

NOT FOR PUBLICATION

In the
United States Court of Appeals
For the Eleventh Circuit

No. 24-12102
Non-Argument Calendar

DAVID MICHAEL SNYDER,

Plaintiff-Appellant,

versus

FORMERLY B 3 GROUP, INC.,

a Virginia Corporation,

PHILIP D. HUNT,

an individual,

BRAD B. PALMER,

an individual,

OCTO CONSULTING GROUP, LLC,

MEHUL SANGHAN,

an individual, et al.,

Defendants-Appellees,

LONGVIEW INTERNATIONAL TECHNICAL
SOLUTIONS, INC.,

a Virginia Corporation,

2

Opinion of the Court

24-12102

Defendant.

Appeal from the United States District Court
for the Middle District of Florida
D.C. Docket No. 8:21-cv-02150-VMC-AEP

Before WILLIAM PRYOR, Chief Judge, and ABUDU and ANDERSON,
Circuit Judges.

PER CURIAM:

David Snyder appeals *pro se* the dismissal of his second amended complaint for lack of standing. The complaint alleged a claim of retaliation under the False Claims Act, 31 U.S.C. § 3730(h). Because Snyder’s alleged injuries are derivative, we affirm.

I. BACKGROUND

Snyder, a United States Air Force veteran, is the sole member of AeroSage LLC, a Service-Disabled Veteran Owned Small Business. AeroSage entered into a subcontracting agreement with B3 Group, Inc., another Service-Disabled Veteran Owned Small Business, to perform work on contracts for the Department of Veterans Affairs. B3 Group was owned by Philip Hunt, a veteran of the United States Army.

During AeroSage’s business relationship with B3 Group, Snyder allegedly discovered that it was engaged in a “pass-through” scheme that violated the False Claims Act and Veterans Administration limits on subcontracting. After Snyder allegedly made protected disclosures of those violations and attempted to replace a

24-12102

Opinion of the Court

3

non-compliant subcontractor, the AeroSage subcontract was terminated. AeroSage eventually filed for bankruptcy.

Snyder filed a *qui tam* action against B3 Group, its successor, and several officers. After the United States declined to intervene, the district court dismissed the claims brought on behalf of the government but permitted Snyder to proceed with an amended complaint for retaliation under the False Claims Act. 31 U.S.C. § 3730(h). In his *pro se* second amended complaint, Snyder alleged that he suffered personal injuries—including the loss of future contracts, damage to his professional reputation, and personal financial ruin—caused by the termination of the AeroSage agreement. He alleged that his veteran status provided the basis for AeroSage qualifying as a Service-Disabled Veteran Owned Small Business. But Snyder’s second amended complaint acknowledged that his harms “flow[ed] from any harm to [AeroSage].”

The defendants moved to dismiss the complaint for lack of standing because AeroSage, not Snyder, suffered the alleged injuries. The district court granted the motion. It also denied leave to amend as futile. The district court informed Snyder that, as a *pro se* litigant, he could not represent AeroSage, a separate legal entity.

II. STANDARD OF REVIEW

We review *de novo* a dismissal for lack of standing. *Banks v. Sec’y, Dep’t of Health & Hum. Servs.*, 38 F.4th 86, 92 n.2 (11th Cir. 2022). We also review a denial of leave to amend *de novo* if it is “based on a legal determination that amendment would be futile.”

Huggins v. Sch. Dist. of Manatee Cnty., 151 F.4th 1268, 1277 (11th Cir. 2025).

III. DISCUSSION

To establish standing to sue, a plaintiff “generally must assert his own legal rights and interests, and cannot rest his claim to relief on the legal rights or interests of third parties.” *Warth v. Seldin*, 422 U.S. 490, 499 (1975). For that reason, shareholders cannot sue individually for injuries suffered by their corporation. See *KMS Rest. Corp. v. Wendy’s Int’l, Inc.*, 361 F.3d 1321, 1324-25 (11th Cir. 2004). A shareholder’s rights are “merely derivative,” and any action “must be brought in the name of the corporation.” *Stevens v. Lowder*, 643 F.2d 1078, 1080 (5th Cir. 1981).

Under a narrow exception, a shareholder with a “direct, personal interest” may sue “even if the corporation’s rights are also implicated.” *Franchise Tax Bd. of California v. Alcan Aluminium Ltd.*, 493 U.S. 331, 336 (1990). To invoke this exception, the shareholder must establish a “violation of duty owed directly to him.” *Lowder*, 643 F.2d at 1080. A “diminution in value of the corporate assets is insufficient direct harm to give the shareholder standing to sue in his own right.” *Id.*

Snyder lacks standing because the injuries alleged in his complaint are derivative of the harms suffered by his corporation. Although Snyder argues that his role as the sole member of and only individual qualified to confer Service-Disabled Veteran Owned Small Business status on AeroSage makes its harm indistin-

24-12102

Opinion of the Court

5

guishable from his own, his second amended complaint acknowledges that his harm “flow[ed] from any harm to [AeroSage].” A plaintiff “generally must assert his own legal rights and interests, and cannot rest his claim to relief on the legal rights or interests of third parties.” *Warth*, 422 U.S. at 499. Any retaliation leading to the loss of the alleged contract between AeroSage and B3 Group was an injury to AeroSage, not Snyder. That Snyder is the sole owner of AeroSage does not merge his legal identity with it. The action must instead “be brought in the name of the corporation” because Snyder’s rights are “merely derivative and can be asserted only through the corporation.” *Stevens*, 643 F.2d at 1080; *see also KMS Rest. Corp.*, 361 F.3d at 1324-25.

Snyder does not qualify for the narrow exception for suits by shareholders who suffer direct, personal harm. *See Franchise Tax Bd. of California*, 493 U.S. at 336; *Lowder*, 643 F.2d at 1080. Because any contractual duty was owed to AeroSage, Snyder’s derivative financial loss is a “diminution in value of the corporate assets,” which is “insufficient direct harm to give the shareholder standing to sue in his own right.” *Lowder*, 643 F.2d at 1080. Because Snyder lacks standing, we do not reach the merits of his complaint of retaliation.

Snyder had three opportunities to allege facts that would establish his standing, yet he failed to do so. The district court was not required to give him additional chances to amend his complaint. *See Hall v. Merola*, 67 F.4th 1282, 1295 (11th Cir. 2023) (“[B]efore dismissing a complaint, a district court must give a pro

se party at least one chance to amend the complaint if a more carefully drafted complaint might state a claim.” (internal quotation marks omitted)). Nor was it required to sift through a morass of allegations in his earlier complaints after Snyder’s second amended complaint admitted that his harm “flow[ed] from any harm to [AeroSage].” Based on its “inherent authority” to manage its docket for the “orderly and expeditious disposition of cases,” *McNair v. Johnson*, 143 F.4th 1301, 1306 (11th Cir. 2025), the district court did not err when it denied Snyder leave to amend.

IV. CONCLUSION

We **AFFIRM** the order dismissing Snyder’s second amended complaint without prejudice.