

The Supreme Court Update - January 15, 2025

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

The Supreme Court of the United States issued two decisions today:

E.M.D. Sales, Inc. v. Carrera, No. 23-217: This case concerns the standard of proof that an employer must meet to show an exemption applies to the Fair Labor Standards Act's ("FLSA") general requirement to pay overtime to employees working more than 40 hours per week. 29 U.S.C. § 207(a)(1). E.M.D. Sales ("E.M.D."), a food distributor, claimed several sales representatives were exempt from overtime pay because they were "outside salesmen." § 213(a)(1). The Fourth Circuit affirmed a district court judgment against E.M.D. based on the court's finding that E.M.D. failed to prove by clear and convincing evidence that the outside salesmen exemption applied. In a unanimous decision authored by Justice Kavanaugh, the Supreme Court reversed and held that employers are only required to meet a preponderance-of-the-evidence standard to assert an FLSA overtime or minimum wage exemption. The case was remanded for the lower court to decide if E.M.D. met the lesser, preponderance-of-the-evidence standard. Justice Gorsuch (joined by Justice Thomas) filed a brief concurring opinion.

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

Royal Canin U.S.A., Inc. v. Wulschleger, No. 23-677: This case addresses the limits of federal courts' subject matter jurisdiction over claims removed from state court. Here, Anastasia Wulschleger sued petitioner Royal Canin U.S.A., Inc. ("Royal Canin") in state court asserting both state and federal law claims. Royal Canin removed the case to federal court under 28 U.S.C. § 1441(a), based on the presence of Wulschleger's federal claim, which gave rise to federal question jurisdiction. Wulschleger, not wanting to litigate in federal court, amended her complaint by deleting every mention of federal law and sought remand to state court. The district court denied her request, but the Eighth Circuit reversed, holding that Wulschleger's amendment eliminated any basis for

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federal question jurisdiction. In a unanimous decision delivered by Justice Kagan, the Supreme Court affirmed, holding that when a plaintiff amends her complaint to delete the federal-law claims that enabled removal to federal court, leaving only state-law claims behind, the federal court loses supplemental jurisdiction over the state claims, and the case must be remanded to state court.

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