Arbitration in the Fifth – July 2026

By Odean L. Volker | August 17, 2026

RELATED PRACTICES International Arbitration, Litigation

In July 2026, multiple cases addressed the relevance of signing an agreement. In *Lenoir v. CLC of West Point, LLC*, the Northern District of Mississippi found that the lack of signature doomed a motion to compel. In *Heard v. Andrews Behavioral Health*, the Eastern District of Texas compelled arbitration despite the lack of a signature and in *Zhao v. United States Fencing Association*, the Northern District of Texas held that parents could bind children to arbitration agreements by statutory authority and direct benefits estoppel.

Opinions of United States District Courts

Motions to Compel Arbitration

Aleman v. USAA Gen. Indemnity Co., No. CV 26-263, 2026 WL 2164330 (E.D. La. July 28, 2026) (construction). Motion to compel denied. Plaintiff's "core dispute" was with her insurer. She also asserted claims against a contractor retained by her insurer. The contractor sought to compel arbitration pursuant to an electronically signed agreement. The agreement contained an electronic signature identifying the plaintiff's husband who had died before the house was damaged. Since plaintiff's challenge went to the "very existence of a contract," the matter was for the court to resolve. Under Louisiana law, the agreement was analyzed as an act under private signature. Estoppel did not support compelling arbitration.

Lenoir v. CLC of West Point, LLC, No. 1:25-CV-38-SA-DAS, 2026 WL 2167844 (N.D. Miss. July 28, 2026) (Americans with Disabilities Act). Motion to compel denied. Plaintiff was a resident of a nursing home. Her representative did not sign the Admission Agreement that contained the arbitration agreement. Absent "her signature on the Admission Agreement, [defendant] fails to show that she assented to the arbitration provision located just one page before the signature block." Defendant did "not argue that [the representative] otherwise assented to the arbitration provision."

Heard v. Andrews Behavioral Health, No. 6:26-CV-00266-JCB, 2026 WL 2125342 (E.D. Tex. July 23, 2026) (employment). Motion to compel granted. Under Texas law, "a party's failure to sign an agreement will render it unenforceable when the terms of the contract make it clear that the party's signature is required to make it binding." In this case, no provision of the parties' agreement required a signature, and it was electronically accepted. Further, continued employment supported acceptance of the contract.

Fortune v. Hasa, Inc., No. 4:25-CV-01119-ALM-BD, 2026 WL 2138582 (E.D. Tex. July 17, 2026) (Ray, Mag. J.), report and recommendation adopted, 2026 WL 2300513 (Aug. 10, 2026) (employment). Motion to compel granted. Plaintiff denied that he "saw, read, or was provided a copy" of the arbitration agreement. Plaintiff's employer sent it to him by email. "When the sender of an email message produces a sworn statement that the message was sent to the correct address, the "mailbox rule" applies to create a presumption of receipt."

Lovell v. Brookdale Senior Living Communities, Inc., No. CV 26-685, 2026 WL 2167807 (E.D. La. July 28, 2026) (personal injury). Motion to compel granted. Louisiana law recognizes "two types of estoppel through which a party may be bound to arbitrate under an agreement he did not sign: equitable estoppel and direct benefits estoppel." Plaintiff was subject to direct benefits estoppel as he had asserted claims that depended "entirely on the existence of the contract."

Zhao v. United States Fencing Ass'n, No. 4:25-CV-00931-O, 2026 WL 2124374, at *3 (N.D. Tex. July 23, 2026) (amateur athletic competition). Motion to compel granted. When a "party agrees to arbitrate in a particular state, via explicit or implicit consent, the district courts of the agreed-upon state may exercise personal jurisdiction over the parties for the limited purpose of compelling arbitration." The effective vindication doctrine is an exception to the general policy in favor of arbitration. "The doctrine requires the Court to invalidate an arbitration agreement if it operates 'as a prospective waiver of a party's right to pursue statutory remedies.'" Adhesion contracts are not automatically unconscionable under Texas law. "[U]nequal bargaining power does not establish grounds for defeating an agreement to arbitrate absent a well-supported claim that the clause resulted from the sort of fraud or overwhelming economic power that would provide grounds for revocation of any contract." Based on their statutory authority under the Texas Family Code, parents may sign arbitration agreements on behalf of their children and "may equitably bind their children to an arbitration agreement through direct-benefits estoppel by suing based on the contract on their child's behalf."

