had jurisdiction over the subject matter of the action. Federal district court has original jurisdiction in civil actions where the amount in controversy exceeds \$50,000 and the action is between citizens of different states. A federal court, in its determination of whether there is diversity of citizenship between the parties, must disregard nominal or formal parties to the action and determine jurisdiction based only upon the citizenship of the real parties to the controversy. A formal or nominal party, in contrast to a real party, is one who has no interest in the result of the suit, or no actual interest or control over the subject matter of the litigation.

The court held that the action was properly removed to federal court, and therefore had a duty to recognize and enforce jurisdiction over the matter. In reaching its conclusion, the court reasoned that Rose and Giamatti were the only real parties, and therefore disregarded Major League Baseball and its team as defendants. The court found that diversity of citizenship existed between Rose and Giamatti, and that the case was properly removed to federal court.