

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF LOUISIANA  
MONROE DIVISION

BOARD OF SUPERVISORS FOR THE  
UNIVERSITY OF LOUISIANA SYSTEM  
ON BEHALF OF LOUISIANA TECH  
UNIVERSITY

CIVIL ACTION NO. \_\_\_\_\_

VERSUS

JUDGE \_\_\_\_\_

CONFERENCE USA

MAGISTRATE JUDGE \_\_\_\_\_

**NOTICE OF REMOVAL**

NOW INTO COURT, through undersigned counsel, comes Defendant, Conference USA (“CUSA”), which, pursuant to 28 U.S.C. §§ 1332, 1441, and 1446, hereby removes the action styled *Board of Supervisors for the University of Louisiana System on behalf of Louisiana Tech University v. Conference USA* (the “State Court Action”), currently pending in the Third Judicial District Court, Parish of Lincoln, State of Louisiana, bearing Docket No. C-65138, Section B, to the United States District Court for the Western District of Louisiana, Monroe Division, and respectfully represents:

**I. BASIS FOR REMOVAL AND PROCEDURAL STATEMENTS**

***State Court Action***

1. Plaintiff, Board of Supervisors for the University of Louisiana System (the “Board”), on behalf of Louisiana Tech University (“Tech”), commenced the State Court Action by filing a Petition for Temporary, Preliminary, and Permanent Injunctive Relief and Declaratory Relief on March 5, 2026. On March 13, 2026, the Board filed an Amended Petition for Temporary, Preliminary, and Permanent Injunctive Relief and Declaratory Relief.

2. A true and correct copy of all process, pleadings, and orders from the State Court Action served on Defendant or otherwise obtained is attached hereto as Exhibits 1 through 4.

***Jurisdiction***

3. This Court has original jurisdiction over this action under 28 U.S.C. § 1332(a) because the matter is between citizens of different states and the amount in controversy exceeds \$75,000, exclusive of interest and costs.

4. Defendant, Conference USA, is a nonprofit corporation organized under the laws of the State of Texas, with its principal place of business located at 3100 Olympus Boulevard, Suite 400, Dallas, Texas 75019. CUSA is therefore a citizen of Texas for purposes of diversity jurisdiction. 28 U.S.C. § 1332(c)(1).

5. Plaintiff, the Board of Supervisors for the University of Louisiana System, is a citizen of the State of Louisiana for purposes of diversity jurisdiction.

6. Complete diversity of citizenship therefore exists.

7. The amount in controversy exceeds \$75,000, exclusive of interest and costs. The Petition seeks injunctive and declaratory relief arising from Tech's withdrawal from Conference USA, including the disposition of multiple years of withheld revenue distributions, the recoupment of distributions previously paid to Tech, and the enforceability of contractual provisions governing the financial terms of withdrawal. The annual revenue distributions at issue, which the Petition alleges CUSA seeks to withhold for two full years as a condition of Tech's departure, far exceed \$75,000. *See* Ex. 1, Original State Court Petition at ¶¶ 72, 81; *see* Ex. 4, Amended State Court Petition at ¶¶ 72, 81. The aggregate value of the relief sought is well in excess of the jurisdictional threshold. *See Farkas v. GMAC Mortg., L.L.C.*, 737 F.3d 338, 341 (5th Cir. 2013).

*Venue*

8. Venue is proper in this Court under 28 U.S.C. § 1441(a) because the Third Judicial District Court, Parish of Lincoln, where the State Court Action is currently pending, is within the Western District of Louisiana.

*Timeliness*

9. This Notice of Removal is timely. As of the date of this filing, Conference USA has not been served with the Petition or the Amended Petition in the State Court Action. CUSA first learned of the State Court Action on March 5, 2026. Because the thirty-day removal period under 28 U.S.C. § 1446(b)(1) begins to run upon service of the initial pleading, the removal period has not yet begun to run.

