

United States Court of Appeals
for the Fifth Circuit

United States Court of Appeals
Fifth Circuit

FILED

September 2, 2026

Lyle W. Cayce
Clerk

No. 25-11034

CHRISTIAN L. JENNINGS,

Plaintiff—Appellant,

versus

VANDERGRIFF HONDA,

Defendant—Appellee.

Appeal from the United States District Court
for the Northern District of Texas
USDC No. 3:24-CV-3046

Before SMITH, HAYNES, and ENGELHARDT, *Circuit Judges.*

PER CURIAM:*

Christian Lavell Jennings brought suit in federal court, seeking to vacate an arbitration award. The district court dismissed for lack of subject-matter jurisdiction and taxed costs against Jennings. For the following reasons, we AFFIRM the district court's dismissal and REVERSE its taxation of costs.

* This opinion is not designated for publication. *See* 5TH CIR. R. 47.5.

No. 25-11034

I. Background

In 2023, Jennings purchased a vehicle from Vandergriff Honda (“Vandergriff”). In January 2024, Jennings filed a demand for arbitration with the American Arbitration Association, alleging various violations of state and federal law. In September of that year, the arbitrator issued his memorandum opinion and award (the “Award”) in Vandergriff’s favor.

Vandergriff then filed a petition to confirm the Award in Texas state court. Before Jennings was served in the state court lawsuit, however, she filed a petition and motion to vacate the Award in federal court. Jennings’s petition alleged that: the Award was obtained by corruption, fraud, or other undue means; the arbitrator acted with evident partiality; the arbitrator engaged in misconduct or willful misbehavior; the arbitrator refused to hear evidence that was material to her claims during and before the final evidentiary hearing; and the arbitrator so imperfectly executed his powers that a mutual, final, and definite award upon the subject matter submitted was not made.

The district court determined, *sua sponte*, that it lacked subject-matter jurisdiction. In reaching this conclusion, the district court noted that an applicant seeking to vacate an arbitral award under § 10 of the Federal Arbitration Act (“FAA”) must identify a grant of jurisdiction apart from § 10 itself. 9 U.S.C. § 10. Concluding that all of Jennings’s “claims derive[d] directly from § 10 of the FAA and therefore [could not] establish an independent basis for jurisdiction,” the district court granted Vandergriff’s motion to dismiss but allowed Jennings 28 days to amend her petition.

Jennings then filed an amended petition to vacate the Award. Vandergriff moved to dismiss the amended petition for lack of subject-matter jurisdiction under Federal Rule of Civil Procedure 12(b)(1), and Jennings filed a response in opposition. The district court determined that the claims

No. 25-11034

in the amended petition were “nearly identical to the ones” in the original petition. Further, it concluded that the federal statutes she cited did not supply any independent basis for jurisdiction. Accordingly, the district court dismissed Jennings’s action without prejudice for lack of subject-matter jurisdiction. Last, the district court ordered that “Vandergriff’s taxable costs of court, as calculated by the clerk of court, [be] assessed against Jennings.” Jennings promptly appealed.

II. Jurisdiction & Standard of Review

As discussed below, the district court lacked subject-matter jurisdiction. Nevertheless, we have appellate jurisdiction over its conclusions under 28 U.S.C. § 1291 because the district court entered final judgment.

We review de novo a dismissal for lack of subject-matter jurisdiction under Federal Rule of Civil Procedure 12(b)(1). *Crane v. Johnson*, 783 F.3d 244, 250 (5th Cir. 2015).

III. Discussion

We agree with the district court that it lacked subject-matter jurisdiction.

“Federal courts are courts of limited jurisdiction, and absent jurisdiction conferred by statute, lack the power to adjudicate claims.” *Stockman v. FEC*, 138 F.3d 144, 151 (5th Cir. 1998). “Congress has granted [federal district] courts jurisdiction over two main kinds of cases,” namely, (1) “diversity cases—suits between citizens of different States as to any matter valued at more than \$75,000”—under 28 U.S.C. § 1332, and (2) “federal-question cases—suits arising under federal law”—under 28 U.S.C. § 1331. *Badgerow v. Walters*, 596 U.S. 1, 7 (2022) (citation modified). District courts also “have supplemental jurisdiction over all other claims that are so related to claims in the action within such original jurisdiction that they

No. 25-11034

form part of the same case or controversy under Article III of the United States Constitution.” 28 U.S.C. § 1367(a).

