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Second Circuit: “No Appeal” Means What, Exactly? Ambiguous Arbitration Waiver Fails to Block Appellate Review

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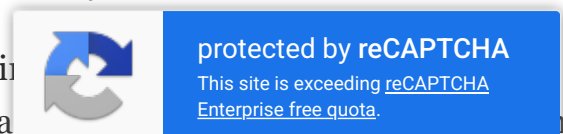


Arbitration clauses sometimes state that the parties waive their right to appeal. But a recent decision from the United States Court of Appeals for the Second Circuit underscores the importance of specifying exactly which appeal rights are waived. In *Lanesborough 2000, LLC v. Nextres, LLC*, — F.4th —, 2026 WL 318235 (2d Cir. Feb. 6, 2026), the court held that a generic waiver of the “right to appeal” in an arbitration agreement does not foreclose appeal of a federal district court judgment confirming an arbitral award. Unless the contract unmistakably identifies the category of appeals being waived, statutory appellate jurisdiction remains intact.

Background

The dispute stemmed from a financing arrangement for the development of a self-storage facility in New York. The parties’ loan documents required binding arbitration and included a broad waiver of the “right to appeal,” along with waivers of other procedural rights such as jury trial and discovery.

After the lender allegedly failed to advance required arbitration and obtained an award for damages a
sought confirmation of the award in federal court under the Federal Arbitration Act



(FAA). The district court largely confirmed the award and entered a judgment. The lender appealed.

The Second Circuit's Holding

The borrower argued that the appeal should be dismissed outright based on the contractual waiver. The court rejected that argument and allowed the appeal to proceed.

While acknowledging that parties have wide latitude to structure arbitration procedures, the court stressed that federal appellate jurisdiction cannot be waived by implication. The clause at issue did not specify:

- whether it targeted judicial review of an arbitral award,
- whether it reached appeals from a district court's order confirming or vacating an award, or
- whether it referred only to internal arbitral review mechanisms.

Because the waiver failed to identify the type of appeal being relinquished, it lacked the clarity required to divest the court of appellate jurisdiction.

Note that the panel did not decide whether a precisely drafted waiver of appellate review of a confirmation judgment would be enforceable. Its holding was narrower: this particular clause was too vague to have that effect.

Practical Impact

The decision is a caution to drafters. Boilerplate “no appeal” language—especially when embedded among unrelated procedural waivers—will not eliminate the right to seek appellate review of a federal court judgment under the FAA. Courts will require specificity before concluding that parties intended to surrender their statutory appellate rights.

For transactional lawyers, the message is simple: if finality without appellate review is

the goal, the contract must say so with precision. For litigators, the case confirms that appellate courts will scrutinize such waivers closely and will not infer a jurisdictional bar from broad or ambiguous phrasing.

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