*Notice*

10. Pursuant to 28 U.S.C. § 1446(d), Defendant will file a copy of this Notice of Removal with the Clerk of Court for the Third Judicial District Court, Parish of Lincoln, and will serve a copy on all counsel of record. A copy of the Notice of Filing of Notice of Removal to be filed in the State Court Action is attached as Exhibit 5.

**III. THE BOARD IS NOT AN ARM OF THE STATE AND IS A CITIZEN OF THE STATE OF LOUISIANA**

11. CUSA anticipates that the Board will file a motion for remand by asserting it is an arm of the State of Louisiana and is not a citizen of the State of Louisiana under 28 U.S.C. § 1332, and that complete diversity of citizenship is therefore lacking. However, the Board is not an arm of the state and is thus a citizen of the State of Louisiana under the test set forth by the Supreme Court of the United States.

12. Whether a state-created entity is an arm of the state or a separate legal person amenable to suit in its own right is governed by *Galette v. New Jersey Transit Corp.*, 607 U.S. ---, 2026 WL 598450, at \*8-11 (March 4, 2026), which replaces the multi-factor balancing tests that lower courts had developed with a structured framework organized around three inquiries: (1) whether the state created the entity as a legally separate corporation; (2) whether the state is formally liable for the entity's debts; and (3) whether the state exercises control over the entity. Of these, the first does the most work. The Court held that “[t]he clearest evidence that a State has created a legally separate entity is that it created a corporation with the traditional corporate powers to sue and be sued, hold property, make contracts, and incur debt,” and it established a presumption: “When a State makes such a decision, courts should presume that the corporation enjoys all the advantages and disadvantages of separate legal status, including the fact that the corporate entity is no longer part of the State itself.” 2026 WL 598450, at \*8 (citing *First Nat’l City Bank v. Banco Para el Comercio Exterior de Cuba*, 462 U.S. 611, 625 (1983)).

13. Louisiana Constitution Article VIII, § 6(A) provides that the Board “is created as a *body corporate*.” (emphasis added). That language maps directly onto *Galette*’s framework. The Court held that “body corporate” is “a term traditionally understood to create a ‘[s]eparate legal personality’” and that NJ Transit’s “corporate status serves as strong evidence that it is not an arm of the State.” 2026 WL 598450, at \*10. La. R.S. 17:3351 vests the Board with the full suite of corporate powers the Court identified as hallmarks of separate legal personhood: the power to sue and be sued in its own name (§ A(1)); to borrow money and issue bonds, pledging fees, rents, and revenues to guarantee payment (§ A(4)); to purchase land and construct buildings (§ A(6)–(7)); to lease, sell, transfer, or exchange property (§ A(8)–(9)); and to enter into contracts and cooperative

endeavor agreements (§ A(16)). The Court has “not previously found a similarly structured corporation to be an arm of the State.” *Id.* at \*11.

14. Notably, *Galette* cited an educational institution in support of this framework. In *Hopkins v. Clemson Agricultural College*, 221 U.S. 636 (1911), the Court held that a state agricultural college organized as a corporation that “might sue and be sued, plead and be impleaded, in its corporate name” was not an arm of the state. *Galette*, 2026 WL 598450, at \*10. The Board holds the same constitutional designation and the same litigation authority.

15. On the second *Galette* factor, the State of Louisiana is not formally liable for the Board’s debts. Louisiana Constitution Article XII, § 10(C) provides that “[n]o judgment against the state, a state agency, or a political subdivision shall be exigible, payable, or paid except from funds appropriated therefor by the legislature or by the political subdivision against which the judgment is rendered.” Before *Galette*, the Fifth Circuit read this provision as establishing that “money judgments rendered against . . . the Board are payable from funds appropriated by the Louisiana Legislature,” and on that basis concluded the State “paid” the Board’s judgments. *Richardson v. Southern University*, 118 F.3d 450, 456–57 (5th Cir. 1997). What the Fifth Circuit never asked is the question *Galette* now puts front and center: whether the State is *obligated* to pay (*i.e.*, “formally liable”), or whether the payment is discretionary. 2026 WL 598450, at \*9.

