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The Supreme Court - February 26, 2020

Today, the Supreme Court of the United States issued the following three opinions:

Intel Corp. Investment Policy Comm. v. Sulyma, No. 18-1116: The Employee Retirement Income Security Act of 1974 (“ERISA”) demands that plaintiffs with “actual knowledge” of an alleged fiduciary breach file suit within three years of gaining that knowledge, instead of within the six-year window of time that otherwise applies. 29 U.S.C. §1113. In this case, respondent Christopher Sulyma worked at Intel Corporation from 2010 to 2012 and participated in two Intel retirement plans. He filed a putative class action in October 2015 alleging that the petitioner Intel Investment Policy Committee had breached their fiduciary duties by overinvesting in alternative assets that caused his funds to lag behind others as the stock market rebounded. The petitioners moved to dismiss, claiming that Sulyma’s suit was filed more than three years after petitioners had disclosed their investment decisions to him. Sulyma, however, testified that he did not remember viewing the disclosures, and only recalled reviewing account statements sent by mail, which did not specify which assets his plans were invested in. The District Court granted summary judgment on the basis that “[i]t would be improper to allow Sulyma’s claims to survive merely because he did not look further into the disclosures made to him.” The Ninth Circuit reversed, holding that “actual knowledge” means “what it says.” Today, the Court unanimously affirmed in an opinion by Justice Alito, holding that a plaintiff, for purposes of §1113, does not necessarily have “actual knowledge” of the information contained in disclosures that he receives but does not read or cannot recall reading.

The Court's decision is available here.

Holguin-Hernandez v. United States, No. 18-7739: Petitioner Gonzalo Holguin-Hernandez was convicted of drug trafficking and sentenced to 60 months imprisonment and five years of supervised release. Because at the time of his conviction he was also serving a term of supervised release, the Government asked the court to find that

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Holguin-Hernandez had violated the conditions of that earlier term, to revoke it, and impose an additional consecutive prison term of 12 to 18 months imprisonment, which was consistent with the Sentencing Guidelines. Holguin-Hernandez's counsel objected, claiming there was no reason under 18 U.S.C. §3553 that an additional consecutive sentence would do any more to get Holguin-Hernandez's attention than the five year sentence already imposed, and urged the court to impose either no additional time or at least depart and impose less time than the Guidelines. The District Court imposed a consecutive term of 12 months. Holguin-Hernandez appealed, contending the 12-month sentence was unreasonably long. The Fifth Circuit found that Holguin-Hernandez had forfeited this argument by failing to specifically refer to the "reasonableness" of the sentence. The Court today, in an opinion by Justice Breyer, unanimously vacated and remanded, holding that the defendant here properly preserved the claim that his 12-month sentence was unreasonably long by advocating for a shorter sentence and thereby arguing, in effect, that this shorter sentence would have proved "sufficient," while a sentence of 12 months or longer would be "greater than necessary" to "comply with the statutory purposes of punishment," under §3553(a).

The Court's decision is available here.

Shular v. United States, No. 18-6662: The Armed Career Criminal Act ("ACCA") imposes a mandatory 15-year minimum sentence of imprisonment for certain defendants with prior convictions for a "serious drug offense." Under the ACCA, a state offense constitutes a "serious drug offense" if it "involv[es] manufacturing, distributing, or possessing with intent to manufacture or distribute, a controlled substance." 18 U.S.C. §924(e)(2)(A)(ii). The Court has previously held that a "categorical approach" is used to determine whether an offender's prior convictions qualify for an ACCA enhancement, which looks to the statutory definitions of the prior offenses, rather than the particular facts applicable to the prior conviction. The Court, however, has applied different forms of the "categorical approach" to different statutes, and here, the parties disputed which form of the "categorical approach" was appropriate. The Government, for its part, contended that the court only needed to consider whether the state offense's elements involve the conduct identified in §924(e)(2)(A)(ii), *i.e.*, "manufacturing, distributing, or possessing with intent to manufacture or distribute, a controlled substance." Shular, in contrast, viewed the ACCA's listing of "manufacturing, distributing, or possessing with intent to manufacture or distribute, a controlled substance" as separate offenses, for which the court must first expound upon the elements of the "generic" offenses identified. The Eleventh Circuit affirmed Shular's ACCA enhancement, holding that it was unnecessary to identify the elements of generic offenses in this instance. Today, the Court unanimously affirmed in an opinion by Justice Ginsburg, holding that the "serious drug offense" definition requires only that the state offense involve the conduct specified in the federal statute; it does not require that the state offense match certain generic offenses.

The Court's decision is available here.