Here, Jennings asserts that the district court had jurisdiction over her federal claims under § 1331 and supplemental jurisdiction over her related state-law claims under § 1367(a). We disagree.

Jennings was required to identify an independent basis for jurisdiction. While “the FAA authorizes parties to arbitration agreements to file specified actions in federal court,” including, “applications to . . . vacate . . . arbitral awards,” “an applicant seeking . . . to vacate an arbitral award under [§] 10 [of the FAA] must identify a grant of jurisdiction, apart from [§] 10 itself, conferring access to a federal forum.” *Badgerow*, 596 U.S. at 8 (citation modified). “[A] court may look only to the application actually submitted to it in assessing its jurisdiction.” *Id.* at 5.

Though Jennings presented federal claims to the arbitrator, she did not then bring these claims before the district court, but instead asked it only to vacate the Award. As a result, “the underlying dispute is not now at issue.” *Id.* at 18. “Rather, the application [to vacate the Award] concerns the contractual rights provided in the arbitration agreement, generally governed by state law. And adjudication of such state-law contractual rights . . . typically belongs in state courts.” *Id.* Thus, the district court correctly granted Vandergriff’s motion to dismiss for lack of subject-matter jurisdiction.

Accordingly, we do not address any arguments related to the merits of the petition.

However, we agree with Jennings that the district court erred in ordering the clerk of court to assess Vandergriff’s taxable costs of court against her. “[U]nless a federal statute, [the Federal Rules of Civil Procedure], or a court order provides otherwise, costs—other than

No. 25-11034

attorney’s fees—should be allowed to the prevailing party.” FED. R. CIV. P. 54(d)(1). But where, as here, a case is dismissed for lack of jurisdiction, there is no such “prevailing party.” See *El Paso Indep. Sch. Dist. v. Richard R.*, 591 F.3d 417, 422 (5th Cir. 2009) (“[T]he Supreme Court [has] clarified that a prevailing party is one that has obtained a judgment on the merits, a consent decree, or some similar form of judicially sanctioned relief.” (citing *Buckhannon Bd. & Care Home, Inc. v. W. Va. Dep’t of Health & Hum. Res.*, 532 U.S. 598, 603–04 (2001))). Even if it were allowed, Jennings was permitted to proceed *in forma pauperis* by the district court, so another reason supports not requiring her to pay. See generally *Moore v. CITGO Ref. & Chems. Co., L.P.*, 735 F.3d 309, 320 n.9 (5th Cir. 2013) (quoting 10 JAMES W. MOORE ET AL., MOORE’S FEDERAL PRACTICE § 54.101[1][b] (3d ed. 2013), for the proposition that “[m]ost circuits hold that a substantiated claim of the losing party’s indigency may justify a reduction . . . of costs”); *Collett v. Weyerhaeuser Co.*, No. 25-30554, 2026 WL 867492, at *2 (5th Cir. Mar. 30, 2026) (per curiam) (unpublished) (noting different factors that parties can establish to overcome the presumption that prevailing parties will be awarded costs, including “the losing party’s limited financial resources” (quoting *Pacheco v. Mineta*, 448 F.3d 783, 794 (5th Cir. 2006))).¹ So, Vandergriff shall bear its own costs.

IV. Conclusion

Accordingly, we AFFIRM the district court’s dismissal for lack of subject-matter jurisdiction and REVERSE its taxation of costs.

¹ Although *Collett* “is not controlling precedent,” it “may be [cited as] persuasive authority.” *Ballard v. Burton*, 444 F.3d 391, 401 n.7 (citing 5TH CIR. R. 47.5.4).