NEWS RELEASES

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Husch Blackwell Secures Appellate Court Victory for ConAgra in FLSA Dispute

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Husch Blackwell prevailed in the U.S. Court of Appeals for the Eighth Circuit on behalf of client ConAgra Foods, Inc. in connection with a class action lawsuit brought under the Arkansas Minimum Wage Act and the Fair Labor Standards Act (FLSA). The plaintiffs were former front-line supervisors who alleged that they were misclassified as exempt employees and were thus entitled to overtime pay.

Husch Blackwell had earlier secured a summary judgment victory before the U.S. District Court for the Eastern District of Arkansas, where the plaintiff class had disputed their classification as "executive" employees. The District Court had ruled that the plaintiffs, despite lacking the ultimate authority to hire and fire, made "suggestions and recommendations" regarding personnel decisions that were given "particular weight" by upper management, which was sufficient to satisfy the exemption. The District Court specifically noted that the plaintiffs made recommendations about whether to retain probationary employees, discharge employees, maintain recently-promoted employees in their new positions, fill staffing vacancies, and discipline employees.

On appeal the plaintiffs argued that a jury must decide whether the plaintiffs' duties met the Department of Labor's rules that define the distinction between exempt and non-exempt classifications; however, the Eighth Circuit agreed with the lower court's decision, ruling the plaintiffs "were working in an executive capacity and are exempt from the FLSA overtime pay requirements" and noting that "[p]laintiffs failed to satisfy their obligation to create a genuine issue of material fact for a jury."

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The case also involved another significant issue for employers defending FLSA claims. In the earlier district court proceeding ConAgra's motion for costs was denied, with the court citing "uncertainty within the federal district courts in Arkansas as to awards of costs to prevailing FLSA defendants." This ruling became the subject of a cross-appeal by the Husch Blackwell team on ConAgra's behalf. In a ruling of first impression in the Eighth Circuit, the court recognized that a "prevailing FLSA defendant is not precluded from recovering costs" and remanded the motion for costs to the district court "for consideration of whether costs should be awarded under Rule 54(d)(1)," thus providing ConAgra with a full victory at the appeals court.

The Husch Blackwell team included Josef S. Glynias, Andrew J. Weissler, Brittany M. Falkowski, and Mark G. Arnold.

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