

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF HAWAII

Skaaning v. Sorensen

679 F. Supp. 2d 1220 (D. Haw. 2010) · No. CV. No. 09-00364 DAE-KSC · Decided January 19, 2010

SUMMARY

The United States District Court for the District of Hawai'i addresses whether it had jurisdiction to decide defendants' motions for attorneys' fees after dismissing the underlying action for lack of subject matter jurisdiction. The court concludes that it lacked jurisdiction to award or evaluate attorneys' fees, modifies the Special Master's recommendation accordingly, and dismisses the fee motions, objections, and motion to adopt for lack of jurisdiction.

CASE DETAILS

COURT	United States District Court for the District of Hawai'i
WRITING FOR THE COURT	David Alan Ezra
JURISDICTION	Hawaii
DECIDED	January 19, 2010
DOCKET	CV. No. 09-00364 DAE-KSC
DISPOSITION	dismissed
PROCEDURAL POSTURE	After dismissing the underlying action for lack of subject matter jurisdiction, the court considered defendants' motions for attorneys' fees, defendants' objections to a Special Master's report recommending denial of fees, and plaintiff's motion to adopt that report.
STANDARD OF REVIEW	Objections to a Special Master's report, including objections to findings of fact and conclusions of law, are reviewed de novo under Federal Rule of Civil Procedure 53(f), unless the parties stipulate otherwise.
PRECEDENTIAL VALUE	published district court opinion

TOPICS

[subject matter jurisdiction](#) [attorney fees](#) [civil procedure](#) [limited liability companies](#) [commercial litigation](#)

PRACTICE AREAS

[civil procedure](#) [remedies](#) [attorney fees](#) [corporate law](#) [commercial litigation](#)

QUESTIONS PRESENTED

1. Whether a federal district court that lacked subject matter jurisdiction over the underlying action from the outset may exercise jurisdiction over defendants' motions for attorneys' fees.
2. Whether the Special Master's report should be modified so that defendants' fee motions are dismissed for lack of jurisdiction rather than denied on the merits.
3. Whether the parties' objections to and motion to adopt the Special Master's report may be considered when the court lacks jurisdiction over the fee motions.

HOLDINGS

1. A district court that lacked subject matter jurisdiction over the underlying action from the outset lacks jurisdiction and authority to consider or award attorneys' fees, absent an applicable fee statute that independently confers jurisdiction.
2. When the court lacked jurisdiction from the outset, the appropriate disposition of attorneys' fee motions is dismissal for lack of jurisdiction rather than denial on the merits.
3. The court could not reach whether defendants were prevailing parties under Hawaii Revised Statutes § 607-14 because it lacked jurisdiction to evaluate the fee requests.

KEY QUOTATIONS

“a “court that lacks jurisdiction at the outset of a case lacks the authority to award attorneys' fees.”” (1224)

““Ordinarily, the appropriate disposition of a motion for attorneys' fees when the court lacked jurisdiction from the outset of an action is not denial of the motion. . . but dismissal of the motion for lack of jurisdiction.”” (1226)

FACTUAL BACKGROUND

Plaintiff brought claims seeking dissolution of several companies, appointment of a receiver, declaratory and injunctive relief, damages-related relief, and claims including breach of fiduciary duty, negligence, misrepresentation, unfair and deceptive trade practices, and accounting. The court dismissed the underlying action for lack of diversity jurisdiction because plaintiff was a member of two defendant limited liability companies that were not nominal parties. Defendants then sought attorneys' fees, while plaintiff moved to adopt the Special Master's recommendation that the fee motions be denied.

PROCEDURAL HISTORY

The court previously dismissed plaintiff's amended complaint for lack of diversity jurisdiction because plaintiff was a member of two named defendant limited liability companies that were not nominal defendants. A Special Master recommended denying defendants' attorneys' fee motions on the merits under Hawaii Revised Statutes § 607-14. The parties filed objections and a motion to adopt the report. The district court held that it lacked jurisdiction to consider the fee motions or related filings and modified the report to require dismissal for lack of jurisdiction rather than denial on the merits.

DISPOSITION

dismissed

CASES CITED

- Kona Enterprises, Inc. v. Estate of Bishop, 229 F.3d 877, 880, 882, 887 (9th Cir. 2000)
- Skaff v. Meridien N. Am. Beverly Hills, LLC, 506 F.3d 832, 836-37 & n.2 (9th Cir. 2007)
- Branson v. Nott, 62 F.3d 287, 292-93 & n.10 (9th Cir. 1995)
- Smith v. Brady, 972 F.2d 1095, 1097 (9th Cir. 1992)
- Latch v. United States, 842 F.2d 1031, 1033-34 (9th Cir. 1988)
- In re Knight, 207 F.3d 1115, 1117-18 & n.2 (9th Cir. 2000)
- Carter v. Health Net of Cal., Inc., 374 F.3d 830, 834 (9th Cir. 2004)
- Zambrano v. INS, 282 F.3d 1145, 1149-50 (9th Cir. 2002)
- Archer v. Silver State Helicopters, LLC, 2007 WL 4258237, at *2 (S.D. Cal. Dec. 3, 2007)
- In re Osborne, 76 F.3d 306, 309 (9th Cir. 1996)
- Miller v. Gammie, 335 F.3d 889, 892-93 (9th Cir. 2003)
- In re Watts, 298 F.3d 1077, 1084 (9th Cir. 2002)
- Kalai v. Hawai'i Department of Human Services, 2009 WL 2224428, at *4 n.4 (D. Haw. July 23, 2009)
- First & Beck v. Bank of Southwest, 267 Fed. Appx. 499, 502 (9th Cir. 2007)
- Ranger Insurance Co. v. Hinshaw, 103 Hawai'i 26, 31, 79 P.3d 119 (2003)
- Wong v. Takeuchi, 88 Hawai'i 46, 49, 961 P.2d 611 (1998)
- MFD Partners v. Murphy, 9 Haw. App. 509, 514, 850 P.2d 713 (1992)