16. The Louisiana Supreme Court has answered that question. In *Hoag v. State*, 889 So. 2d 1019 (La. 2004), the Court held that the appropriation of funds to pay a judgment against the state is a discretionary, not ministerial, act of the Legislature. A court cannot issue mandamus to compel it. “The very act of appropriating funds is, by its nature, discretionary and specifically granted to the legislature by the constitution.” *Id.* A judgment creditor’s sole remedy is to petition

the Legislature under La. R.S. 13:5109(B) and hope it chooses to act. The Legislature has historically paid these judgments, but nothing in Louisiana law requires it to do so.

17. Under *Galette*, that distinction is decisive. The Court held that what matters is whether “the State is formally liable for judgments against an entity.” 2026 WL 598450, at \*9. It drew an explicit contrast with “an entity’s practical financial relationship with the State, such as its expectation that the State would cover its judgments if needed,” which “has less relevance.” *Id.* “Similarly, a State’s history of subsidizing an entity carries little weight.” *Id.* A system in which the Legislature may appropriate funds to pay judgments but is not required to, and in which the judgment creditor cannot even obtain mandamus to compel the appropriation, is the definition of a “practical financial relationship.” The State’s willingness to pay depends entirely on legislative discretion. That is not formal liability. It is discretionary grace.

18. If Article XII, § 10 established formal State liability for every entity within its scope, it would make the State liable for judgments against, for example, the City of Shreveport and the St. Bernard Parish School Board. No court has ever so held, and for good reason: the provision applies identically to political subdivisions that are not arms of the state. *See Minton v. St. Bernard Parish School Board*, 803 F.2d 129 (5th Cir. 1986); *Vogt v. Board of Comm’rs of Orleans Levee District*, 294 F.3d 684 (5th Cir. 2002). The provision is a fiscal-control mechanism that routes judgment payments through legislative appropriation, not a declaration that the State stands behind every state-created entity’s obligations. Judgments against the Board confirm the point: they are entered in the Board’s own corporate name, not against “the State of Louisiana.” *See Williams v. Board of Supervisors of the University of Louisiana System*, 48,763 (La. App. 2d Cir. 2/26/14), 135 So. 3d 804.

19. As to the third factor of state control, *Galette* instructs courts to treat state control “with caution” because “ultimate control of every state-created entity resides with the State.” 2026 WL 598450, at \*9. Even gubernatorial appointment and removal powers, a cabinet member chairing the board, and gubernatorial veto power did “not change the overall conclusion” that the state-created entity at issue in *Galette* is not an arm of the state. *Id.* at \*11. Here, the Board’s members serve six-year terms and are removable only for cause. La. Const. Art. VIII, § 6(B). The Board appoints the System President and all institution presidents, sets tuition, manages curricula, and initiates litigation without gubernatorial or legislative approval. It filed this suit in its own corporate name on behalf of Louisiana Tech, exercising its independent litigation authority under La. R.S. 17:3351(A)(1).

20. The Fifth Circuit has long treated the arm-of-the-state analysis for diversity citizenship and Eleventh Amendment immunity as “virtually identical.” *Tradigrain, Inc. v. Mississippi State Port Authority*, 701 F.2d 1131, 1132 (5th Cir. 1983). *Galette*’s restructuring of the sovereign-immunity framework therefore informs the diversity-citizenship analysis as well.

WHEREFORE, Defendant Conference USA respectfully requests that this action be removed from the Third Judicial District Court for the Parish of Lincoln, State of Louisiana, to the United States District Court for the Western District of Louisiana, Monroe Division.

Respectfully submitted,

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ATTORNEYS FOR CONFERENCE USA

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a copy of the above and foregoing has been served via email on this 14th day of March, 2026, on counsel for Plaintiff Board of Supervisors for the University of Louisiana System on behalf of Louisiana Tech University as follows:

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