

The Supreme Court Update - April 17, 2025

by Ian Blodger, Jessica M. Leano, and Brock Huebner

The Supreme Court of the United States issued one decision today:

Cunningham v. Cornell University, No. 23-1007: This case addresses the pleading standard to assert a claim under a provision of the Employee Retirement Income Security Act of 1974 (“ERISA”) that prohibits ERISA plan fiduciaries from engaging in transactions with a “party in interest.” 29 U.S.C. § 1106(a)(1)(C). A separate section of ERISA contains certain exemptions from the party-in-interest prohibition, allowing such transactions if they are generally reasonable and necessary for the establishment or operation of the ERISA plan. 29 U.S.C. § 1108(b)(2)(A). A putative class action lawsuit filed by participants in Cornell University’s retirement plan was dismissed because the plaintiffs failed to specifically plead that the § 1108 exemptions did not apply to their claims. In a unanimous decision authored by Justice Sotomayor, the Court reversed the dismissal and held that plaintiffs are only required to plausibly allege the three elements of a party-in-interest transaction defined in § 1106(a)(1)(C)—they need not separately address § 1108 exemptions in their pleadings. Justice Alito (joined by Justices Thomas and Kavanaugh) filed a concurrence addressing some practical concerns resulting from the Court’s holding.

View the Court's [decision](#).

Related People

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