Lopez v. Bed, Bath & Beyond, Inc., No. 5:25-CV-00069, 2026 WL 2150110 (S.D. Tex. July 24, 2026) (Quiroga, Mag. J.) (debt collection). Motion to compel granted. The "existence, formation, scope and enforceability of the arbitration agreement are not issues of fact but questions of law." Under Texas law, "if one party signs a contract, the other may accept by her acts, conduct, or acquiescence to the terms of the contract, making it a binding agreement on both parties." Reliance on fine print and lack of conspicuous notice did not establish procedural unconscionability.

Albert v. Sys. Intelligence, LLC, No. 1:26-CV-86-RP, 2026 WL 2211527 (W.D. Tex. July 28, 2026) (employment). The party challenging the enforcement of an arbitration award has the burden of proof. Any doubts or uncertainties must be resolved in favor of upholding such an award. A party's purported "inability to remember signing [a contract] is not sufficient to raise a material issue as to the validity of the agreements."

Motion to Confirm or Vacate Awards

Trimac Transp., Inc. v. Freedomtrucks of Am., LLC, No. 2:26-CV-2234-JDC-TPL, 2026 WL 2211524 (W.D. La. July 31, 2026). Motion to confirm granted. The party challenging the enforcement of an arbitration award has the burden of proof. Any doubts or uncertainties must be resolved in favor of upholding such an award.

G Six Consulting, LLC v. Dickey's Barbecue Restaurants, Inc., No. 3:25-CV-2785-B, 2026 WL 2058943 (N.D. Tex. July 16, 2026). Motion to confirm granted and motion to vacate denied. Parties that are disappointed with their arbitration awards carry a "heavy burden" in attempting to set aside the awards under § 10(a)(4). It is not enough to show that the arbitrator committed even a serious error. "[A]n arbitral decision even arguably construing or applying the contract must stand, regardless of a court's view of its (de)merits." In this case, the parties agreed to conduct the arbitration pursuant to the American Arbitration Association (AAA) rules. "When an arbitration agreement 'explicitly refers to the AAA rules, those rules become 'incorporated' into the agreement between the parties.'" The arbitrator determined that he had authority to issue an order for a deposition and "at least 'arguably' interpreted the arbitration agreement," specifically relying on certain AAA rules. The arbitrator's discovery sanction order did not deprive defendant of a fair hearing. “If § 10(a)(3) was available any time an arbitrator used his sanction power, vacatur of an arbitration award would no longer be an ‘unusual circumstance.’”

Biering v. J.P. Morgan Sec., LLC, No. 4:26-CV-00381-O-BP, 2026 WL 2221916 (N.D. Tex. July 14, 2026) (Ray, Mag. J.), report and recommendation adopted, 2026 WL 2218162 (July 31, 2026). Motion to confirm granted. Where “claims are properly before an arbitral forum pursuant to an arbitration agreement, then the Seventh Amendment right to a jury trial vanishes.” A court lacks inherent authority to sanction for conduct that occurred during arbitration.

LPL Financial LLC v. Cure, No. CV H-26-2120, 2026 WL 2200429 (S.D. Tex. July 29, 2026). Motion to confirm granted. A court “must sustain a fee award if the result is ‘rationally inferable from the contract,’ such as when the parties' contract authorizes arbitrators to award reasonable attorneys' fees to the prevailing party. A “mis-citation” to a procedural rule was “an immaterial typographical error that, under the benefit of the “doubt” that courts must give arbitrators, does not justify vacatur.”

Other Arbitration-Related Opinions

Ryan v. PayPal, Inc., No. 3:25-CV-01223-E-BT, 2026 WL 1960918 (N.D. Tex. July 6, 2026). Motion to lift stay denied. Plaintiff argued that arbitration had “been had.” Pursuant to the parties’ agreement, plaintiff was required to pay the arbitration fling fee for claims in excess of $10,000 “unless the arbitrator determines that payment of the fee would make arbitration prohibitively expensive.” The American Arbitration Association denied plaintiff’s hardship request. Under the AAA Rule 4(a), a matter is not considered properly filed until the filing fee is paid. Because Plaintiff did not satisfy the contractual prerequisites necessary to proceed beyond the administrative filing stage, arbitration has not “been had.” Further, defendant was not shown to be in default in proceeding with the arbitration. A party cannot avoid the consequences of an arbitration order by refusing to pay the filing fees required to initiate arbitration.

Pasulo v. Wells Fargo Bank, N.A., No. CV 1:26MC163-HSO-BWR, 2026 WL 1998869 (S.D. Miss. July 10, 2026). Motion to vacate award dismissed for lack of subject matter jurisdiction. The “look-through” approach to assessing jurisdiction does not apply to requests to confirm or vacate arbitral awards under Federal Arbitration Act Sections 9 and 10, because the language in Section 4 directing the “look-through” approach is absent from those sections.